

**Century Plyboards (India) Limited**

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Cin No : L20101WB1982PLC034435



**September 01, 2017**

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001 <b>Scrip Code: 532548</b>	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051 <b>Scrip Name- Centuryply</b>
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**Dear Sirs**

**Sub: Submission of Annual Report**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith Annual Report of the Company for the financial year ended 31st March, 2017 containing Audited Financial Statements (Stand-alone as well as Consolidated), Directors' Report and Auditors' Report duly approved and adopted by the shareholders in the Annual General Meeting held today, i.e 1<sup>st</sup> September, 2017.

This is for your information and record.

Thanking you,  
Yours faithfully,

**For Century Plyboards (India) Ltd.**

**Sundeep Jhunjunwala**  
**Company Secretary**

CENTURY PLYBOARDS (INDIA) LIMITED



# CENTURYPLY

readying  
ourselves  
for a  
takeoff

A STRONG MACROECONOMIC SCENARIO HAS REVIVED SEVERAL CONSUMING SEGMENTS WHERE CENTURYPLY ENJOYS A PRESENCE. THE COMPANY'S CORPORATE STRATEGY HAS CREATED THE PERFECT RUNWAY FOR SALES TO STRENGTHEN OVER THE NEXT FEW YEARS.

ANNUAL  
REPORT  
2016-17

16

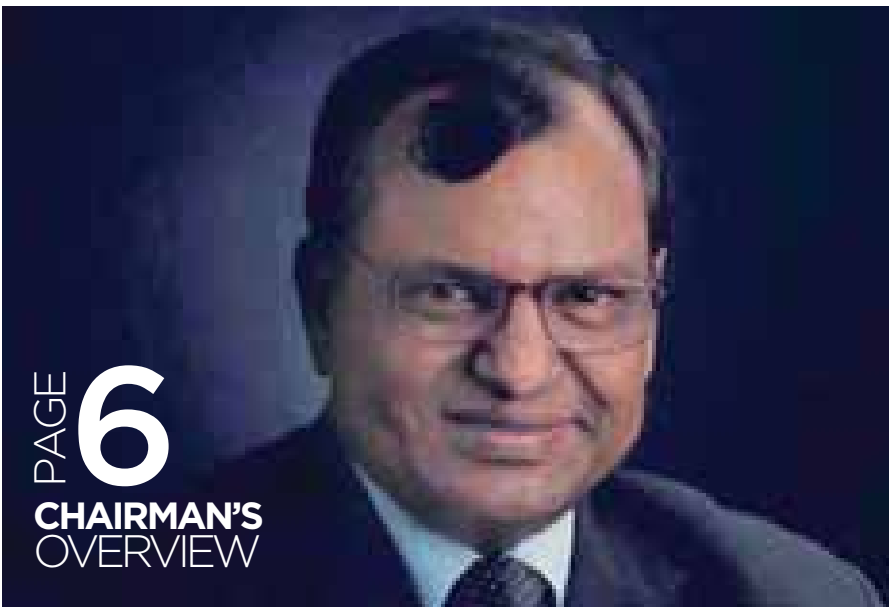
BRIGHTENING  
PROSPECTS

40

CENTURYPLY –  
A CUT ABOVE  
THE REST



# CONTENTS



PAGE **6**  
**CHAIRMAN'S  
 OVERVIEW**

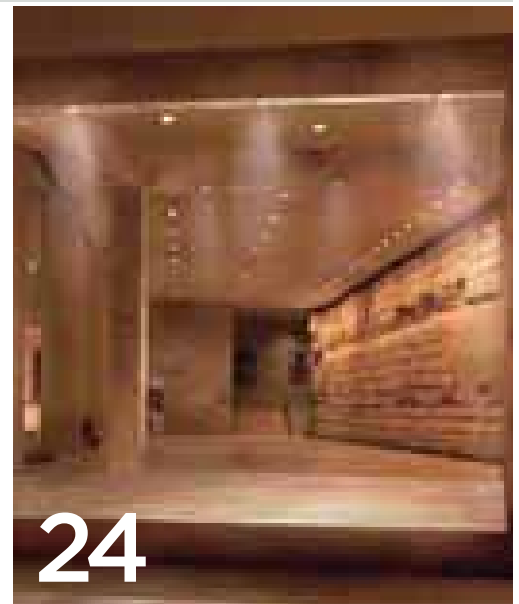
“WHAT WE ARE NOW LIKELY TO ACHIEVE IS WITH THE TAILWIND OF SYSTEMIC SUPPORT.”

Vision and Values	2
Corporate identity	4
Chairman's overview	6
Readying ourselves for a takeoff	10
Grabbing attention	12
Bucking demonetisation	14
Brightening prospects	16
Changing the game	18
Growing bigger	20
Centuryply's Logistics Business	22
Century-wala ghar	24
Robust financials	26
Enhancing value	28
A robust governance framework ensures business predictability	30
Making continuous progress by capitalising on the present	32

PAGE **22**

## CENTURYPLY'S LOGISTICS BUSINESS

The Company was first to set up state-of-the-art private container freight station to operate at the Kolkata Port. Over the years, the service has carved out a reputation for itself by following the principles of 3S: 'Service', 'Space' and 'Security'.



## CENTURY-WALA GHAR

Even as Centuryply entered the interior infrastructure business as a focused premier plywood manufacturer, the Company extended its personality towards panel products like particle boards, MDF and composite boards, among others. The result is that the Company now stands for a one-stop interior products provider



5 thought leadership ideas helping Centuryply stay ahead	34
Centuryply extending beyond boundaries	36
Adding value in the hands of every member of the stakeholder family	38
Centuryply – a cut above the rest	40
Achieving new levels of efficiency relentlessly	42
How Centuryply transformed over the years	44
Our outlook for 2017-18	46
Directors’ report	48
Management discussion and analysis	103
Report on Corporate Governance	108
Standalone financial statements	128
Consolidated financial statements	190



Centuryply.

More than one of India’s largest innovative interior infrastructure product companies; a brand respected for the unspoken assurance of product integrity.

More than a company respected for product innovation or quality; a company respected for its complete ethical commitment.

More than a company offering a wide array of product offerings; a company providing enduring products.

More than a company addressing the diverse needs of customers; a company enhancing consumer delight.



# VISION



### Customer focus

We're all eyes and ears when it comes to customer focus



### Trust

We earn trust not by making promises, but by keeping them



### Innovation

We always innovate, therefore we are



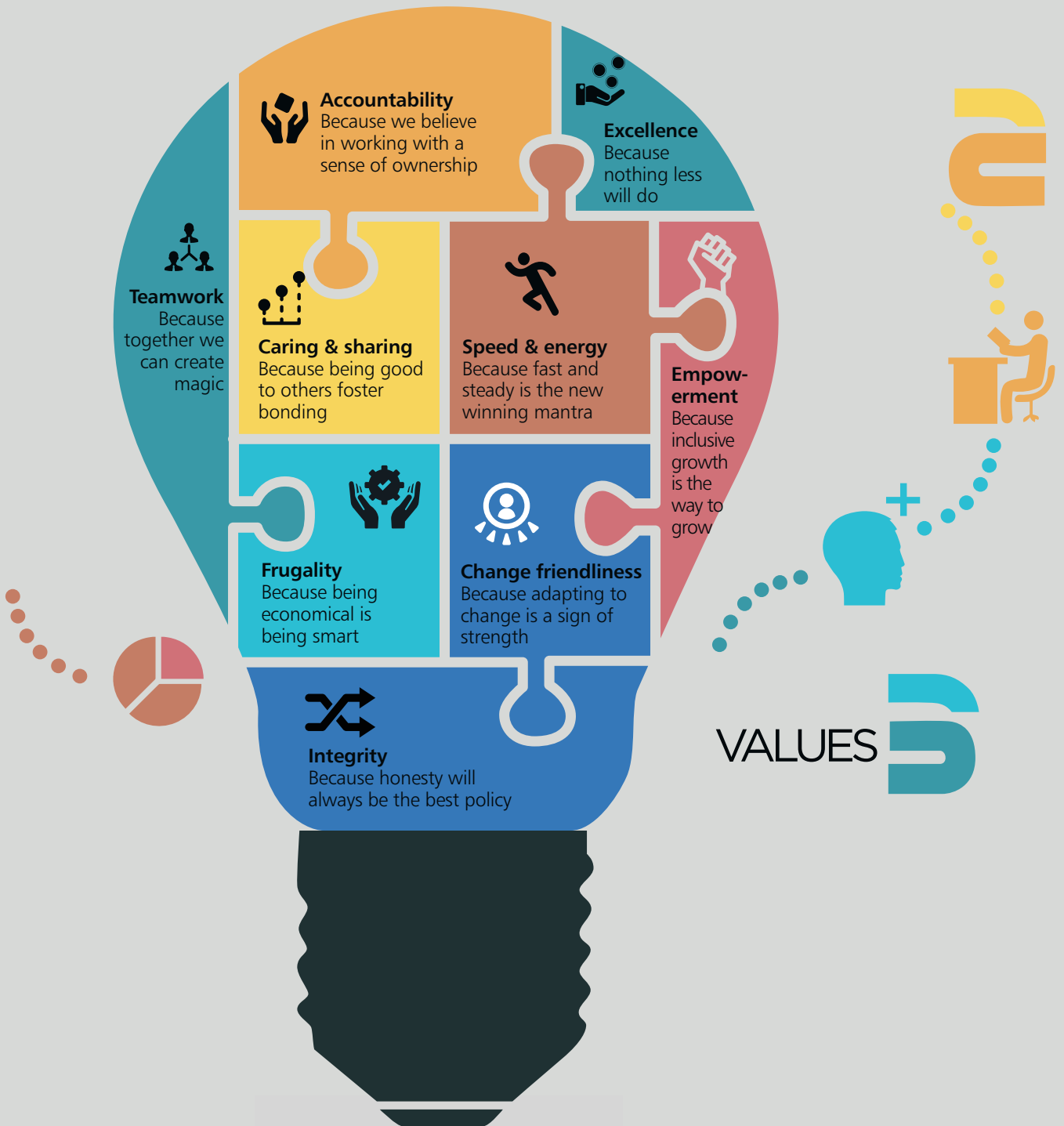
### Quality

We don't just insist on quality, we're passionate about it



### People development

People development is our way of keeping our people happy



## Growth numbers

### NET REVENUE

9.69%

5-YEAR CAGR TILL FY17

### EBITDA

19.45%

5-YEAR CAGR TILL FY17

### PAT

25.30%

5-YEAR CAGR TILL FY17

### CASH PROFIT

22.30%

5-YEAR CAGR TILL FY17

### MARKET CAPITALISATION

34.48%

5-YEAR CAGR TILL FY17

#### Brands

##### Plywood

- CenturyPly • CenturyPly Architect • CenturyPly Marine
- CenturyPly Elasto • CenturyPly 710+ BWP Marine • Sharonply
- Maxima • Century Win MR • Sainik • Technopine • Fire Safe

##### Laminates

- CenturyLaminates • Starline • Monocore • CenturyVenLam

##### Veneers

- NatzuraWoods • SenzuraStyles

##### Blockboards

- Sainik • Century Club Prime • Century 710+ • Maxima • Technopine

##### Doors

- Architect Door • Club Prime • Pro • Sainik • Hector WPC Doorframes
- Technopine

##### Prelams

- CenturyPrelams

##### FaceVeneers

- Century FaceVeneers

##### New-age products

- Starke (PVC Sheets) • Zykrone (Fibre Cement Board)



## Leadership

Centuryply is India's leading organised plywood brand with a market share of around 25% of the country's organised sector. The Company offers plywood, laminates, veneers, MDF, block boards, doors, fibre cement boards and particle boards. It is also engaged in India's fast-growing logistics business through the management of container freight stations (India's first privately-owned CFS at the Kolkata Port).

## Promoters

The Company is promoted by first-generation entrepreneurs like Sri Sajjan Bhajanka, Sri Sanjay Agarwal, Sri Hari Prasad Agarwal and supported by Sri Vishnu Khemani and Sri Prem Kumar Bhajanka.

## Units

The Company's five plywood business units are located in Joka (West Bengal), Guwahati (Assam), Kandla (Gujarat), Chennai (Tamil Nadu) and Karnal (Haryana). The Company works through three units in Roorkee (Uttarakhand), Myanmar and Laos through its subsidiary. The Company is currently implementing an MDF manufacturing facility in Punjab.

The Company's container freight stations, located close to Kolkata Port, covers 100,000 square metres with the capacity to handle 156,000 twenty-foot equivalent units (TEU) containers.

## Spread

The Company's products are available across the country through 31 marketing offices covering over 630 cities and townships addressing 1,800 dealers and nearly 16,500 retailers.

The products are available across Tier-I, Tier-II and in Tier-III locations. The dealers and retailers are serviced through 40 depots and warehouses.

## Quality

The Joka plant is an ISO 9001-certified unit – the first plywood manufacturing facility in India to be bestowed such an accreditation.

## Listing

The Company's shares are listed on the National Stock Exchange and Bombay Stock Exchange. The market capitalisation of the Company was about ₹5,758 crore with the promoter's holding of 72% as on 31st March 2017.





“WHAT WE ARE NOW  
LIKELY TO ACHIEVE IS  
WITH THE TAILWIND OF  
SYSTEMIC SUPPORT.”

 **CHAIRMAN'S OVERVIEW**

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If there is just one sentence through which I could communicate what I have in mind, it would be this: if Centuryply could have performed the way it did during one of the most challenging of years and if the Company could have grown the way it has against extensive sectoral odds in the last few years, then we have a lot to be optimistic about across the foreseeable future.

Consider the short-term and long-term realities that we encountered. During the last financial year, Centuryply encountered downstream sluggishness marked by poor offtake from the country's real estate sector; if this were not enough, the sector was affected by demonetisation that induced consumers to postpone purchases for the good part of one entire quarter.

Or consider the extensive of sectoral challenges across the last number of years: a number of unorganised manufacturers in the country priced their products approximately 40% lower than Centuryply's products by the virtue of being largely outside the tax net.

**Our performance**

Having provided this contextual landscape, permit me to present our performance: we grew our revenues 9% and profit after tax 9.3% during the last financial year; our revenues and profits grew at a CAGR of 9.69% and 25.30% respectively across

We possess one of the widest portfolios of interior infrastructure products ranging from the mid-priced to the premium across application types; we possess capacities that provide us with attractive economies of scale.

the five years ending 2016-17.

**The big question:** how did Centuryply address medium-term and short-term challenges and grow regardless?

My answer is that the greater the challenge, the stronger was our resolve.

We recognised that when the competitive environment became increasingly challenging, it would be virtually impossible to pass cost increases to customers; rather than seek price increases from the outside, Centuryply selected to seek profits from within. The company engaged in frugal engineering; it invested in process engineering

that moderated costs and enhanced per person productivity to among the highest standards within our sector; we selected to commission manufacturing facilities in tax-efficient locations; we sought to commission peeling facilities in international geographies that would make it possible to moderate costs; we launched premium products that brought cash in faster.

### **Competitive advantages**

I am pleased to report that this compulsive obsession with cost moderation has translated into competitive advantages: Centuryply's tax rate is among the lowest in India's interior

infrastructure products sector; the Company's debt cost is among the lowest; the Company's assets are well-depreciated; the Company's capacity utilisation (including some of its oldest facilities) is among the highest in the sector.

This competitiveness is evident in the numbers: our fixed assets of ₹533.63 cr as on 31st March, 2017 compared favourably with ₹708.60 cr in net worth. The ₹27 cr of land value on our books has appreciated significantly over the years. Even though we are a mature multi-decade company, we had a tangible net block of only ₹248.69 cr by the close of the last financial year. Even as we

Even as we took nearly 20 years to climb to revenues of ₹500 cr, we can potentially replicate this growth in just the next two years.



are at the lower end of the sectoral cycle, we enjoyed an interest cover in excess of 6x. Our margins and profit quantum are among the highest in India's interior infrastructure sector.

### **Dramatic moment**

What excites me is that Centuryply is at the cusp of a dramatic moment in its existence. For years (even decades), the unorganised sector carved into the market share of the organised brands; there was a time when the proportion of unorganised players moderated the share of the organised brands which was contrary to what was transpiring in the other sectors of the country; the time has

come for the imbalance to correct.

The correction is coming from two realities: the demonetisation catalysed the shift of transactions from the cash to the digital and from the weak brands to the established; the implementation of GST from July 2017 will accelerate the shift from the unorganised to organised brands.

At Centuryply, we are attractively placed to address the transition. We possess one of the widest portfolios of interior infrastructure products ranging from the mid-priced to the premium across application types; we possess capacities that provide attractive economies of

scale; we possess a pan-India manufacturing footprint that makes it possible to address every demand upturn; more than 50% of our plywood sheets can be classified as premium; we possess an aggressive product pipeline across the foreseeable future.

### **Outlook**

I believe that Centuryply stands attractively placed to capitalise on the next growth level: we expect to generate incremental revenues of ₹700 to ₹1,000 cr during the current financial year with another ₹500 cr of revenues in 2018-19. This indicates that even as we took nearly 20 years to climb to revenues of ₹500 cr, we can potentially

replicate this growth in just the next two years.

It is this optimism that I intend to extend to our stakeholders. All that we achieved in the last decade was in the face of sectoral and tax challenges; what we are now likely to achieve is with the tailwind of systemic support.

And that could make all the difference.

**Sajjan Bhajanka**  
*Chairman*

## **Paradigm shift**

INDIA'S ORGANISED PANEL PRODUCT MANUFACTURERS ARE BRACING FOR A SEMINAL MOMENT: A PARADIGM SHIFT FOLLOWING THE IMPLEMENTATION OF GST.

The broad picture is that India's interior infrastructure products industry comprises more than 3,300 plywood units, of which >2,500 are exempt from duties and more than 700 units are partially-exempt. On the other hand, products manufactured by India's organised plywood brands are subject to VAT, excise duty and CST, among others, making them costlier than the unorganised sector.

The implementation of GST is expected to create a level playing field for India's organised and tax-compliant players for the first time.

**The results:** the organised manufacturers will be able to undertake brownfield expansions more readily, offer superior products at even more affordable prices and optimise logistics costs arising out of a reshuffling of warehouses.

At Centuryply, we are responding to the emerging reality with speed. We are strengthening our trade relationships; we will commission warehousing hubs in Guwahati (to service North Eastern India),

Kolkata (to service Eastern India), Chennai (to service Southern India), Roorkee, Karnal (to service Northern India) and Nagpur (to service Western India), enhancing logistical effectiveness.

### **Government boost**

One of the most effective reforms in the country's real estate sector has been the assigning of 'infrastructure project' status to the country's affordable housing sector.

The government strengthened prospects of this segment through timely and effective policy allocation. The Union Budget 2017-18 allocated ₹23,000 crore towards the Pradhan Mantri Awas Yojana to ensure the completion of one crore housing units by 2019. Over the last couple of years, home loan costs have declined. The reduction in the base tax slab rate is expected to catalyse home purchase.

These realities are expected to sustain the growth of residential stock, which in turn is expected to drive the offtake of interior infrastructure products.

The best is round the corner and, interestingly, the country's organised sector is attractively placed to carve away the largest share of offtake.

# READYING OURSELVES FOR A TAKEOFF

A strong macroeconomic scenario has revived several consuming segments where Centuryply enjoys a presence. The Company's corporate strategy has created the perfect runway for sales to strengthen over the next few years.



### Plywood

Over the past six years, we increased our plywood capacity 42% to 2,10,000 cubic metres. Centuryply's existing capacity is ~60% higher than its nearest competitor. Centuryply's capacity utilisation was ~85% with attractive operating leverage. We are commissioning a facility in Punjab to address incipient demand.

### Laminates

Centuryply is the third-largest player in India's organised laminate segment. We doubled our laminates production capacity to 4.8 million sheets in FY 2013-14; we are scaling this by 50% by September 2017. We have 650 SKUs, adding 100-odd designs a year. In doing so, Centuryply is not only addressing the largest segment (1.0 millimetre-thickness laminates) but also value-added segments (textured and exterior laminates).

### Particle boards

Centuryply commissioned a 54,000 cubic metre particle board manufacturing facility at a capex of ₹600 million in FY17. The location was strategically chosen to be Chennai as ~50% of the raw material requirement was accessed from a captive unit in the vicinity of the plant and the rest from third-party units located in the hinterland. The plant can potentially generate ₹1 billion worth of revenues while operating at peak capacity.

### MDFs

Centuryply is in the process of commissioning India's largest MDF unit in Punjab with a 1,98,000 cubic metre capacity. The plant is expected to be up and running by H1FY18. We are planning to manufacture value-added products such as laminated MDFs, flooring and doors, among others. Consequently, we are hopeful of generating probable revenues as high as ₹1.50 billion in the first year.

### GST – a game-changer

Currently, the excise duty exemption limit for turnover is ₹15mn and a majority of unorganised players keep their turnover low to avoid paying excise duty.

Under GST, the exemption limit would fall to ₹2 mn, making it difficult for smaller unorganised players to keep their turnover below this limit, bringing virtually all into the tax net. This would mean that the price differential between organised and unorganised players should decline 10-20%, accelerating conversion from unorganised to organised players.

Low-cost plywood prices are expected to increase by 5-7%, bringing them at par with MDF prices. This should help MDF penetrate the market. All branded players, including Centuryply, are expected to benefit.



# GRABBING ATTENTION

Centuryply invested in above-the-line activities to create a distinctive brand identity. The use of conventional and emerging media to promote products has enhanced awareness. This has helped graduate purchase from being singularly dictated by 'price' to 'overall value'.


→ Centuryply has evolved the positioning of its brands in line with broad sectoral trends.

There was a time when the Company emphasised functional attributes (*'sab sahe mast rahe'*). Thereafter, the Company focused on creating an emotional connect (*'khushiyon ka rangmanch'*). Besides, the Company underlined product USP (termite and borer-proof).

The Company's *'sab sahe mast rahe'* campaign was one of the most successful to be undertaken by a plywood company. The campaign emphasised the effectiveness of products (termite and borer-proof, boiling water-proof and fire-resistant). The effectiveness was reflected in the impact: Centuryply emerged as the most trusted and largest-selling brand in India's organised sector.

→ The latest television commercial depicts the social embarrassment one faces if their furniture is termite-infested; it indicates how Centuryply provides a complete peace-of-mind. The Company commenced advertising laminate products to catalyse growth of a niche lucrative segment.

Centuryply supported these initiatives with displays across retail outlets, the critical influencer when the consumer is faced with me-too products. The Company's decision to strengthen product showcasing through in-shop and out-shop activities enhanced point-of-sale conversion. The result is that Centuryply is now the only plywood company in India to continuously invest in consistent communication across media, strengthening recall and offtake.



IN A CYCLICAL  
INDUSTRY LIKE OURS,  
IT PAYS TO HAVE  
MULTIPLE GROWTH  
ENGINES.

---

Centuryply's thematic and emotional advertisements of the 'Sainik' variant touched a chord, translating into record offtake. The Company strengthened its presence across Facebook, Twitter, LinkedIn, YouTube and Pinterest, connecting directly with consumers (Centuryply received more than 100,000 'likes' on its Facebook page). The company launched customised websites for various products.

At Centuryply, we believe that laminates offtake is catalysed by the frequency of catalogue renewal. While the industry practice introduced new laminates every second year, Centuryply revolutionised the segment through the introduction of four catalogues a year, sustaining a buzz from the beginning of the year to the end.

Besides, Centuryply's smartphone application helped users create simulations of their interiors to mix and match colours before purchase, making the critical difference.

Emphasising the point that at Centuryply, we don't market; we excite. The rest, they say, is history.

75

(₹ CRORE) SPENT ON  
PROMOTIONS, FY17

4

(%) PROPORTION OF REVENUES  
SPENT ON PROMOTIONS

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Centuryply revolutionised its segment through the introduction of four catalogues a year, sustaining a buzz from the beginning of the year to the end.





# BUCKING DEMONETISATION

As India encountered demonetisation and industry players complained of revenue sluggishness, Centuryply reported a 14.8 % q-o-q growth in net revenues and almost 50% growth in PAT during Q4FY17

There is a lovely line: Character is what you are in the dark. At Centuryply, we demonstrated remarkable character in the darkest of times which transpired in the demonetisation-affected third quarter of the financial year under review.

- Centuryply continued to enjoy a strong brand recall, thanks to a significant 25% share of India's organised plywood market. At a time of depleted cash availability, consumers selected to trust brands synonymous with quality excellence; Centuryply was the first to benefit.
- Centuryply focused on protecting market share than enhance profitability. A keen emphasis on increasing brand visibility allowed it to generate steady volume growth.
- Following demonetisation, resource supply to India's unorganised sector declined, impacting production. The country's organised sector benefited; Centuryply was the most prominent. The Company increased q-o-q volumes by 10.5 % (inclusive of plywood and Deco Ply) in Q4FY17.
- Key input costs including electricity increased during the year and usually these hikes would be passed on to end-consumers. To protect market share, the Company selected to absorb the increase.
- Centuryply's multi-locational warehouse presence ensured that its products reached areas enjoying a demand upturn - promptly and cost-efficiently.

**The result:** even as Centuryply reported similar EBITDA margins as the previous year, it increased topline by 9%.

Particulars	Q4FY17	Q4FY16
Net revenues (₹ crore)	488.54	447.06
EBITDA (₹ crore)	97.93	77.40
PAT (₹ crore)	55.91	41.60
Plywood volume (cubic metres)	54,720	53,026
Laminates volume (sheets)	13,59,342	12,10,639





# B R I G H T E N I N G P R O S P E C T S

The Central Government took a number of initiatives to strengthen prospects of the country's residential real estate sector; this is expected to drive prospects of the interior infrastructure industry.

Centuryply's positioning as a one-stop brand (plywood, MDFs, particle boards, PVC boards and fibre cement boards, among others) will empower it to capitalise on the landmark opportunity.

## Budgetary initiatives, 2017-18

- The infrastructure status to affordable housing is expected to reduce funding costs for builders.
- The reduction in capital gains tax period from three to two years signifies a lower capital gains tax payable for a person who intends to sell the house after two years of purchase (instead of three years).
- The limit of 30 square metres for affordable housing will apply only in the case of four metros while for the rest of the country, the limit would be 60 square metres.
- Reduction in the base income tax slab is expected to propel disposable incomes and drive sector growth.

## Pradhan Mantri Awas Yojana

The Pradhan Mantri Awas Yojana ('Housing for All by 2022') expanded its scope to cater to the housing needs of the mid-income groups, economically weaker sections and low-income population. The Central Government envisages building affordable pucca houses coupled with round-the-clock water and electricity supply.

The Pradhan Mantri Awas Yojana

scheme comprises distinctive aspects.

It aims to transform slum areas by building homes for slum dwellers in collaboration with private developers. It plans to provide a credit-linked subsidy to economically weaker and mid-income sections on loans taken for new construction or the renovation of existing homes.

An interest subsidy of 3% to 6.5% was announced for loans ranging between ₹6 lac and ₹12 lac. The interest subsidy on loans up to ₹12 lac would be 3%. In rural areas, interest subvention of 3% was offered on loans up to ₹2 lac for constructing new homes or the extension of old homes.

The Central Government will financially assist affordable housing projects launched in partnership with states/ union territories and extend direct financial assistance of ₹1.5 lac to the economically weaker sections.

The scheme is relevant; India's housing shortage is estimated at nearly 20 million units. With the increase in subsidised loan amount to ₹12 lac, the scheme is expected to cover a higher proportion of the urban poor.

# CHANGING THE GAME

The GST implementation from July 2017 will have an enduring positive impact on India's interior infrastructure industry



**T**he ₹18,000 cr Indian plywood sector is largely dominated by unorganised players who account for more than 65% of the total plywood market.

A large tax differential exists between the unorganised and organised segments, which traditionally benefited the former.

**Consider:** India has nearly 3,300 plywood units, of which around 2,500 units are exempt from paying any kind of duties or taxes; 700 units are partially-exempted. The organised sector pays 28-30% in the form of various duties and taxes. Besides, organised players also need to pay CST related to the inter-state movement of stock, making their products dearer by ~ 30-40 % compared to unorganised alternatives.

The implementation of GST is expected to be a game-changer. GST will create a level playing field between organised and unorganised players for the first time in living memory. The price difference will decline and to account for the reduction in exemption limit from ₹1.5 crore to ₹20 lac. Superior products quality offered by the unorganised players could propel customers to switch to organised brands.

Besides, with exemption limits declining, unorganised players will need to rely solely on bank financing; they would no longer be able to access credit for purchasing plantation timber. As costs rise, a number of inefficient plants could shut operations.

On the other hand, idle capacities of organised players could progressively come on stream to address emerging demand.

Centuryply is attractively placed; the Company expects to increase capacities at its existing facilities at a fraction of the capital cost and in quicker time, resulting in a timely, efficient and profitable address of marketplace realities.



**GST**  
Eliminating  
multiple taxation

The country's indirect tax system was complex, marked by overlapping taxes by the Centre and States.

The GST's 'dual' structure will comprise components – Central GST and State GST. Each will be empowered to legislate and administer respective taxes.

Besides, excise, service tax, central sales tax, value-added taxes, entry tax or octroi tax will be incorporated under a single umbrella, eliminating multiple taxation.

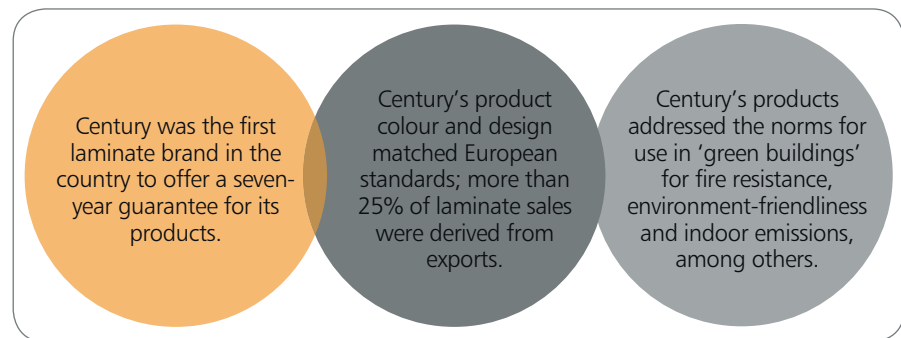
# GROWING BIGGER

Centuryply entered the business of laminates in 2004 and has since emerged as a prominent national player.

During a year when the growth of the laminates market in India remained <10%, Centuryply's laminates business registered a volume and value growth of around 16% and 14%, respectively.



**Within 10 years of its entry into the business, Centuryply emerged as one of the five largest players in India in the laminates space; exports contributed ~5 % of the Company's revenues. The Company is attractively placed; its specialised technology makes laminates extra-resistant to scratches and abrasions. Besides, Centuryply products are known for their colour-fastness and bonding properties across available substrates.**



One of the major reasons for Century's unprecedented growth in the laminates segment has been continuous innovation – from novel designs to unique customer experiences. The sales of laminates have been catalogue-influenced. Centuryply refreshes its catalogue with new designs every year.

The Company was the first to introduce deep texture laminates with 1 millimetre width to provide a wood-like finish.

It was the first in India to introduce a veneer-laminate combination; it is among market leaders in the gloss laminates niche, where it commands a premium over regular laminates.

It was among the first in India to unveil its entire catalogue via a digital platform.

It was the first to introduced an app that empowered customers to simulate interior design using the Company's products.

Its products are stocked by 1,800 dealers and 16,500 retailers; the Company enjoys a presence across all Tier-I and Tier-II cities in India and expects to cover all the Tier-III centres (populations between 5-10 lac people) by FY 2017-18.

It invested ahead of the curve; with demand for laminates expected to outstrip supply in the domestic and export markets, the Company invested ₹60 crore to enhance annual output by 50%.

It launched an elite club of trade channel partners and took its members to international locations as a performance incentive.

**The result:** during a year when the growth of the laminates market in India remained <10%, Centuryply's laminates business registered a volume and value growth of around 16% and 14%, respectively.

Centuryply is respected for its frugal operations without impacting quality. The Company is engaged in a number of efficiency-enhancing initiatives to strengthen its cost leadership. The Company invested in automatically-firing boilers to curtail coal consumption; it invested in using power efficiently to eliminate transit losses; during the year under review, the Company achieved a plant efficiency of >99%.



# CENTURYPLY'S LOGISTICS BUSINESS

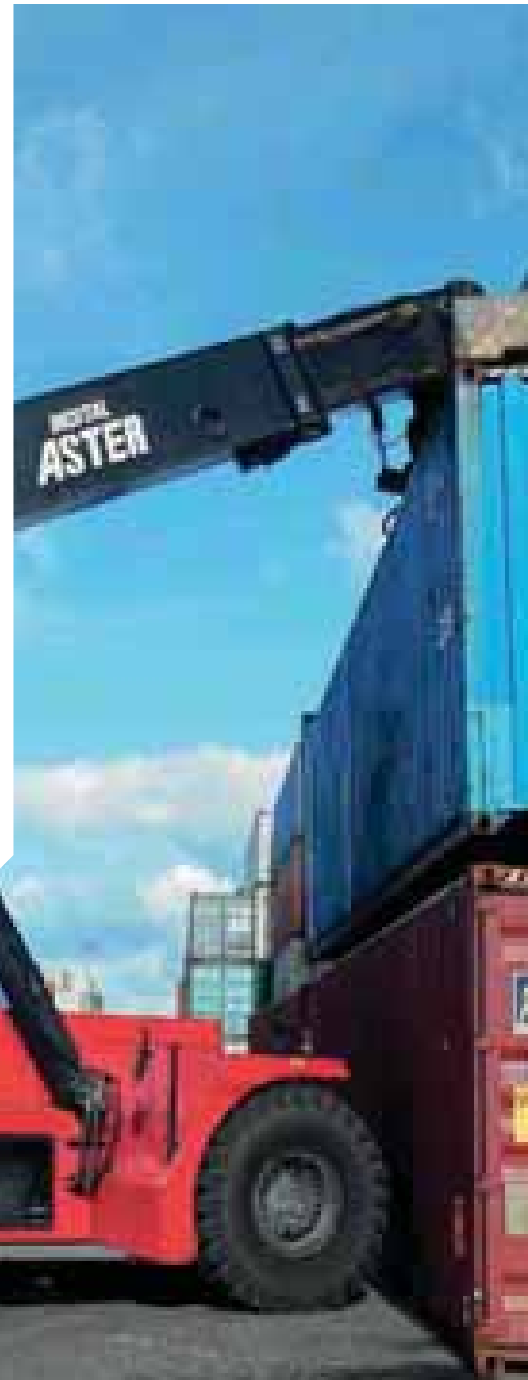
The Company was the first to set up state-of-the-art private container freight station to operate at the Kolkata Port. Over the years, the service has carved out a reputation for itself by following the principles of 3S: 'Service', 'Space' and 'Security'.

**T**he year FY17 saw serious congestion at the Kolkata port owing to the geopolitical tensions between India and Nepal. This resulted in Kolkata-bound cargo being diverted to Haldia. The Port Authority took time to divert the cargo to CFS, which slowed cargo movement to and from the port. The Company took a conscious decision to curtail cargo handling to service its existing clients better; it reported a 3.7% growth in revenues. During the year under review, the Company introduced software to

facilitate 100% digitisation that would provide real-time information to customers. It installed GPS devices to track trailer movements; it provided handheld devices to team members to access data remotely from any location at any point.

The Company is executing the expansion project on the surplus land at the existing site.

The Company enjoys a 10-year tax benefit under Section 80IA of the Income Tax Act.





156,000

Cargo handling capacity  
(twenty-foot equivalent  
units)

100,000

Size of Centuryply's CFS  
facility (square metres)

### What we achieved in this business, 2016-17

88.01

(₹ crore) revenue  
(₹84.90 crore in FY16)

34.41

(₹ crore) EBITDA  
(₹37.85 crore in FY16)

23.54

(₹ crore) profit (₹27.83  
crore in FY16)

39.10

(%) EBITDA margin  
(44.58% in FY16)

26.75

(%) Segment net profit  
margin (32.78% profit  
margin in FY16)

The Kolkata dock system reported steady growth in cargo volumes during FY 2016-17. As on 12th March 2017, container throughput crossed 6 lac twenty-foot equivalent units – an all-time high. In 2015-16, the port had handled ~5.78 lac twenty-foot equivalent units.

Cargo handling in FY 2017-18 is expected to reach 6.36 lac twenty-foot equivalent units. The fact that these figures were achieved despite operational constraints like low navigational draft, unavoidable ship detention and tide dependence highlights the port's potential.

**The result:** KoPT rose to the sixth position from the previous year's seventh in terms of cargo handling among major Indian ports.

#### CARGO TRAFFIC

- In 2016-17, KoPT handled 50.314 million tonnes of cargo vis-à-vis 50.289 million tonnes in 2015-16 (0.05% growth)
- KoPT registered a growth in terms of cargo handling for crude oil, LPG, iron ore, limestone, fly ash, food grains, coal, dolomite, gypsum, salt, sugar, machinery and clinker, among others.

#### CONTAINER TRAFFIC

- KoPT handled 7,71,676 twenty-foot equivalent units in 2016-17 vis-à-vis 6,62,891 TEUs in 2015-16- significant rise of more than 1 lac twenty-foot equivalent units (16.41% growth against 3% for major ports)
- KoPT ranked third among major Indian ports in terms of container traffic handled in 2016-17.

#### SHIP TRAFFIC

- In 2016-17, KoPT handled 3,431 ships – the highest among major Indian ports

# CENTURY-WAZA GHAR

Even as Centuryply entered the interior infrastructure business as a focused premier plywood manufacturer, the Company extended its personality towards panel products like particle boards, MDF and composite boards, among others. The result is that the Company now stands for a one-stop interior products provider

➔ **Plywood:** There are several plywood brands addressing diverse price and preference points. Centuryply launched various plywood products to suit different pockets with features like termite and borer resistance, weather and moisture resistance common across all variants. The Company was the first in India to offer flexible plywood coupled with a 21-year products warranty. The specially-treated plywood varieties are warp-free; they provide unmatched and enduring performance.

➔ **Laminates:** Laminates represent one of the fastest-growing segments in the interior infrastructure segment; Centuryply features among the five largest laminate players. The Company's products match the quality and designs of European standards. It is among a handful of players offering textured (up to 1 mm) laminates and high-gloss laminates. The Company's 650+ design SKUs are available across the digital platform.



CENTURYPLY STAYED AHEAD OF COMPETITORS THROUGH THE LAUNCH OF NEW PRODUCTS IN EMERGING CATEGORIES.

→ **MDF and particle boards:** While plywood services the top-end of the consumption preference, the Company addressed the mid- and lower-range segments through the introduction of MDF and particle boards. The particle board unit commenced commercial production in FY17 and reported gross revenues ~₹25.19 crore; the MDF unit is expected to be commissioned by H1FY18. The Company plans to introduce value-added products in these segments following the introduction of pre-laminated MDFs.

→ **New products:** Centuryply stayed ahead of competitors through the launch of new products in emerging categories. For instance, the Company launched fibre cement boards and PVC boards to create a non-wooden segment. These products find applications in wall cladding, outdoor decking, creating mezzanine floors and external wall decoration, among others. The fibre cement building products comprise around 20% of India's building material market. Centuryply reported revenues of ₹15 crore within a year of product launch. The Company launched moulded panel doors. Besides, the fibre cement boards and PVC boards are imported and once the Company achieves critical mass, it is expected to extend to direct manufacture.

Laminates represent one of the fastest-growing segments in the interior infrastructure segment; Centuryply features among the five largest laminate players.

# ROBUST FINANCIALS

Centuryply focuses on enhancing asset utilisation and optimising costs. Besides, the Company has selected to grow its business through accruals, moderating interest outflow and enhancing the bottomline.

## → Lowering cost of operations

The Company achieved a plant efficiency of >90% to moderate overheads. The Company sourced raw materials from Laos and Myanmar, which helped moderate the overall cost of raw materials as a proportion of revenues. The Company achieved the highest per machine productivity in the industry.

## → Balance Sheet quality

The long-term debt-equity ratio was a mere 0.21; overall cost of funds was a meagre 4.5%. The Company's gross block comprised ₹342 crore, cash and bank balance of ₹53.84 crore and free reserves were ₹686 crore as on 31st March, 2017.

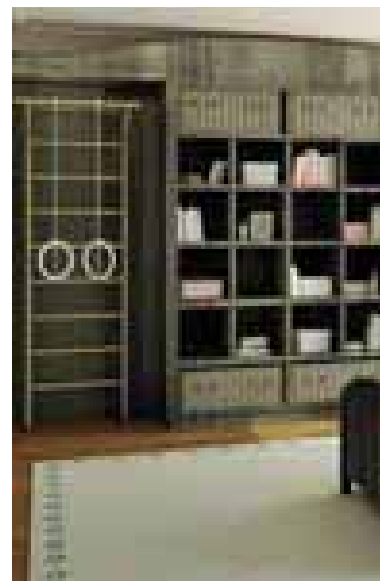
## → Working capital management

The Company's competitiveness was reflected in its efficient working capital management. The Company's working capital turnover improved from 70 days in 2015-16 to 65 days in 2016-17, the demonetisation challenge notwithstanding.

## → Internally-funded investments

The Company is investing periodically; commissioned capacities are generating cash flows to fund the next phase of growth. A substantial part of the expansions of the last three years were funded through accruals, strengthening the Balance Sheet.

Key ratios	2016-17
Debt-equity ratio	0.85
ROACE	22.90%
ROAE	30.08%
Interest cover	9.16
Finished goods inventory turnover days	25
Working capital turnover days	65
Payable days	58
Current ratio	1.16
EBITDA margin	17.7%
PAT margin	10.4%







# ENHANCING VALUE

Centuryply's R&D team focuses on process improvements and product development. This team interacts continuously with the marketing and sales team to remain engaged with market dynamics. The result: in the last couple of years, the team introduced several products on the one hand and minimised costs on the other.

**4%**

Process wastage in FY 2016-17

**7**

Warranty (number of years) offered on laminate

**Lifetime**

Warranty offered for Centuryply's plywood



#### Control

The Company invested in a cutting-edge raw material testing facility to ensure that only quality raw materials were used. It documented the best practices, which became benchmarks for the Company's various plants.



#### Unmatched warranty

Centuryply offered seven-year product warranties at a time when the concept was largely unknown (Club Prime and Club Marine). With products staying undamaged for more than two decades, the Company prudently extended the product warranty to 21 years.



#### Improved quality

Centuryply enhanced resin quality through a resin conditioning process; this helped the Company make its plywood boiling water-resistant across 72 hours.



#### Authenticity

To protect its products from being counterfeited, Centuryply employed a special water-resistant ink warranting significant investment for intending counterfeiters.



#### Anti-bacterial

Centuryply's laminates enjoyed extensive use in restaurants and hospitals; in line with this, the Company's products are treated with anti-bacterial nano-particles that make them bacteria-resistant.



#### Near-zero warpage

Centuryply invested in a wastage pressing system to achieve higher surface flatness; it conditioned veneers and plywood to deliver near-zero warpage.



#### Premium

Centuryply is a market leader in the lucrative

1.0 mm laminate category with >60% capacity addressing this segment.



#### Process efficiency

Centuryply achieved a plant efficiency of 100% for laminates compared to 89 % in 2015-16. For plywood, the Company was able to achieve a plant efficiency of 93% compared to 90% in 2015-16.



#### Happy employees

Centuryply reported <2% attrition in its factories, reflecting in a high qualitative consistency.



# A ROBUST GOVERNANCE FRAMEWORK ENSURES BUSINESS PREDICTABILITY

At Centuryply, we have always focused on creating a robust governance framework.

At our Company, 'governance' is not just a buzzword; it is a commitment to values and conducting business in the most ethical manner.

This commitment entails attention to operations and longstanding values, framing and implementing policies and procedures that ensure stakeholder expectations will be met and that stringent regulations will be adhered. Centuryply endeavours to uphold these principles to achieve its overarching vision of 'Sarvada Sarvottam' – The Best Always.

Over the last five years, Centuryply has shed the tag of being just another manufacturer of plywood products. The Company has emerged as a sectoral pioneer.

In India, most plywood manufacturers separately conduct the drying process for two intermediate products. The first involves drying sized wood planks in 'seasoning chambers'; the second involves drying peeled sheets – both expensive and time-consuming.

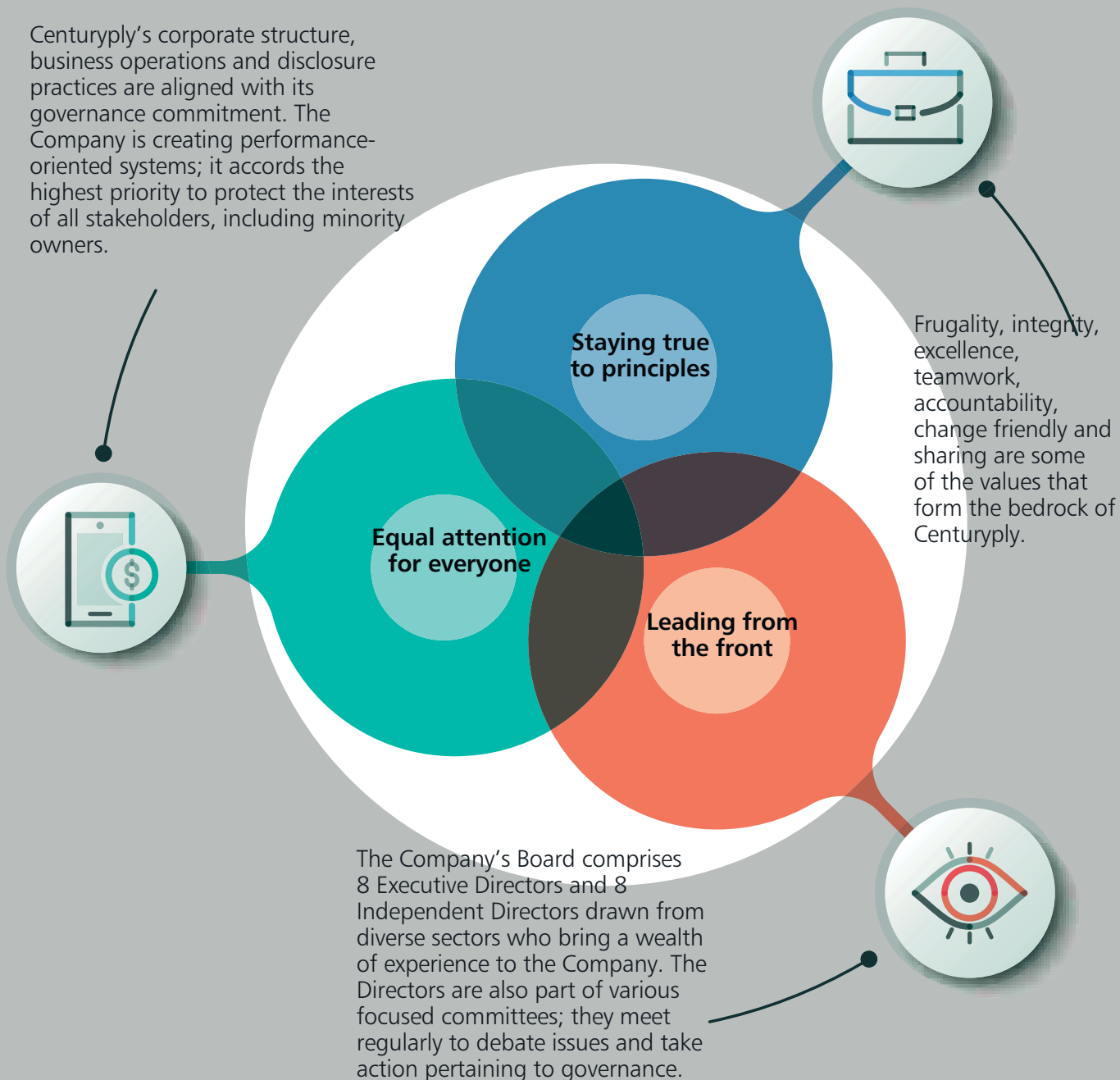
At Centuryply, we incorporated state-of-the-art technologies to generate a first-mover's advantage. For instance, the Company was the first to commission thermic fluid heating, advancing beyond unorganised peers. This is how: the erstwhile steam-heating process was difficult as water turned into steam at 100°C; besides, a temperature beyond 100°C warranted a separate enclosure with increased equipment and fuel costs and minimal steam recovery.

Centuryply began to use thermic fluid instead of water; thermic fluid was circulated to facilitate heat transfer, which helped maintain temperature and minimise heat loss.

*The result: lower power bills and enhanced product quality.*



Centuryply's corporate structure, business operations and disclosure practices are aligned with its governance commitment. The Company is creating performance-oriented systems; it accords the highest priority to protect the interests of all stakeholders, including minority owners.



# MAKING CONTINUOUS PROGRESS BY CAPITALISING ON THE PRESENT

The key to Centuryply's relentless growth is timely investment in building capacities across product lines. Centuryply has always been proactive in addressing its long-term growth appetite. The investments have been made in technologies, certifications, quality consistency and people investments (experience and enthusiasm).

## CENTURYPLY'S EVER-WIDENING FOOTPRINT

### Joka, Kolkata

- Established in 1986
- Capacity of 37,000 cbm

### Roorkee

- Acquired in 2006
- Capacity of 25,000 cbm

### Chennai

- Acquired in 2007
- Capacity of 40,000 cbm

### Karnal

- Acquired in 2007
- Capacity of 36,000 cbm

### Scaling capacities prudently

Centuryply commenced its journey in 1986 with a capacity of 5,000 cbm; this was gradually increased to 2,10,000 cbm per annum.

Since 2007, the Company has been taking strategic decisions to extend its manufacturing facilities out of Kolkata to Chennai, Karnal, Guwahati and Kandla besides already being present in Roorkee (through its subsidiary) to avail of the fiscal and logistical benefits.

Centuryply extended beyond the country through peeling units in Myanmar in 2013 and Laos in 2015 to competitively source face veneers.

### Testing before producing

Before launching any product, Centuryply undertakes exhaustive market intelligence to identify improvement

possibilities. The Company imports and markets quality products; only after achieving critical mass does Centuryply manufacture them. Consider this: Centuryply started rolling out laminate batches in 2004 only after receiving a positive response from prospective customers. After the marketplace had been sufficiently seeded, Centuryply scaled laminate capacity to 2.4 million sheets and thereafter to 4.8 million sheets over a few years. As on 31st March, 2017, Centuryply was poised to expand laminate capacity by >50% to address growing demand.

### Growing our value chain

Centuryply operationalised a particle board unit in FY17 at Chennai to reinforce our reputation as a one-stop panel products shop; the MDF plant in Hoshiarpur is expected to

go on stream by H1FY18. The MDF plant, one of the largest in India, is strategically located in Northern India enjoying sizeable demand. At peak capacity, the particleboard and MDF units are expected to generate annual revenues in excess of ₹100 crore and ₹450 crore, respectively.

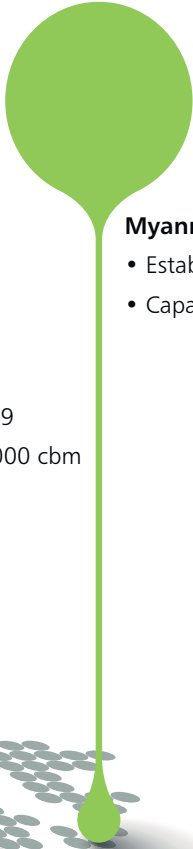
### Leveraging our sectoral knowhow

Centuryply harnessed aggregated knowledge to strengthen project execution, product launch and people management. Here is proof: in an industry where it usually takes months to commission a plywood plant, Centuryply kick-started its particleboard, MDF and laminate plants well within the prevailing sectoral commissioning benchmarks.



#### Guwahati

- Acquired in 2009
- Capacity of 55,000 cbm



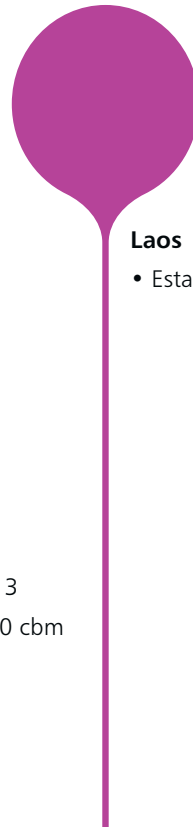
#### Myanmar

- Established in 2013
- Capacity of 6,000 cbm



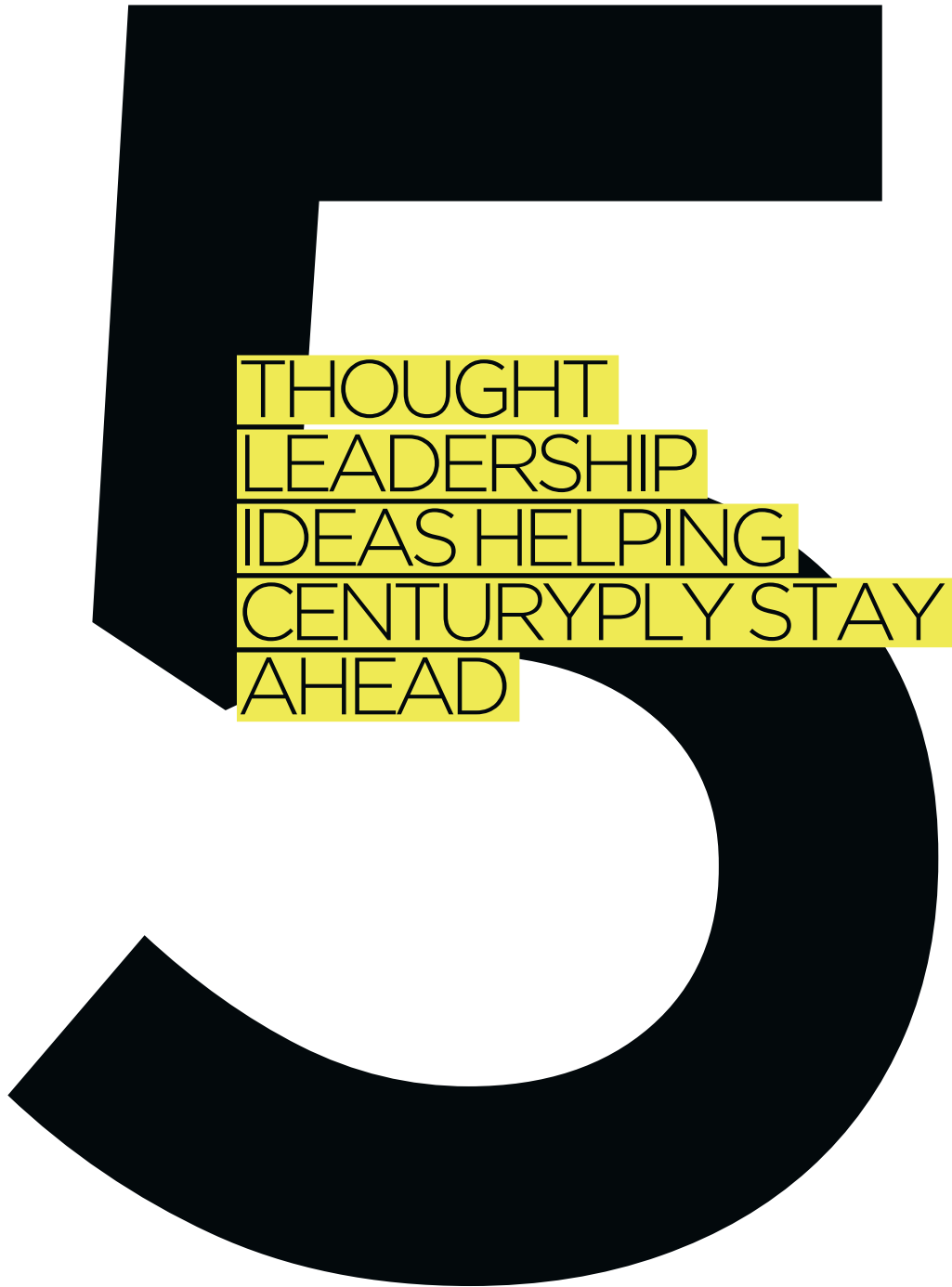
#### Kandla

- Established in 2013
- Capacity of 31,000 cbm



#### Laos

- Established in 2015



THOUGHT  
LEADERSHIP  
IDEAS HELPING  
CENTURYPLY STAY  
AHEAD

### Increasing volumes without compromising quality

Centuryply accounts for >25 % of the organised plywood capacity in India. The investment in best-in-class resins and double press systems reinforced excellence in a competitive marketplace.

1

### Introducing first-of-their-kind products

For the longest time, buyers of plywood products complained about borer and termite attacks – to no avail. Centuryply responded with a revolutionary product that was borer and termite-proof in 1997, emerging as a sectoral gold standard.

2

### Enhancing productivity levels by raising the bar

For years, the consensus was that in plywood manufacture, one assembly line would feed one hot press. This led to process delays and cost overruns. Centuryply changed the game by identifying that even though the hot press had a higher capacity, the problem lay with the assembly line. The Company added two assembly lines for one hot press, enhancing productivity.

3

### Foraying into foreign territories

When Myanmar opened as a prospective destination for Indian plywood manufacturers, Centuryply became the first Indian company to set up a peeling unit in that country. When the Myanmar Government banned the import of raw timber, Centuryply remained unaffected. Other than ensuring uninterrupted raw material supply, this decision also allowed Centuryply to moderate logistics costs as transporting veneers proved comparatively cheaper than transporting raw timber owing to superior space utilisation and weight reduction.

4

### Building brands in a creative manner

Centuryply's innovative positioning of 'sab sahe mast rahe' transformed the way plywood was perceived – from a commoditised to a branded product. This campaign, launched in 2008, has reinforced Centuryply's identity as the go-to destination for termite-proof and borer-proof products.

5

### Advertising & promotion as a proportion of net sales (%)

4.28      2.64      4.21

FY13

FY14

FY15

3.85      4.24

FY16

FY17

# CENTURYPLY EXTENDING BEYOND BOUNDARIES

Centuryply has always been a pioneer in the Indian interior infrastructure industry.

We were the first Indian company to set up a peeling unit in Myanmar, a country with abundant timber resources; the objective was to secure quality raw material in a cost-efficient manner. The peeling of logs in Myanmar and sending the face veneers to India has not only helped curtail costs but also cushioned Centuryply from the risk of nationalist policies by the Myanmar Government.

Timber logs, owing to their unwieldy dimensions, occupy more space and raise transportation expenditure; face veneers are convenient and cost-effective to transport. When companies importing timber logs from Myanmar suffered a body blow following the Myanmar government's decision ban commercial logging, Centuryply remained unaffected.

We were also among the first Indian companies to widen our global manufacturing footprint by setting up a manufacturing unit/ arrangement in Laos.



CENTURYPLY  
ACROSS THE YEARS

GLOBAL SOURCING AND  
MANUFACTURING BASE

43%

of Myanmar is covered  
under forest and another  
23% under wooded land

68%

forest coverage in  
Laos in 2010



**1986-1996**

Veneer oriented;  
leading in commercial  
veneers; focus on  
veneers; commenced  
plywood production

**1996-2005**

Branded plywood took  
off with Century brand  
in 1995; initiated new  
businesses; cement and  
ferro alloys businesses  
were acquired through  
merger; commenced  
laminates business

**2006-2013**

De-merged the  
businesses for focused  
growth; increased value  
of the business; started  
CFS business; forayed  
into Myanmar and  
started the Kandla plant

**2014-2017**

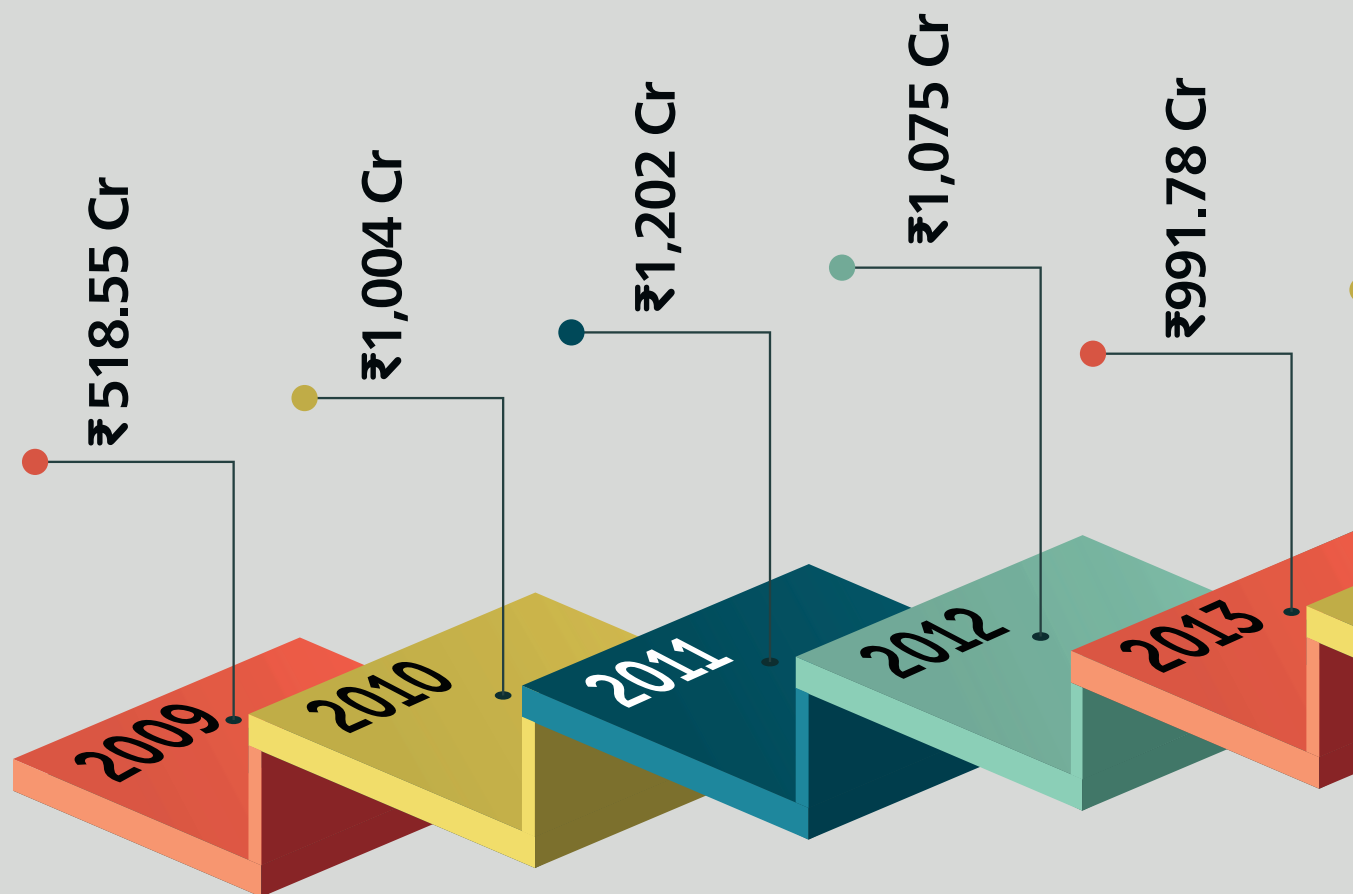
Entered Laos for raw  
material security;  
commenced particle  
board unit; focused  
on margin accretion;  
acquired another unit in  
Guwahati

**2017-onwards**

The implementation  
of GST is expected to  
widen the market;  
MDF unit to start  
operations



# ADDING VALUE IN THE HANDS OF EVERY MEMBER OF THE CENTURYPLY FAMILY



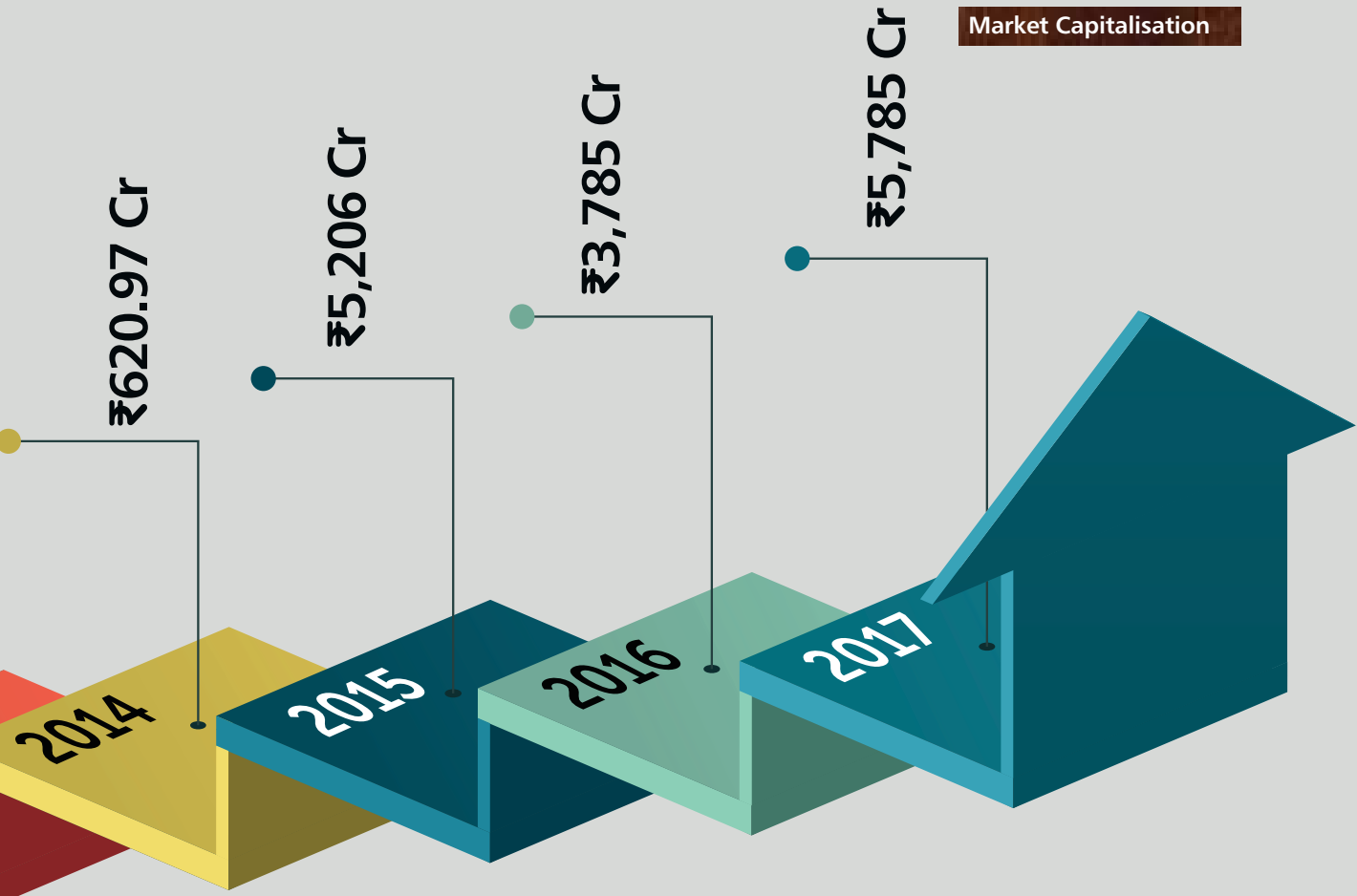
At Centuryply, we focus on enhancing value for our stakeholders.

The Company went public in 1997 and 100 shares of a face value ₹10 each allotted in 1997 grew to 2,100 shares of a face value ₹1 each as of 31st March, 2017.

The original allottee's shareholding of 100 shares for an investment of ₹2,000 had grown to ₹5,44,000

by 31st March, 2017 (apart from dividends and additional valuations received in de-merged entities).

The Company's market capitalisation stood at ₹5,758 crore as on 31st March 2017 compared to ₹621 crore as on 31st March 2014, witnessing a sharp growth of more than 800% over just three years.



### TOTAL SHAREHOLDERS' RETURN

Total shareholders' return is a tool to measure the increase derived directly in the form of dividend and indirectly in form of capital appreciation recorded by the stock during a financial year. TSR is calculated by adding the dividend to the difference between the closing and the opening market capitalisation (equity shares multiplied by closing market price on the stock exchanges). During the year under review, the Company reported a TSR of 53%.

DURING THE YEAR UNDER REVIEW, THE COMPANY REPORTED A TSR OF

**53%**

# CENTURYPLY – A CUT ABOVE THE REST

<b>Logistics</b> ▶	<p>90% of Centuryply's sales are derived through nationwide retail channels.</p> <p>Backed by a superior network of 1,800 dealers/distributors and more than 16,500 retailer/consumer touch points.</p> <p>An average of 4% of net sales is spent on A&amp;P initiatives.</p>
<b>Range</b> ▶	<p>Widespread portfolio catering to 78% of the demand stemming from the plywood market.</p> <p>Third largest laminate player with more than 650 designs available across price points.</p> <p>Other offerings include MDF, particle boards, doors, PVC boards, veneers, among others</p>
<b>Investments</b> ▶	<p>Increased plywood capacity by 42% over the past six years.</p> <p>Increased laminate capacity 2x over five years and proposed to increase by 50% in the current financial year</p> <p>Commissioned a particle board unit; laid the foundation for an MDF unit due for commissioning by H1FY18.</p>
<b>De-risked</b> ▶	<p>Presence across diverse spaces such as interior infrastructure and logistics management.</p>

### **Proximate to key markets**

- The Kandla unit is located close to the port, enabling easy import of raw materials
- The Chennai particle board unit secures raw material from nearby sawmills as well as the local plywood unit

### **Fiscally well-protected**

- Hedging of foreign currency exposure
- Strong working capital management
- Strong debt management with long-term gearing of only 0.21 as on 31st March, 2017

### **Largest consumer of timber in India**

- Economies-of -scale
- Assured raw material availability

### **Enduring credibility**

- First in India to offer termite and borer-free plywood
- First in India to provide warranty of more than 7 years on plywood products
- Created a laminates catalogue comprising 100+ designs

### **Prudent process management**

- Developed a special resin for stronger bonding
- Came up with a process for making plywood warp-free
- Invested in a state-of-the-art R&D centre

# ACHIEVING NEW LEVELS OF EFFICIENCY RELENTLESSLY

*Centuryply has dared to walk the road less travelled.*

*We invested sizeably in research and development, which was unheard of in our sector.*

*Our capable team comprising seasoned lab personnel delivered process innovation, waste reduction and qualitative improvements.*

*The result is that Centuryply's processes have emerged as the gold standard in India's interior infrastructure sector.*





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### Resin conditioning

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One of the major R&D breakthroughs resulted in better resin conditioning. This enhanced glue coverage area, reduced glue requirement and moderated costs.



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### Less warpage

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Our R&D team addressed plywood warping by reducing plywood pressing time by two minutes to 19 minutes. This minimised warping, enhanced productivity and moderated customer complaints.



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### Enhanced output

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Our ability to increase production of plywood by ~2% in FY 2016-17 strengthened margins.



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### Productivity boost

---

Centuryply's per person productivity, the highest in the industry, warrants fewer people. This was achieved by streamlining processes, incentivising outperformers, best-in-class practices and regular maintenance. Here's proof: our press was running at 93% efficiency, targeted at 100% in 2017-18; we increased laminate output >15% without additional capex.



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### Cutting-edge machinery

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We are in the process of steadily automating facilities that could enhance efficiency.



# HOW CENTURYPLY TRANSFORMED OVER THE YEARS



- The Company's long-term debt to equity stood at 0.21 as on 31st March, 2017
- The Company funded its incremental capacity additions through the cash flows generated from the existing capacities to avoid stretching the Balance Sheet
- The strength of the Balance Sheet helped the Company in raising debt at competitive costs

- Centuryply invested in seven plants, including one through its subsidiary, in various parts of the country apart from the Company's first plant near Kolkata.
- The Company extended beyond India to set up peeling units in Myanmar and Laos and a plywood manufacturing capacity in Laos through its subsidiaries
- Centuryply markets its products across the entire country and exports to a number of countries

- Centuryply is India's third-largest laminates player
- Centuryply has commissioned a particleboard unit in Chennai
- The Company is also commissioning an MDF plant in North India
- The Company also offers doors, veneers, blockboards, PVC sheets and fibre cement boards among others



- The implementation of GST is going to create a level-playing field for Centuryply as a number of unorganised players, who were tax exempted, would fall in the taxable category and open up new market for Centuryply
- The reduction in tax implication owing GST categorisation would help the Company in passing on the price reduction benefit to the customers and help in rationalising the cost of its portfolio compared to the unorganised players

- The Company embarked on a number of process-efficiency to make it one of the lowest cost plywood manufacturers in the country
- The Company's hot press machine productivity is the highest in the country
- The Company is the first in the industry to introduce thermic fluid heating in boiler to achieve better efficiency and cost-saving
- The Company enjoys one of the highest margins in the industry

- Centuryply is the first company in India to launch the 'termite and borer-proof plywood'
- Centuryply is an ISO 9001-certified company
- Centuryply was also the first company in India to introduce fire-proof plywood and flexible plywood



# OUR OUTLOOK FOR 2017-18

## Capacity

- The MDF capacity is expected to be commissioned by H1FY18. The unit is the largest MDF capacity in the country
- The Company is also enhancing the laminates capacity by 50% to feed growing demand for its products from the market

## Macro

- We are making ourselves ready for the GST implementation and also making our dealers ready for adopting the change
- We are hopeful of the 'housing for all' scheme of the government to start picking up and drive demand for our products

## Branding and marketing

- The Company will continue to invest in branding to build stronger connect with customers
- The Company will continue with its 360° communication approach

## Operational

- The Company will stabilise the upcoming MDF plant
- The Company will continue to improve plant efficiency to achieve better operating cost (a target of 100% plant efficiency in the coming year)



## Some relevant numbers

**1,03,007**

Per capita net national income in India, 2017 (in ₹)

**93,293**

Per capita net national income in India, 2016 (in ₹)

**1.341**

Population of India in 2017 (in Billion)

**1.264**

Population in 2012 (in Billion)

**590**

Urban population expected in India in 2030 (in Million)

**442**

Urban population in India in 2017 (in Million)

**39**

No. of Indian cities with 1m+ population, 2017

**27**

No. of Indian cities with 1m+ population, 2011

**547**

Expected Indian middle-class population in 2026 (in Million)

**267**

Middle-class population in India in 2016 (in Million)

# Directors' Report

*Dear Shareholders*

Your Directors have pleasure in presenting the Thirty-sixth Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL PERFORMANCE

### REVIEW

The Company's financial performance for the year ended 31st March, 2017 is summarised below:

₹ in crore

Particulars	STAND ALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Gross Income	1,943.01	1,776.71	1,984.41	1,781.45
Profit before Depreciation, Interest & Tax	314.71	290.00	334.53	295.47
Depreciation	52.38	43.73	59.34	47.46
Interest & Finance Charges	28.64	46.46	30.21	47.88
Profit before Tax	233.69	199.81	244.98	200.13
Tax Expenses	48.13	30.00	51.50	30.38
Profit after Tax	185.56	169.81	193.48	169.75
Attributable to:				
Owners of the Company	185.56	169.81	190.46	168.94
Non-controlling interests	-	-	3.02	0.81
Other Comprehensive Income (net of taxes)	(1.99)	(1.86)	(2.43)	(1.86)
Total Comprehensive Income for the year	183.57	167.95	191.05	167.89
Attributable to:				
Owners of the Company	183.57	167.95	188.25	167.08
Non-controlling interests	-	-	2.80	0.81
Opening balance in Retained Earnings	470.30	362.52	468.48	361.57
Adjustment with other equity	(1.99)	(1.86)	(2.43)	(1.86)
Amount available for appropriation	653.87	530.47	656.51	528.65
Final Dividend- FY 2014-15	-	27.77	-	27.77
Interim Dividend- FY 2015-16	-	22.22	-	22.22
Tax on Dividend	-	10.18	-	10.18
Adjustment on cessation of subsidiaries	-	-	0.55	-
Closing Balance in Retained Earnings	653.87	470.30	655.96	468.48

## INDIAN ACCOUNTING STANDARDS

Pursuant to the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2016. Financial statements for the year ended and as at 31st March, 2016 have been restated to conform to Ind AS. The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in Note 34 in the notes to accounts in the standalone and consolidated financial statements.

## DIVIDEND

Your Company has had a consistent track record of dividend distribution, balancing the dual objective of appropriately rewarding Members through dividends and retaining sufficient funds to support the long term growth of your Company. Continuing this trend, your Directors are pleased to recommend a final dividend of ₹1.00 per equity share of face value ₹1 each (exclusive of applicable dividend distribution tax) for the financial year ended 31st March, 2017. The Final Dividend, subject to approval of Members at the ensuing Annual General Meeting, will be paid within the statutory period.

## TRANSFER TO RESERVES

No amount is proposed to be transferred to any Reserves.

## SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2017 was ₹22,25,27,240 divided into 22,21,72,990 Equity Shares of ₹1 each and including ₹3,54,250 received on account of 13,80,000 (post-split) forfeited shares. There has not been any change in the Equity Share Capital of the Company during the financial year ended 31st March, 2017. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options.

## INDIAN ECONOMY AND STATE OF AFFAIRS

Against the backdrop of robust macroeconomic stability, the year was marked by two major domestic policy developments. One was the constitutional amendment which paved way for the transformational Goods and Services Tax (GST) and the other was to demonetise the two highest denomination currency notes that were in circulation in India. The GST aims to create a common Indian market by creating a level playing field for the organised and unorganised player through the establishment of a unified taxation regime. It seeks to improve tax compliance and governance, and boost investment and growth. Demonetisation has had short-term costs but holds the potential long-term benefits. Follow-up actions to

minimise the costs and maximise the benefits include: fast demand-driven remonetisation, implementing tax reforms like bringing land and real estate under the ambit of GST, reducing tax rates and stamp duties and taking decisive steps to allay anxieties pertaining to over-zealous tax administration. These actions will help India resume its journey on the growth track during FY 2017-18. In the aftermath of demonetisation on the domestic front and Brexit and the US elections on the international front, addressing these challenges will be critical towards ensuring that India's resurgence is enduring. Shrugging off a disappointing FY 2016-17, the real estate industry is expected to bounce back in FY 2017-18. Regulations like RERA, Benami Transactions (Prohibition) Amended Act, 2016, REITS, GST have paved the way for sustainable growth and enhanced transparency in the Indian real estate sector.

Moreover, tax benefits in the realm of affordable housing, interest subsidies for first-time home buyers and reduction in overall interest rates would lend a shot in the arm to the sector. Amidst adequate policy and regulatory support, the Indian economy is bound to emerge stronger, healthier and capable of long periods of sustained growth.

## COMPANY'S PERFORMANCE

Despite the fact that the overall economic conditions during the FY 2016-17 was faced with several challenging developments, your Company managed a top-line growth of 9% over the previous year. At Standalone level, the Gross Income stood at ₹1,943.01 crore as compared to ₹1,776.71 crore in the previous year. Profit before tax increased from ₹199.81 crore to ₹233.69 crore reflecting a growth of almost 17%. Net Profit after tax was ₹185.56 crore compared to ₹169.81 crore in previous year, reflecting a growth of 9%. Top-line was aggressively supported by the laminate business which grew almost 14% YoY, while the Plywood segment grew by 7% YoY.

The Consolidated Gross Income for FY 2016-17 was placed at ₹1,984.41 crore against ₹1,781.45 crore during the previous year, reflecting a growth of 11%. Profit before tax increased from ₹200.13 crore to ₹244.98 crore reflecting a growth of 22% while the Net Profit before adjustment of non-controlling interests was up by 14%.

The operations and financial results of the Company are elaborated in the annexed Management Discussion and Analysis.

## FUTURE OUTLOOK

The pie of Indian organised plywood market is set to expand with GST rollout and high brand aspirations. A constant shift towards the organised sector is being witnessed owing to brand and quality awareness, wider choice of products, product innovation and warranty. Since plywood is often a

one-time purchase, greater readiness for a premium purchase has been witnessed in the recent years amongst the people, owing to a better durability and eco-friendliness offered by the branded products. All these combined together are set to bring about a paradigm shift in the Indian wood-based panel products segment.

Further, good monsoon and 7th Pay Commission could result in higher spending translating into higher plywood, laminate and MDF demand. Centuryply, being a leading player in its segment, is expected to emerge as a major beneficiary as it could leverage its strong brand presence and wide distribution network to capture the demand shift towards organised sector.

On the basis of demand drivers, it is expected that the plywood and panel industry would grow at a decent rate. With the structural shift in the industry, the Company is expected to be a key beneficiary, going ahead. Centuryply's strong brand equity, raw material security and robust distribution network would give a significant boost to its revenues in coming years.

The Company has been able to counter the threat posed by progressive commoditisation of plywood by garnering increased realisations from its well established brands, enabling the Company's products to command 15-30% premium over those manufactured by its sectoral peers. Centuryply's prudent strategy to augment capacities in both plywood and laminates in challenging times paid-off splendidly in as much as almost 90% of its capacities remained utilised during the year.

Furthermore, the long term demand for the wood panel products is likely to remain robust led by an increase in middle-class population, urbanisation and per capita income among others. The Central Government's "Housing for all by 2022" programme is also expected to fuel demand for most building products, with Plywood products being one of them. Overall, the Indian plywood industry is on an upward growth trajectory and is projected to grow considerably over the next five years.

Centuryply has been the front-runner when it comes to implementing innovative practices at work. During the year, the Company forayed into new categories by launching unique range of products in the industry branded as 'Zykron' and 'Starke'.

Zykron is a Fibre cement composite board wherein cellulose fibre is reinforced with cement while Starke PVC board is made out of PVC and Calcium carbonate along with other performance enhancing additives. Both of them are promising and quality products belonging to evolving category of alternate material to pure wood based product. Both of them are aimed at reducing the usage of wood-based raw-materials

without compromising on quality, strength and durability. The Company is hopeful that the industry will embrace this new technology in the form 'Zykron' and 'Starke' and through our trusted network of dealers, they are sure to become a preferred choice amongst the consumers in the days to come.

### **FUTURE PLANS OF EXPANSION**

The Company's Particle Board unit at Chennai successfully commenced commercial production in July 2016. The Company incurred a capex of ₹60 crore for the plant which is expected to operate at 70% capacity utilisation during the coming year.

The construction of the Company's Medium Density Fibre (MDF) Board unit at Hoshiarpur in Punjab is also in final stage and the unit is expected to commence commercial production in the first half of the FY 2017-18. The plant will have a capacity of 2,00,000 cbm per year with easy access to timber in the nearby vicinity. Total capex incurred for the plant till end of FY 2016-17 is ₹283 crore. It is expected that the plant would reach 60% capacity utilisation in FY 2017-18 itself, given that almost 40% of India's MDF requirement is still imported. Going ahead, the Company also has plans to use its MDF produce to make doors, pre-laminated boards and wooden flooring.

Your Company's strategy in Myanmar for securing availability of raw material paid-off well. On similar line, considerable investments are being made in south-east Asian countries, primarily Laos and Indonesia, through its subsidiaries and step-down subsidiaries, to ensure uninterrupted supply of raw materials. On the sales front, your Company has expanded its distribution network considerably. Your Company is also investing heavily on brand positioning for ensuring that the Centuryply brand occupies a distinct position, relative to competing brands, in the mind of the customers.

The Company's entry in to the economy segment product through its secondary brand 'Sainik' has also received overwhelming response particularly in the smaller cities and rural markets.

### **CHANGE IN NATURE OF BUSINESS, IF ANY**

There has not been any change in the nature of business of the Company.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statements relate and the date of this report.

## SUBSIDIARIES

### CHANGES IN SUBSIDIARIES

As a purposeful strategy, your Company carries a part of its business operations through several subsidiaries which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of majority stake in an existing entity. Auro Sundram Ply and Door Pvt. Ltd., Century MDF Ltd., Ara Suppliers Pvt. Ltd., Arham Sales Pvt. Ltd., Adonis Vyaper Pvt. Ltd., Apnapan Viniyog Pvt. Ltd., Century Infotech Ltd., Centuryply Myanmar Pvt. Ltd., Century Ply (Singapore) Pte. Ltd., continue to remain subsidiaries of the Company while Century Ply Laos Co. Ltd. and PT Century Ply Indonesia continued as step-down subsidiaries.

Vietnam Innovation Pacific JSC was incorporated on 19th May, 2016 as a subsidiary of Innovation Pacific Singapore Pte. Ltd. (IPSPL), thereby becoming a step-down subsidiary of our Company. However, with the disinvestment of our entire shareholding in the subsidiary IPSPL, both IPSPL and step-down subsidiary Vietnam Innovation Pacific JSC ceased to be subsidiaries of the Company with effect from 24th August, 2016. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

### OPERATIONS

There has been no material change in the nature of the business of the subsidiaries. Auro Sundram Ply and Door Pvt. Ltd. is operating a plywood unit at Roorkee in Uttarakhand. This unit is manufacturing plywood and allied products from eco-friendly agro-forestry timber.

Century Infotech Ltd. is engaged in the business of e-commerce, e-shopping, online information services, online application integration including buying, selling, marketing, trading and dealing in various kinds of products and services.

Centuryply Myanmar Pvt. Ltd. is operating a veneer and plywood unit near Yangon city in Myanmar and is supplying the same primarily to our Company.

Century Ply (Singapore) Pte. Ltd. is undertaking trading in veneer and plywood. It has entered into arrangements with various entities in Laos whereby it has provided them plant and machinery for manufacture and supply of veneer and plywood to it.

Century Ply Laos Co. Ltd. has already set up a unit in Attapeu province in Laos for manufacturing veneer out of raw material sourced locally while PT Century Ply Indonesia is examining the viability of setting up similar facilities in Indonesia.

Ara Suppliers Pvt. Ltd., Arham Sales Pvt. Ltd., Adonis Vyaper Pvt. Ltd. and Apnapan Viniyog Pvt. Ltd. jointly own and hold some land in Kolkata which is yet to be developed.

Century MDF Ltd. is yet to commence any commercial activity as on the date of this Annual Report.

### POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

The Company does not have any material subsidiary as on the date of this report, having a net worth exceeding 20% of the consolidated net worth or income of 20% of the consolidated income of your Company. The Company has formulated a Policy for determining Material Subsidiaries and the same can be accessed on the Company's website at the weblink <http://www.centuryply.com/investor/codes&policies/policy-on-material-subsiidiary.pdf>.

### FINANCIAL POSITION AND PERFORMANCE

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the Subsidiary Companies are shared with the Board of Directors on a quarterly basis. The financial statements of the Subsidiary Companies are presented to the Audit Committee for its review. The Statement in Form AOC-1 containing the salient feature of the financial statement of the Company's subsidiaries pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is appended as Annexure '1' to this Report.

## ACCOUNTS

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by your Company in accordance with the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, and other applicable Accounting Standards and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the same forms part of this Annual Report.

The Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.centuryply.com](http://www.centuryply.com). Financial statements of each of the subsidiary companies have also been placed on the website of the Company. Shareholders interested in obtaining a copy of the audited financial statements of the subsidiary companies may write to the Company Secretary at the Company's registered office.

The audited financial statements and audit reports of each of the subsidiaries are available for inspection at the registered office of the Company and that of the respective subsidiaries during working days between 11.00 A.M. and 1.00 P.M.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Particulars of loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in Annexure '2' hereto and forms part of this Report.

The Company has not given loans, guarantees or made investments exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts and arrangements with related parties, entered into or modified during the financial year, were on an arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. All such contracts or arrangements have been approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

Details of Related Party transactions as per Regulation 53(f) read with Part A of Schedule V of the Listing Regulations is provided under Note-44 of the Notes to the financial statements. There are no materially significant transactions with related party which may have a potential conflict with the interest of the Company at large.

The Board of Directors has devised and adopted a policy on 'Materiality of and dealing with Related Party Transactions' for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at the Company's website: <http://www.centuryply.com/investor/codes&policies/policy-for-transactions-with-related-parties.pdf>.

## **PUBLIC DEPOSITS**

The Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. As such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

## **AUDITORS**

### **STATUTORY AUDITORS**

M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) were appointed as Statutory Auditors of the Company for a term of five years from the conclusion of the Thirty-third Annual General Meeting held in calendar year 2014 till the conclusion of the Thirty-eighth Annual General Meeting to be held in the calendar year 2019, subject to ratification of their appointment at every Annual General Meeting. Accordingly, Members are requested to ratify the appointment of M/s. Singhi & Co. as the Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2018.

The Company has received confirmation from M/s. Singhi & Co. to the effect that they continue to satisfy the criteria provided in Section 141 of the Companies Act, 2013 and that their appointment, if ratified, would be within the limits prescribed under Section 141(3)(g) of the Act.

### **STATUTORY AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. Singhi & Co., Statutory Auditors in their report on your Company's financial statements for the financial year ended 31st March, 2017. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### **SECRETARIAL AUDIT**

During the year, Secretarial Audit was carried out by M/s. MKB & Associates, Company Secretaries in Practice and Secretarial Auditor of the Company for the financial year 2016-17. There were no qualifications, reservations or adverse remarks given by Secretarial Auditors of the Company. The detailed report on the Secretarial Audit in Form MR-3, given by the Secretarial Auditor is appended as Annexure '3' to this Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **I. INDEPENDENT DIRECTORS:**

#### **APPOINTMENT OF INDEPENDENT DIRECTORS:**

The Board of Directors at its meeting held on 31st January, 2017, appointed Sri Vijay Chhibber (DIN- 00396838) as an Additional Director in the Independent category with effect from 1st February, 2017 for a term upto 31st January, 2020 subject to regularisation/ approval of the shareholders of the Company at the ensuing Annual General Meeting. The Board of Directors of your Company recommends his appointment.

### DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

Declarations have been received from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he/ she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

### FAMILIARIZATION PROGRAMME UNDERTAKEN FOR INDEPENDENT DIRECTORS

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company.

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Relevant statutory changes/ updates are also brought to the knowledge of the Directors to help them to take informed decisions. Site visits to the Company's factory locations are organised for the Independent Directors to enable them to understand the operations of the Company.

The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

Independent Directors are issued Letters of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The induction process for Non-executive Independent Directors include interactive sessions with Board and Committee members, Business and Functional Heads, visit to market/ plant, etc. All new Independent Directors inducted to the Board are given an orientation. Presentations are made by Executive Directors and Senior Management, giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines and matters reserved for the Board.

The Board has open channels of communication with executive management which allows free flow of communication amongst Directors in terms of raising query, seeking clarifications and other related information. A detailed overview of the familiarisation program is available on the

Company's website: <http://www.centuryply.com/investor/codes&policies/familiarization-programme.pdf>.

## II. NON - INDEPENDENT DIRECTORS:

### (a) APPOINTMENT OF WHOLE-TIME DIRECTOR:

The Board of Directors at its meeting held on 31st January, 2017, appointed Smt. Nikita Bansal (DIN- 03109710) as an Additional Director in the Executive category with effect from 1st February, 2017 for a period of five years subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

Smt. Nikita Bansal is the daughter of Sri Sanjay Agarwal, Managing Director and has already been working with the Company in executive capacity. The Board of Directors of your Company recommends her appointment.

### (b) RETIREMENT BY ROTATION:

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Sri Hari Prasad Agarwal and Sri Prem Kumar Bhajanka 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. Brief resume of the Directors being reappointed would form a part of the notice of the ensuing Annual General Meeting.

## III. KEY MANAGERIAL PERSONNEL

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 31st January, 2017 reappointed, subject to the approval of the shareholders, Sri Hari Prasad Agarwal as the Vice- Chairman and Executive Director of the Company for a further period of five years with effect from 1st June, 2017. His re-appointment shall be subject to approval of the shareholders in the ensuing General Meeting. However, since Sri Agarwal would be attaining the age of 70 on 26th May, 2018, his re-appointment for a term of five years would require approval of the shareholders by way of a special resolution. The Board of Directors of your Company accordingly recommends the same.

## MEETINGS

### MEETINGS OF BOARD OF DIRECTORS

The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days. The Board met four times during the financial year ended 31st March, 2017, details of which are given in the Corporate Governance Report forming part of Annual Report.



## MEETINGS OF INDEPENDENT DIRECTORS

In terms of Schedule IV of the Companies Act, 2013 and the Listing Regulations, separate meetings of the Independent Directors of the Company were held on 1st November, 2016 and 31st January, 2017 without the presence of Executive Directors and members of the management wherein they *inter alia* discussed:

- the performance of Non-independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## MANAGERIAL REMUNERATION

### PARTICULARS OF MANAGERIAL REMUNERATION

The information required under Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure '4' forming part of this Annual Report.

Your Directors state that none of the Executive Directors of the Company receive any remuneration or commission from any of its Subsidiaries.

### PARTICULARS OF EMPLOYEES

A statement containing particulars of employees as required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure '4' forming part of this Annual Report. There was also no employee receiving remuneration during the year in excess of that drawn by the Managing Director or Whole-time Director and holding by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

## CORPORATE GOVERNANCE MEASURES

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that they have:-

- followed the applicable accounting standards in the preparation of the Annual Accounts for the year ended 31st March, 2017 along with proper explanations relating to material departures, if any;
- 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;

- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts of the Company on a 'going concern' basis;
- laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2017.

### MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34(3) read with Schedule V of the Listing Regulations, Management Discussion and Analysis for the year under review is presented in a separate section forming part of this Annual Report.

### CORPORATE GOVERNANCE

Your Company has been practicing the principle of good Corporate Governance over the years and it is a continuous and ongoing process. The Company believes in achieving business excellence and optimising long-term value for its shareholders on a sustained basis through ethical business conduct. Your Company complies with all mandatory and certain discretionary requirements of Corporate Governance as set out in the Listing Regulations. As required under the Listing Regulations, a separate section on Corporate Governance practices followed by your Company, together with a certificate from M/s. MKB & Associates, Company Secretaries in Practice, confirming compliance with the requirements of Corporate Governance, forms part of this Annual Report.

## CEO & CFO CERTIFICATION

A certificate from the chief executive officer and chief financial officer of the Company addressed to the Board of Directors in terms of Listing Regulations, *inter alia*, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is contained elsewhere in this Annual Report.

## INTERNAL CONTROLS/ INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Company's Internal Control System is commensurate with the nature of its business and the size and complexity of its operations and ensures compliance with policies and procedures. Your Company has a dedicated and independent Internal Audit Department reporting directly to the Audit Committee of the Board. The Internal Control Systems are being constantly updated with new/ revised standard operating procedures.

The Company has laid down framework for internal financial controls through a combination of Entity level controls, Process level controls and IT general controls *inter alia* to ensure orderly and efficient conduct of business, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/ information, safeguarding of assets, prevention and detection of frauds and errors. Standard operating procedures have been laid down to guide the operations of the business. Unit heads are responsible to ensure compliance with the policies and procedures laid down by the management. Robust and continuous internal monitoring mechanisms and review processes ensure that such systems are reinforced on an ongoing basis. Such controls have been tested during the year and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Your Company uses ERP systems which has inbuilt transactional controls, tiered approval mechanisms and maintenance of supporting records. The Company's Internal Audit Department studies the internal control systems and checks & balances for continuous updation and improvements therein. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. All these steps facilitate timely detection of any irregularities and early remedial measures. The Audit Committee evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements. It also regularly reviews the budgetary control system of the Company as well as system for cost control, financial controls, accounting controls, physical verification controls, etc. to assess the adequacy and effectiveness of the internal control systems.

## PERFORMANCE EVALUATION

In terms of the requirements of the Companies Act, 2013 and Listing Regulations, the Independent Directors of the Company reviewed the performance of Non-independent Directors, the Board as a whole and of the Chairperson of the Company. The Nomination and Remuneration Committee carried out evaluation of every director's performance. The Board, after taking into consideration the evaluation exercise carried out by the Nomination and Remuneration Committee and by the Independent Directors, carried out an evaluation of its own performance and that of its Committees. The individual performance of all Directors (including the Independent Directors) was also carried out by the entire Board (excluding the director being evaluated).

A detailed note on parameters and process applied for carrying out the evaluation has been discussed in the Corporate Governance Report.

Based on the evaluations, the performance of the Board, its Committees and Individual Directors (including Independent Directors) was found to be satisfactory. The Independent Directors unanimously opined that the Non-independent Directors, including the Chairman & Managing Director have an in-depth knowledge of the Company and the environment in which it operates. All Directors are participative, interactive and communicative. Besides, the Chairman has abundant knowledge, experience, skill and understanding of the Board's functioning and conducts the meetings with poise and maturity.

The information flow between the Company's Management and the Board is also proper, adequate and timely. The Directors have expressed their satisfaction over the evaluation process and outcome thereof.

## COMMITTEES OF BOARD OF DIRECTORS

The Board has constituted following Committees of Directors to deal with matters and monitor the activities falling within the respective terms of reference:-

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Share Transfer Committee
- Corporate Social Responsibility Committee
- Finance Committee

The details of the membership, terms of reference and attendance at the meetings of the above Committees of the Board are provided in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of its Committees.

## **POLICIES AND CODES**

### **REMUNERATION POLICY**

The Remuneration Policy of the Company is aimed to attract, retain and motivate highly qualified members for the Board and other executive level and to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant regulations. The Nomination and Remuneration Committee, *inter alia*, considers qualification, positive attributes, area of expertise and independence of a Director and Executives while finalising and recommending to the Board a policy relating to their appointment and remuneration. The Policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel containing criteria and other matters provided in Section 178(3) of the Companies Act, 2013, is appended as Annexure '5' to this Report.

### **BOARD DIVERSITY POLICY**

The Company has also adopted a Board Diversity Policy which is based on the principle that the Company's Board of Directors should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business. The Company recognises that a Board composed of appropriately qualified people with a broad spectrum of experience relevant to the business is important for effective corporate governance and sustained commercial success of the Company. A diverse Board leverages differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, thereby enhancing the quality of decisions made by the Board for achieving sustainable and balanced growth of the Company. The Company's Board Diversity Policy is available on our website at <http://www.centuryply.com/investor/codes&policies/board-diversity-policy.pdf>.

### **WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviour. The Company's Whistle Blower Policy/ Vigil Mechanism encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code of Conduct that could adversely impact the Company's operations, business performance and/ or reputation. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. The Company has also made provisions for adequate safeguards against victimisation of employees

and Directors who bring such incidents to the attention of the Company.

The Audit Committee oversees the implementation of the Whistle Blower Policy which provides for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases. The said policy may be referred to, at the Company's website at: <http://www.centuryply.com/investor/codes&policies/vigil-mechanism-policy.pdf>. During the financial year ended 31st March, 2017, no case was reported under this policy.

### **RISK MANAGEMENT POLICY**

The Board of Directors of your Company has framed and adopted a policy on Risk Management to minimise the adverse consequence of risks on business objectives of the Company. The Board is kept informed about the risk assessment and minimisation procedures. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The policy is periodically reviewed by the Audit Committee to ensure that the executive management controls the risk as per decided policy. The risk management issues are discussed in Management Discussion and Analysis.

### **POLICY ON PREVENTION OF SEXUAL HARASSMENT**

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through the underlying behaviours. Positive workplace environment and a great employee experience are integral parts of our culture. Your Company believes in providing and ensuring a workplace free from harassment and gender-based discrimination. The Company also organises training sessions across the organisation to create awareness on the subject amongst the employees.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has also constituted an Internal Complaints Committees (ICC).

The Company affirms that adequate mechanisms are in place for reporting of complaints under the Policy. Employees may report complaints to the Complaints Committee formed for this purpose or to any member thereof or to the location head. During the year, no complaint regarding sexual harassment was received by the said Committee.

### **DIVIDEND DISTRIBUTION POLICY**

In terms of Regulation 43A of the Listing Regulations, your Company has formulated and adopted a Dividend Distribution Policy with the object of rewarding its shareholders

appropriately by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Company. The Policy broadly specifies the external and internal factors including financial parameters that shall be considered while declaring dividend, the circumstances under which the shareholders of the Company may or may not expect dividend and other related aspects. Through this policy, the Company endeavours to maintain a consistent approach to dividend pay-out plans. The said policy has been appended as Annexure '6' to this Annual Report and may also be referred to at the Company's website at: <http://www.centuryply.com/investor/codes&policies/dividend-distribution-policy.pdf>.

### OTHER POLICIES

Policy on Materiality of and dealing with Related Party Transactions, Policy for Preservation of Documents, Archival Policy and Policy for determining Materiality of Events/Information are some of the other policies formulated and adopted by the Board pursuant to the requirement of Listing Regulations. These policies may be accessed on the Company's website [www.centuryply.com](http://www.centuryply.com).

### CODE OF CONDUCT

A Code of Conduct as applicable to the Board of Directors and Senior Management Personnel has been displayed on the Company's website [www.centuryply.com](http://www.centuryply.com) and details thereof has been included in the Corporate Governance Report forming part of this Annual Report. The Code requires Directors and Senior Management Personnel to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests.

### CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS AND CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a 'Code of Conduct to regulate, monitor and report trading by Insiders'. The Code prohibits the Directors of the Company and other specified employees from dealing in the securities of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company. The Code also provides for periodical disclosures from designated employees as well as pre-clearance of transactions by such persons so that they may not use their position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

A copy of the said Code is made available to the employees of the Company and compliance of the same is ensured.

The Code is available on the website of the Company [www.centuryply.com](http://www.centuryply.com).

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information also adopted by the Company lays down principles and practices to be followed by the Company with respect to adequate and timely disclosure of unpublished price sensitive information.

### CORPORATE SOCIAL RESPONSIBILITY

Your Company has formulated a Corporate Social Responsibility Policy which is available on the website of the Company at <http://www.centuryply.com/investor/codes&policies/csr-policy.pdf>. Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure '7' to this Annual Report.

The Company's Policy on Corporate Social Responsibility (CSR Policy) indicates the activities to be undertaken by the Company, monitoring implementation of the framework of CSR Policy and the amount to be spent on CSR activities. The CSR Policy focuses on addressing social, environmental and economic needs of the marginalised/underprivileged sections of the society. The CSR Committee has confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

### BUSINESS RESPONSIBILITY REPORT

Securities and Exchange Board of India extended the applicability of Business Responsibility Report (BRR) to top 500 listed entities based on market capitalisation with effect from 1st April, 2016. Your Company falls in the category of top 500 Companies and accordingly, in terms of Regulation 34(2) of the Listing Regulations, a separate section on Business Responsibility Report (BRR) is brought out and appended as Annexure '8' to this Report, mapping the sustainability performance of your Company against the reporting framework suggested by SEBI.

The Report describes the initiatives taken by the Company from an environmental, social and governance perspective. For sustainable development, the management of the Company endeavours to strike a proper balance between economic, social and environmental performance in dealings with its various stakeholders. The policy is rooted in the Company's core values of quality, reliability and trust guided by the best practices and is driven by our aspiration for excellence in the overall performance of our business.

Your Company's sustainability strategy aims at creating significant value for the nation by enriching the country's economic, environmental and social capital. The sustainability strategy is premised on the belief that the transformational

capacity of business can be very effectively leveraged to create significant societal value through a spirit of innovation and enterprise.

## MISCELLANEOUS

### EXTRACT OF THE ANNUAL RETURN

An extract of Annual Return as on the financial year ended on 31st March, 2017 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out as Annexure '9' to the Directors' Report and forms part of this Annual Report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

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

### GREEN INITIATIVES IN CORPORATE GOVERNANCE

The Company sends notices, Annual Report and other communications through email to Members whose email IDs are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report are sent through permitted mode. Members requiring physical copies can send a request to the Company.

### HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

People are a key resource for your Company. The Company believes that the power of its people is propelling its progressive growth. Their knowledge, experience and passion to perform are fundamental to building the organisation further.

Your Company has been proactive in providing its workforce with a right mix of challenges and opportunities, learning platforms and leading positions, safe workplace and egalitarian work culture along with professional growth and personal development. Long-service award are being

organised to recognise the loyalty and commitment of employees. Performance recognition through initiatives like 'Sarvada Sarvottam Ambassadors', 'Champions', 'Star Performers' and 'i-lead' are also being carried out from time to time. All these initiatives coupled with quick grievance resolution mechanisms has enabled the Company to create a highly motivated pool of professionals and skilled workforce that share a passion and vision of the Company.

### INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure '10' hereto and forms part of this Annual Report.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Unclaimed dividend for the years prior to and including the financial year 2008-09 and unclaimed interim dividend for financial year 2009-10 has been transferred to the Investor Education and Protection Fund established by the Central Government (IEPF). The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st August, 2016 (date of last Annual General Meeting) on the Company's website [www.centuryply.com](http://www.centuryply.com) and also on the website of Ministry of Corporate Affairs.

Dividends for the financial year 2009-10 onwards (excluding interim dividend for 2009-10), if remaining unclaimed for 7 years, will be transferred by the Company to IEPF on respective due dates. Shareholders who have not claimed the dividend for this period are requested to lodge their claim with the Company. The Company regularly sends reminder letters through electronic and/or physical means to all those shareholders whose dividend are lying unclaimed for any year/ (s) during the last seven years requesting them to claim their dividend amounts.

## ANNEXURES

### Annexures forming a part of this Report of the Directors

The Annexures referred to in this Report containing information required to be disclosed are annexed as under:

Annexure	Particulars
1	Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures
2	Details of Loans, Guarantees and Investments
3	Secretarial Audit Report
4	Particulars of Employees and Managerial Remuneration
5	Remuneration Policy
6	Dividend Distribution Policy
7	Report on Corporate Social Responsibility
8	Business Responsibility Report
9	Extract of Annual Return
10	Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo

## APPRECIATIONS AND ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board wishes to place on record its sincere appreciation of the efforts put in by the Company's employees for achieving encouraging results under difficult conditions.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, redistribution stockists, retailers, business partners, bankers, financial institutions, Government and Regulatory Authorities, Stock Exchanges and Central and State Governments. The trust and confidence reposed by the customers in the Company and its products is especially cherished. Your Directors also wish to place on record their appreciation of the wholehearted and continued support extended by the Shareholders and Investors, which had always been a source of strength for the Company. Your Directors look forward to your continued support.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
(DIN: 00246043)  
*Chairman & Managing Director*

Kolkata, 23rd May, 2017

# Annexure 1

## Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

### Part "A" : Subsidiaries

₹ in Lac

Sl.	Particulars	Name of Subsidiaries										Step-Down Subsidiaries	
		Auro Sundram Ply and Door Pvt Ltd	Century MDF Ltd.	Ara Suppliers Pvt Ltd	Arham Sales Pvt Ltd	Adonis Vyaper Pvt Ltd	Apnapan Viniyog Pvt Ltd	Century Infotech Ltd	Centuryply Myanmar Pvt Ltd	Century Ply (Singapore) Pte. Ltd.	Century Ply Laos Co. Ltd.	PT Century Ply Indonesia	
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	31st March, 2017	
2	Reporting currency	INR	INR	INR	INR	INR	INR	INR	USD	USD	USD	USD	
3	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-	-	-	-	-	-	-	64.84	64.84	64.84	64.84	
4	Share Capital	100.00	30.00	177.76	177.76	177.76	177.76	499.50	4,939.00	3,629.42	22.80	254.17	
5	Reserves & Surplus	1,565.41	(0.10)	(9.51)	(8.53)	(8.61)	(8.55)	(462.90)	427.36	238.17	20.06	(0.73)	
6	Total Assets	4,248.08	30.01	168.40	169.38	169.3	169.36	127.16	7,248.61	9,652.23	5,627.62	427.59	
7	Total Liabilities	4,248.08	30.01	168.40	169.38	169.3	169.36	127.16	7,248.61	9,652.23	5,627.62	427.59	
8	Investments# (except investments in subsidiaries)	-	-	152.54	152.54	152.54	152.54	-	-	-	-	-	
9	Turnover	8,325.36	-	-	-	-	-	230.00	8,035.72	4,907.08	324.54	-	
10	Profit before Tax	952.11	(0.10)	(0.37)	(0.28)	(0.32)	(0.30)	(211.91)	92.29	317.96	(27.22)	(0.23)	
11	Provision for Tax	225.01	-	-	-	-	-	18.63	-	87.22	-	-	
12	Profit/ (Loss) after Tax	727.10	(0.10)	(0.37)	(0.28)	(0.32)	(0.30)	(230.54)	92.29	230.74	(27.22)	(0.23)	
13	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	
14	Percentage of Shareholding	51.00	100.00	80.00	80.00	80.00	80.00	60.06	100.00	97.26	90.00	95.00	

# Includes investments in property

### Other Information

- Names of subsidiaries which are yet to commence operations as on 31st March, 2017 - Century MDF Ltd and PT Century Ply Indonesia.
- Names of subsidiaries which have been liquidated or sold during the year - Innovation Pacific Singapore Pte. Ltd and step-down subsidiary Vietnam Innovation Pacific JSC ceased to be subsidiaries of the Company with effect from 24th August, 2016.

### Part "B" : Associates and Joint Ventures

The Company does not have any Associate or Joint Venture.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

**Sanjay Agarwal**  
Managing Director  
DIN:00246132

**Arun Kumar Julasaria**  
Chief Financial Officer

**Sundeep Jhunjunwala**  
Company Secretary

## Annexure 2

### Details of loans, guarantees and investments made during the year ended 31st March, 2017

Name of the entity	Relation	Amount (₹ in Lac)	"Particulars of Loans, Guarantees and Investments"	"Purpose for which the Loan, Guarantee and Investment are proposed to be utilised"
Ara Suppliers Pvt. Ltd.	Subsidiary	12.93	Investment	Business purpose
Arham Sales Pvt. Ltd.	Subsidiary	12.93	Investment	Business purpose
Adonis Vyaper Pvt. Ltd.	Subsidiary	12.93	Investment	Business purpose
Apnapan Viniyog Pvt. Ltd.	Subsidiary	12.93	Investment	Business purpose
Century Ply (Singapore) Pte Ltd.	Subsidiary	3,433.56	Investment	Business purpose
Centuryply Myanmar Pvt. Ltd.	Wholly Owned Subsidiary	1,258.73	Investment	Business purpose
Dealers & Distributors	--	630.37	Guarantee	Channel Financing

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
(DIN: 00246043)  
*Chairman & Managing Director*

Kolkata, 23rd May, 2017



# Annexure 3

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To  
The Members,  
CENTURY PLYBOARDS (INDIA) LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CENTURY PLYBOARDS (INDIA) LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

- a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 2015
- c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/ acts are also, *inter alia*, applicable to the Company:

- a) The Boilers Act, 1923
- b) The Legal Metrology Act, 2009
- c) The Environment (Protection) Act, 1986
- d) The Water( Prevention and Control of Pollution) Act, 1974
- e) The Air( Prevention and Control of Pollution) Act, 1981
- f) The Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system

- exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has disinvested its entire shareholding in one of its subsidiaries, Innovation Pacific Singapore Pte. Ltd

This report is to be read with our letter of even date which is annexed as Annexure – 1 which forms an integral part of this report.

For MKB & Associates  
Company Secretaries

**Manoj Kumar Banthia**  
(Partner)  
ACS no. 11470  
COP no. 7596  
FRN: P2010WB042700

Date: 23.05.2017  
Place: Kolkata

### Annexure – 1

To  
The Members,  
Century Plyboards (India) Limited

Our report of even date is to be read along with this letter.

- 1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
- 2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates  
Company Secretaries

**Manoj Kumar Banthia**  
(Partner)  
ACS no. 11470  
COP no. 7596  
FRN: P2010WB042700

Date: 23.05.2017  
Place: Kolkata

# Annexure 4

## PARTICULARS OF EMPLOYEES

Information required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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	Relationship with Director/ Manager
<b>Employed throughout the financial year</b>											
Sri Sajjan Bhajanka	Chairman & Managing Director	Commerce Graduate	Permanent	Management, administration and finance	64	5-Feb-86	37	1,20,00,000	None	N.A.	Father of Sri Keshav Bhajanka
Sri Sanjay Agarwal	Managing Director	Commerce Graduate	Permanent	Marketing and sales promotion	56	5-Jan-82	30	1,20,00,000	None	N.A.	Father of Smt. Nikita Bansal
Sri Vishnu Khemani	Managing Director	Science Graduate	Permanent	Management and administration	65	16-Apr-08	39	1,20,00,000	Sharon Veneers Pvt. Ltd.	Managing Director	None
Sri Prem Kumar Bhajanka	Managing Director	Commerce Graduate	Permanent	Management and administration	59	16-Apr-08	37	1,20,00,000	Century Panels Pvt. Ltd.	Managing Director	None
Sri Himanshu J Shah	President - MDF Business	B.Com. (Hons.), FCA	Permanent	Business Head	57	1-Sep-15	31	1,07,00,016	Bajaj Eco- Tec Products Ltd.	President	None
Sri Arun Kumar Julasaria	Chief Financial Officer	B.Com. FCA, FCS	Permanent	Finance, Taxation, Accounts	55	5-Aug-04	32	1,02,43,583	Mani Group	Finance Head	None
Sri Ajay Baldawa	Executive Director	B.E. Engg., M.Tech.	Permanent	Production; Project implementation	60	23-Feb-94	35	92,50,000	Sarda Plywood Industries Ltd.	General Manager	None
Sri Shankho Chowdhury	Executive LOB Head- Decoratives	B.A. Honours	Permanent	Sales and Marketing	54	1-Aug-13	26	85,84,256	Consultancy K	Director	None
Sri Navarun Sen	Executive LOB Head- Panel	PGDM	Permanent	Sales and Marketing	48	1-Nov-13	24	82,51,372	UNINOR	Circle Business Head	None
Sri Rajeev Malik	National Sales Manager	MBA	Permanent	Sales and Marketing	43	1-Jul-15	17	72,08,156	Tata Teleservices Ltd.	AVP- Circle Head	None

## PARTICULARS OF MANAGERIAL REMUNERATION

Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

	Requirements of Rule 5(1)	Details	
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	<b>Executive Directors</b>	<b>Ratio</b>
		Sri Sajjan Bhajanka	71.91 : 1
		Sri Hari Prasad Agarwal	35.95 : 1
		Sri Sanjay Agarwal	71.91 : 1
		Sri Prem Kumar Bhajanka	71.91 : 1
		Sri Vishnu Khemani	71.91 : 1
		Sri Keshav Bhajanka	29.96 : 1
		Sri Ajay Baldawa	55.43 : 1
		Smt. Nikita Bansal *	2.40 : 1
		<b>Non-executive Independent Directors</b>	<b>Ratio</b>
		Sri Manindra Nath Banerjee	1.20 : 1

	Requirements of Rule 5(1)	Details	
		Sri Mangi Lal Jain	1.20 : 1
		Sri Santanu Ray	1.20 : 1
		Sri Samarendra Mitra	1.20 : 1
		Sri Asit Pal	1.20 : 1
		Smt. Mamta Binani	1.20 : 1
		Sri J. P. Dua	1.20 : 1
		Sri Vijay Chhibber*	N.A.
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Executive Directors</b>	<b>Percentage Increase</b>
		Sri Sajjan Bhajanka	100
		Sri Hari Prasad Agarwal	100
		Sri Sanjay Agarwal	100
		Sri Prem Kumar Bhajanka	233
		Sri Vishnu Khemani	100
		Sri Keshav Bhajanka	108
		Sri Ajay Baldawa	85
		Smt. Nikita Bansal *	N.A.
		<b>Non-executive Independent Directors</b>	
		Sri Manindra Nath Banerjee	100
		Sri Mangi Lal Jain	100
		Sri Santanu Ray	100
		Sri Samarendra Mitra	100
		Sri Asit Pal	100
		Smt. Mamta Binani	100
		Sri J. P. Dua	100
		Sri Vijay Chhibber*	N.A.
		<b>CFO and CS</b>	
		Sri Arun Kumar Julasaria (CFO)	95
		Sri Sundeep Jhunjunwala (CS)	11
		<i>*Paid for the first time</i>	
(iii)	the percentage increase in the median remuneration of employees in the financial year;	13.66%	
(iv)	the number of permanent employees on the rolls of company;	6807	
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in salary of non-managerial employees	11
		Average percentile increase in salary of managerial employees	117
		The average increase is an outcome of Company's market competitiveness as against its peer group companies. Remuneration of Executive Directors have been increased significantly to conform to the industry standards, increased operations of the Company and also due to the fact that their remuneration has remained largely unchanged during the last few years.	
(vi)	affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company.	

For and on behalf of the Board of Directors  
**Sajjan Bhajanka**  
(DIN: 00246043)  
Chairman & Managing Director

Kolkata, 23rd May, 2017

# Annexure 5

## Remuneration Policy

### 1. Preamble

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.2 The policy will be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

### 2. Aims & Objectives

- 2.1 The aims and objectives of this remuneration policy may be summarised as follows:
  - 2.1.1 The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level.
  - 2.1.2 The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
  - 2.1.3 The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
  - 2.1.4 The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### 3. Principles of remuneration

- 3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

- 3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity: The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

### 4. Nomination and Remuneration Committee

- 4.1 Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 4.2 The Committee shall be responsible for –
  - 4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis.
  - 4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.

- 4.2.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 4.3 The Committee shall:
  - 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
  - 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
  - 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
  - 4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.
- 4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:
  - 4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
  - 4.4.2 liaise with the trustee/ custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and
  - 4.4.3 review the terms of executive Directors' service contracts from time to time.

## 5. Procedure for selection and appointment of the Board Members

### 5.1 Board membership criteria

- 5.1.1. The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in

areas that are relevant for the Company's global operations.

- 5.1.2. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organisations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.
- 5.1.3. Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- 5.1.4. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 5.1.5. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.
- 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board
  - 5.2.1. One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.
  - 5.2.2. The Board then makes an invitation (verbal/ written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

## 6. Procedure for selection and appointment of Executives other than Board Members

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;
- 6.5 Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

## 7. Compensation Structure

- 7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law. The Non-executive Directors shall also be paid such commission as the Board may approve from time to time subject to the limits prescribed in the Act or Rules made thereunder and approved by the shareholders.

- 7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director/ Whole Time Directors (MD/ WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential,

individual performance and performance of the Company as well as industry standards.

The remuneration determined for MD/ WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

## 8. Role of Independent Directors

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
- 8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

## 9. Approval and publication

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013

## 10. Supplementary provisions

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

# Annexure 6

## DIVIDEND DISTRIBUTION POLICY

### PREAMBLE

The shares of Century Plyboards (India) Limited ('the Company') are presently listed on The National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). Securities Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year. In compliance with the said Regulation, the Company is required to frame a Dividend Distribution Policy ('the/this Policy') which would aid investors in identifying stocks that match their investment objectives.

### EFFECTIVE DATE

This Policy is effective from the date of its adoption by the Board on 1st November, 2016.

### INTENT AND OBJECTIVE

The intent of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend, etc.

The objective of the Dividend Distribution Policy of the Company is to reward its shareholders by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Company. This policy aims to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company.

Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans. This Policy will also regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions Contained in Companies Act, 2013 read with the applicable Rules framed thereunder, as may be in force for the time being.

This Policy intends to act as a guiding tool to the Board for taking decision whether to distribute or to retain its profits, in the best interest of the stakeholders. It should not be construed as an alternative to the decision making process of the Board, which is based on careful consideration of several factors and circumstances. This Policy endeavours for fairness,

consistency and sustainability while distributing profits to the shareholders.

### CATEGORIES OF DIVIDEND AND PROCESS FOR APPROVAL

The Companies Act provides for two Types of Dividend namely Interim dividend and Final Dividend. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company.

#### Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

#### Process for approval of Payment of Final Dividend:

- Board shall recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy based on the profits arrived at as per the audited financial statements
- Dividend as recommended by the Board shall be approved/ declared at the annual general meeting of the Company.
- Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.

#### Interim dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalisation of quarterly (or half yearly) financial statements. This would be in order to supplement the annual dividend or in exceptional circumstances.

#### Process for approval of Payment of Interim Dividend:

- Board may declare Interim Dividend at its complete discretion, one or more times in a financial year in line with this Policy based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items.



- Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.
- Interim dividend paid during the year shall be confirmed in the annual general meeting, held after the payment of the same.

### **DIVIDEND GUIDELINE**

The Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, available cash flow, Capex requirements and applicable taxes. Distribution of dividend in kind, i.e. by way of issue of fully or partly paid bonus shares or other securities shall be subject to applicable law.

In the event of inadequacy or absence of profits in any year, the Company may declare dividend out of surplus subject to the fulfilment of conditions specified under the Companies Act, 2013 and rules made thereunder, including any amendment/modifications thereto.

Payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

Preference Shareholders shall be entitled and paid dividend at the fixed rate as per the terms of issue. In case of the Cumulative Preference Shares, if the Company is not having distributable profits for any certain financial year or the Company is not able to pay the dividend, then this shall be accumulated and be paid later on. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

### **RELEVANT FACTORS FOR CONSIDERATION WHILE DECLARING DIVIDEND**

The decision regarding dividend pay-out is a crucial one as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained by the Company for its business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Board shall consider the following factors while deciding the dividend pay-out:

#### **Internal Factors:-**

##### **(a) Profits earned during the year**

The profits earned during a financial year is the foremost criteria which impacts dividend pay-out decision.

##### **(b) Present & future liquidity requirements of the existing businesses**

Availability of adequate operating cash flow is necessary for a business to meet its financial obligations and for

running its day-to-day operations. This may impact the Board's decision to declare dividend or retain its profits.

##### **(c) Expansion/Modernisation of existing businesses**

In addition to plough back of earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernisation or augmentation of capital stock, including any major capital expenditure proposals.

##### **(d) Brand/ Business Acquisitions**

Acquisition of brands and businesses, increasing expenditure on marketing, advertising and brand building in the long-run will also influence the Board's decision of declaration of dividend.

##### **(e) Additional investments in subsidiaries/associates of the Company**

The Company operates in various areas through subsidiaries/ associates and continuously needs to make investments therein. Capital requirements of these entities for expansion and operations also need to be assessed by the Board.

##### **(f) Fresh investments into external businesses**

The Company is continuously exploring the possibility of establishing its foot-prints overseas in order to secure availability of resources in the long-run. This may lead to substantial capital requirements and may impact dividend distribution.

##### **(g) Cost of borrowings**

Cost of funds raised/ to be raised from bankers, lending institutions or through issuance of debt securities vis-à-vis ploughing back of profits also needs to be considered while deciding dividend payment.

##### **(h) Obligations towards creditors**

The Company needs to maintain adequate liquidity to be able to fulfil its obligations towards its creditors within the agreed time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

##### **(i) Post dividend EPS**

Post dividend EPS tends to have substantial impact on market capitalisation and the same also needs to be considered before declaring dividend.

##### **(j) Past dividend pay-out**

Track record of dividend pay-out in the past and its trend also tends to impact dividend distribution decision.

#### **External Factors:-**

Many external factors act as determinants for the amount of dividend proposed to be declared. In such conditions, the

Board shall exercise its discretion after due consideration of such factors:

#### (a) State of Economy

In case of uncertain or recessionary economic and business conditions, whether in the National or International markets, Board will endeavour to retain larger part of profits to have adequate reserves to absorb unforeseen and adverse circumstances.

#### (b) Capital Markets

When the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

#### (c) Taxation and Statutory Restrictions

The Board shall consider the tax regulations in respect of Dividend distribution together with restrictions imposed by any statute, including the Companies Act, with regard to declaration of dividend as may be applicable at the time of declaration of dividend. Changes in policies of the Government with respect to dividend may also impact dividend distribution.

#### Circumstances under which the shareholders may or may not expect dividend

The Equity Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing all expenses, depreciation, etc. and complying with all other applicable statutory requirements. The decision of dividend payout shall, majorly be based on the factors discussed above considering the balanced interest of the shareholders and the Company.

The shareholders of the Company may not expect dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions of business/ brand/ company or joint ventures requiring significant allocation of capital.
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

#### DIVIDEND RANGE

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking

into consideration the aforementioned factors, the Board will endeavour to maintain a per-share minimum dividend pay-out at the rate of 100 percent (excluding applicable tax on dividend distribution) of face value of equity shares of the Company, subject to an aggregate maximum pay-out of 25 percent (including applicable tax on dividend distribution) of distributable profit for the particular year.

The upper limit of dividend will *inter alia* depend upon available free cash flow generated during the particular financial year.

As mentioned above, for computing the distributable profits for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) other Comprehensive Income (iv) one off charges on account of change in law or rules or accounting policies or accounting standards (v) provisions or write offs on account of impairment in investments (long term or short term) (vi) non-cash charges pertaining to amortisation or ESoP or resulting from change in accounting policies or accounting standards. Further, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision including declaring a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

#### UTILIZATION OF RETAINED EARNINGS

The Company always looks forward to deliver maximum to its shareholders by consistently working towards creating a balance between overall Wealth Maximisation and Earnings per share. Thus the retained earnings of Company after declaration of dividend (if any), shall be utilised in the manner as considered appropriate by the Board.

#### PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to the same dividend per share.

#### REVIEW AND AMENDMENT

This Policy will be reviewed periodically by the Board. Alternatively, the Chairman or the Managing Director of the Company shall be jointly/ severally authorised to review and amend the Policy, to give effect to any change/amendment required in terms of any applicable law. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

Date: 01.11.2016  
Place: Kolkata

Sd/-  
SAJJAN BHAJANKA  
Executive Chairman

# Annexure 7

## Report on Corporate Social Responsibility

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>Century Plyboards (India) Ltd. has always been conscious of its social responsibilities and the environment in which it operates. The Company has, over the years, contributed substantially for development in the field of health, education, culture and other welfare measures to improve the general standards of living in and around its works. The CSR policy encompasses the Company's philosophy for giving back to society as a corporate citizen. The Company takes up programmes that benefit the communities over a period of time, in enhancing the quality of life and economic well-being of the local populace.</p> <p>CSR activities in the Company is carried out by way of contribution/ donation to Organisations, Specialised Agencies, Trusts and institutions as may be permitted under the applicable laws from time to time.</p> <p>The Company recognises education and health-care as the two main building blocks of any nation and considers the same as priority areas for its CSR activities.</p> <p>The CSR Policy of the Company is available on the Company's website under the weblink: <a href="http://www.centuryply.com/investor/codes&amp;policies/csr-policy.pdf">http://www.centuryply.com/investor/codes&amp;policies/csr-policy.pdf</a>.</p>									
2.	The Composition of the CSR Committee	<table border="1"> <tr> <td data-bbox="614 1004 1023 1038">Sri Sajjan Bhajanka</td> <td data-bbox="1029 1004 1439 1038">Chairman</td> </tr> <tr> <td data-bbox="614 1046 1023 1079">Sri Hari Prasad Agarwal</td> <td data-bbox="1029 1046 1439 1079">Member</td> </tr> <tr> <td data-bbox="614 1087 1023 1120">Sri Mangi Lal Jain</td> <td data-bbox="1029 1087 1439 1120">Member</td> </tr> <tr> <td data-bbox="614 1129 1023 1183">Smt. Mamta Binani</td> <td data-bbox="1029 1129 1439 1183">Member</td> </tr> </table>		Sri Sajjan Bhajanka	Chairman	Sri Hari Prasad Agarwal	Member	Sri Mangi Lal Jain	Member	Smt. Mamta Binani	Member
Sri Sajjan Bhajanka	Chairman										
Sri Hari Prasad Agarwal	Member										
Sri Mangi Lal Jain	Member										
Smt. Mamta Binani	Member										
3.	Average net profit of the Company for last three financial years	₹15167.85 lac									
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹303.36 lac									
5.	<p>Details of CSR spent during the financial year</p> <p>(a) Total amount to be spent for the financial year;</p> <p>(b) Amount unspent, if any;</p> <p>(c) Manner in which the amount spent during the financial year</p>	<p>(a) ₹303.36 lac</p> <p>(b) Nil (Company has spent ₹310.46 lac)</p> <p>(c) As detailed below</p>									

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where Projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on Projects or programs 2. Overheads* (₹ in Lac)	Cumulative expenditure up to the reporting period (₹ in Lac)	Amount spent: Direct or through implementing agency
a	Improving literacy among the rural and tribal people in India to achieve economic development by educating and training them and creating awareness about their rights; Providing non-formal primary education through One Teacher; Running of Libraries and providing reading room facilities to general public.	Education	In various parts of India including Delhi, Jaipur, Kolkata, Kachchh, Patna, Mumbai, Bangalore and Chennai to name a few.	50-60%	139.57	139.57	Aryasamaj Gandhidham, Udayan Care, Friends of Tribals Society; Century Ply Vocational Training Centre, Morning Glory School, Kailash Satyarthi Children's Foundation, Vidarthi Vikash, Ektara, Shree Burrabazar Kumarsabha Pustakalya;
b	Promoting humanitarian principles and values; Disaster response Health and Care in the Community; Running and maintenance of Hospitals, offering medical and surgical services to the ailing, and especially, the underprivileged section of the society; Supporting blood banks, HIV/ AIDS programmes; maternity, child and family welfare, nursing etc.	Preventive Healthcare Protection of life, health and human dignity	In various parts of India including Kolkata, Rajasthan, Delhi, Bhubaneswar, Bengaluru, districts of Uttarakhand and Tamil Nadu to name a few.	30% - 40%	119.13	119.13	Vivekananda Kendra Academy for Indian Culture, Yoga and Management; Indian Red Cross Society; Vivekananda Mission Ashram; Kurpai Unnayani Society; Marwari Relief Society; National Marwari Foundation; Nagrik Swasthya Sangh; Purvanchal Kalyan Ashram; Shree Manav Seva Trust; Shree Kalyan Arogya Sadan; Century Charitable Trust; Shree Vishudhanand Hospital & Reasearch Institute; Vivekananda Yoga Anusandhana Samsthana; Dr Bholanath Chakravarty Memorial Trust
c	Protection and Preservation of art and architecture of India Restoration of buildings and sites of historic importance	Protection of National Heritage	In various parts of India specially in Kolkata and Delhi	0-2%	1.00	1.00	Indian Heritage Society
d	Protecting Environment; Maintenance of burning ghats; Animal Welfare	Ensuring Environmental Sustainability & Protection of Animals	Kolkata and Vrindavan	5-25%	50.76	50.76	Calcutta Pinjrapole Society; Direct and also through Calcutta Pinjrapole Society; Friends of Vrindaban; Central Kolkata Prerna Foundation

\* Overheads- Nil

- In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:  
Not Applicable
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company:  
The CSR Committee of the Company confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sanjay Agarwal  
Managing Director and CEO  
Kolkata, 23rd May, 2017

Sajjan Bhajanka  
Chairman- CSR Committee

# Annexure 8

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L20101WB1982PLC034435												
2.	Name of the Company	Century Plyboards (India) Ltd. [CPIL]												
3.	Registered Address	6, Lyons Range, 1st Floor, Kolkata- 700 001												
4.	Website	www.centuryply.com												
5.	E-mail ID	investors@centuryply.com												
6.	Financial Year reported	2016-17												
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Sl.</th> <th>Product</th> <th>Industrial Activity Code (NIC Code)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Plywood &amp; Veneer</td> <td>1621</td> </tr> <tr> <td>2.</td> <td>Laminate</td> <td>1709</td> </tr> <tr> <td>3.</td> <td>Logistics</td> <td>5210</td> </tr> </tbody> </table>	Sl.	Product	Industrial Activity Code (NIC Code)	1.	Plywood & Veneer	1621	2.	Laminate	1709	3.	Logistics	5210
Sl.	Product	Industrial Activity Code (NIC Code)												
1.	Plywood & Veneer	1621												
2.	Laminate	1709												
3.	Logistics	5210												
8.	Three key products/ services that the Company manufactures/ provides	<ul style="list-style-type: none"> <li>• Plywood</li> <li>• Laminates</li> <li>• Container Freight Station Services</li> </ul>												
9.	Total number of locations where business activity is undertaken by the Company.													
	(a) Number of International locations	CPIL through its subsidiaries, has operations in 3 international locations.												
	(b) Number of National locations	CPIL has its registered office in Kolkata. It has 7 manufacturing locations in India (including one under its Subsidiary) and 2 Container Freight Stations. There are 31 marketing offices across the country supported by 40 depots/ warehouses (including 6 regional distribution centres).												
10.	Markets served by the Company Local/ State/ National/ International	CPIL operates across India and also exports its products to USA, Europe, Singapore, Hongkong, Vietnam, China, Nepal, Bangladesh and other countries.												

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR) (As on 31.03.2017)	₹22,21,72,990/-
2.	Total Turnover (INR) (FY 2016-17)	₹1,920.33 crore
3.	Total profit after taxes (INR) (FY 2016-17)	₹185.56 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.67% of profit after tax for FY 2016-17

5.	List of CSR activities in which expenditure has been incurred:-	<p>The major areas as listed under Schedule – VII to the Companies Act, 2013 where CSR expenditure has been incurred:</p> <ul style="list-style-type: none"> <li>• <b>Education</b> Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.</li> <li>• <b>Healthcare</b> Eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation, disaster response, maintenance of hospitals, participation in 'Swachh Bharat' mission of the Central Government, etc.</li> <li>• <b>Environmental Sustainability &amp; Animal Welfare</b> Ensuring environmental sustainability, ecological balance, animal welfare and conservation of natural resources.</li> <li>• <b>Protection of National Heritage</b> Protection and preservation of art and architecture of India; restoration of buildings and sites of historic importance.</li> </ul>
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### SECTION C: OTHER DETAILS

1.	Subsidiary Company/ Companies	CPIL has nine subsidiaries and two step-down subsidiaries. Out of these, two subsidiaries and both step-down subsidiaries are situated outside India.
2.	Participation of Subsidiary Company/ Companies in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s)	Various BR initiatives are undertaken throughout the year and CPIL encourages its subsidiaries to participate in its BR initiatives. The subsidiaries also define their initiatives based on their specific context whilst following the principles adopted by the Parent Company.
3.	Participation and percentage of participation of other entity/ entities (e.g. suppliers and distributors, among others) that the Company does business with, in the BR initiatives of the Company	The Business Responsibility policies are applicable to the management and all the employees of the Company. The Company encourages adoption of BR initiatives by its business partners as well. Based on discussions with the suppliers and distributors of the Company, currently less than 30% of other entities participate in the BR initiatives of the Company.

### SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1.	<p>Details of Director/ Directors responsible for BR</p> <p>(a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies</p> <p>(b) Details of the BR head</p>	<table border="1"> <thead> <tr> <th data-bbox="671 1446 727 1479">Sl.</th> <th data-bbox="727 1446 1034 1479">Particulars</th> <th data-bbox="1034 1446 1410 1479">Details</th> </tr> </thead> <tbody> <tr> <td data-bbox="671 1479 727 1524">1</td> <td data-bbox="727 1479 1034 1524">DIN (if applicable)</td> <td data-bbox="1034 1479 1410 1524">00246132</td> </tr> <tr> <td data-bbox="671 1524 727 1570">2</td> <td data-bbox="727 1524 1034 1570">Name</td> <td data-bbox="1034 1524 1410 1570">Sri Sanjay Agarwal</td> </tr> <tr> <td data-bbox="671 1570 727 1616">3</td> <td data-bbox="727 1570 1034 1616">Designation</td> <td data-bbox="1034 1570 1410 1616">Managing Director and CEO</td> </tr> <tr> <td data-bbox="671 1616 727 1661">4</td> <td data-bbox="727 1616 1034 1661">Telephone number</td> <td data-bbox="1034 1616 1410 1661">033 39403950</td> </tr> <tr> <td data-bbox="671 1661 727 1705">5</td> <td data-bbox="727 1661 1034 1705">E-mail ID</td> <td data-bbox="1034 1661 1410 1705">investors@centuryply.com</td> </tr> </tbody> </table>	Sl.	Particulars	Details	1	DIN (if applicable)	00246132	2	Name	Sri Sanjay Agarwal	3	Designation	Managing Director and CEO	4	Telephone number	033 39403950	5	E-mail ID	investors@centuryply.com
Sl.	Particulars	Details																		
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3	Designation	Managing Director and CEO																		
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5	E-mail ID	investors@centuryply.com																		

2.	Principle-wise (as per NVGs) BR Policy/ policies	<p>The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:</p> <p><b>Principle 1 : Ethics, Transparency and Accountability</b> Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]</p> <p><b>Principle 2 : Sustainability of Products &amp; Services across Life-cycle</b> Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]</p> <p><b>Principle 3 : Employees’ Well-being</b> Businesses should promote the wellbeing of all employees [P3]</p> <p><b>Principle 4 : Stakeholders’ Engagement</b> Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised [P4]</p> <p><b>Principle 5 : Human Rights</b> Businesses should respect and promote human rights [P5]</p> <p><b>Principle 6 : Environment</b> Business should respect, protect, and make efforts to restore the environment [P6]</p> <p><b>Principle 7 : Responsible Policy Advocacy</b> Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]</p> <p><b>Principle 8 : Inclusive Growth and Equitable Development</b> Businesses should support inclusive growth and equitable development [P8]</p> <p><b>Principle 9 : Customer Value</b> Businesses should engage with and provide value to their customers and consumers in a responsible manner [P9]</p>
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**Details of compliance**

Sl.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
i	Do you have a policy/ policies for.... ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
ii	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
iii	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	<p>The policies are based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ released by the Ministry of Corporate Affairs. They also conform to the spirit of international standards such as ISO 9001, ISO, ILO, and OSHA.</p>								

iv	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies have been approved by the Board at its meeting held on 10th May, 2016 and signed by the Managing Director and CEO.								
v	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Managing Director and CEO through the Functional Heads of the Departments/ Unit Heads of the Company, oversees the implementation of the policy across the organisation.								
vi	Indicate the link for the policy to be viewed online?	<a href="http://www.centuryply.com/investor/codes&amp;policies/business-responsibility-policy.pdf">http://www.centuryply.com/investor/codes&amp;policies/business-responsibility-policy.pdf</a>								
vii	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been communicated to all the internal and external stakeholders. The same is also made available both on the Company's website as well as intranet.								
viii	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
ix	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
x	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The BR policy is evaluated internally.								

3.	Governance related to Business Responsibility	
	Frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the Company's BR performance.	The BR Head reviews the BR performance of the Company on annual basis. The Departmental/ Unit heads regularly assess various aspects of BR performance of their respective departments/ units.
	Publishing of Business Responsibility or a Sustainability Report, its frequency and hyperlink.	The Company has published its first BR Report for the FY 2016-17 and the same forms a part of this Annual Report. The Report can also be accessed at <a href="http://www.centuryply.com/investor/investor-information/business-responsibility-report-2017.pdf">http://www.centuryply.com/investor/investor-information/business-responsibility-report-2017.pdf</a> .

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

#### Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

A company's governance practices have a direct bearing on its sustainable growth. Ethics and transparency are fundamental pillars which underline our business activities. As a responsible and leading organisation, the Company does its business with utmost integrity and adheres to best governance practices. The Company has always traversed the ethical growth path guided



by a principled leadership team, robust governance mechanisms and transparent accounting platforms. This has helped us to boost shareholder trust, gain competitive advantage as well as remain responsible towards all our stakeholders. The Company's Code of Conduct for Directors and Senior Management Executives serves as a guiding tool and ensures that principles get translated into consistent practice, lead the Company towards high standards of business conduct. A Whistle Blower Policy/Vigil Mechanism is also in place which provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policies.

**Information with reference to BRR framework:**

1.	Coverage of the policy relating to ethics, bribery and corruption over the Company and its Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others	The policy serves as a roadmap to all employees of the Company and subsidiaries across all levels and grades. The guidelines are communicated to our key associates like vendors, suppliers and contractors and they are encouraged to apply them in conduct of their businesses.																		
2.	Stakeholder complaints received in the past financial year and percentage of complaints satisfactorily resolved by the management.	<table border="1"> <thead> <tr> <th data-bbox="603 658 877 741">Stakeholder Complaints</th> <th data-bbox="877 658 1013 741">Received</th> <th data-bbox="1013 658 1149 741">Resolved</th> <th data-bbox="1149 658 1441 741">Complaints Resolved (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="603 741 877 783">Consumer Complaints</td> <td data-bbox="877 741 1013 783">1495</td> <td data-bbox="1013 741 1149 783">1472</td> <td data-bbox="1149 741 1441 783">98.46%</td> </tr> <tr> <td data-bbox="603 783 877 824">Investor Complaints</td> <td data-bbox="877 783 1013 824">9</td> <td data-bbox="1013 783 1149 824">9</td> <td data-bbox="1149 783 1441 824">100%</td> </tr> <tr> <td data-bbox="603 824 877 866">Vendor Complaints</td> <td data-bbox="877 824 1013 866">0</td> <td data-bbox="1013 824 1149 866">0</td> <td data-bbox="1149 824 1441 866">–</td> </tr> </tbody> </table>	Stakeholder Complaints	Received	Resolved	Complaints Resolved (%)	Consumer Complaints	1495	1472	98.46%	Investor Complaints	9	9	100%	Vendor Complaints	0	0	–	The Company has a structured mechanism in place for all its stakeholders to freely share their concerns and grievances with the Company.	
Stakeholder Complaints	Received	Resolved	Complaints Resolved (%)																	
Consumer Complaints	1495	1472	98.46%																	
Investor Complaints	9	9	100%																	
Vendor Complaints	0	0	–																	

**Principle 2: Sustainability of Products & Services across Life-cycle**

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Wood is a major source of raw material for the plywood industry. Availability of wood remains a critical challenge and is a serious sustainability concern, especially in a country with limited natural resources and acute income inequities. Raw material linkage plays vital role in plywood industry, as timber logs procurement depends on available expanses of global forests. Environmental policies of local governments influence quantity of tree logs that can be used for industrial purpose. Over the years, the Company has managed to cater to raw material scarcity well in time and in a sustainable manner.

The Company is committed to conduct its business in an environmentally responsible manner. This policy is rooted in the Company's core values of quality, reliability and trust guided by the best practices and is driven by our aspiration for excellence in the overall performance of our business. Our approach is to add value in such a manner that not only are our products affordable and accessible, but our practices are also sustainable and equitable. The Company has been the pioneer in Boiling Water Resistant (BWR) Decorative Veneer, Powder-proof PF Plywood and the revolutionary Non-leachable Fire Safe Plywood, providing maximum value and satisfaction to our customers.

The Company also strives to raise consumers' awareness through proper product labelling and marketing communications. The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle. The environmental custodianship and Corporate Citizenship are an integral part of the Company's goal to achieve ecological development along with people development. The Company recognises the responsibility to assess and minimise the ecological impact of our business activities and protecting the ecosystem.

Information with reference to BRR framework:

1.	Three products/ services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(a) Zykrón (b) Starke (c) MDF & Particle Board
2.	<p>Details in respect of resource use (energy, water, raw material etc.)</p> <p>a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year</p>	<p>The Company focuses on researching, developing and producing new technologies. It closely works with its suppliers and vendors to reduce the environmental impacts in the sourcing stage.</p> <p>The Company has taken various initiatives for optimum usage of resources/ energy:</p> <p>(a) The new age product Zykrón is a Fibre cement composite board wherein cellulose fibre is reinforced with cement thereby reducing the usage of wood-based raw-materials</p> <p>(b) Starke PVC board is made out of PVC and Calcium carbonate along with other performance enhancing additives, provides a promising and quality alternate to pure wood based product.</p> <p>(c) MDF Board use residuals of hardwood and softwood as its primary raw material while Particle Board uses wood chips, sawmill shavings, or even sawdust as its raw material, thereby reducing usage of wooden on logs.</p> <p>(d) Installation of Energy meters at all locations for optimum power utilisation</p> <p>(e) Installation of variable frequency drives to operate ID fan at reduced speed to avoid heat loss and save power.</p> <p>(f) Installation of sky light sheet which enables switching- off of the lighting system during day time.</p> <p>(g) Adoption of improved technology for producing anti-bacterial and anti-fungal laminates and plywood.</p>
3.	Procedures in place for sustainable sourcing (including transportation) and percentage of your inputs sourced sustainably	<p>The Company endeavours to integrate sustainability in the procurement process for its products. An effective inter-department communication mechanism embedded in the SAP system enables the purchases department to act according to production and sales forecasts for the forthcoming periods to ensure optimum raw material procurement.</p> <p>The Company uses substantial quantity of plantation timber and agro-forestry materials, both of which are sustainable sources of raw materials. The Company has also started procuring face veneer instead of raw timber logs from Myanmar and Laos through its overseas Subsidiaries, thereby ensuring raw material sustainability, optimising transportation and reducing related environmental impacts. As on date, the Company is sourcing 5% of its veneer from Myanmar and Laos. It is now looking for other alternative species of plywood like Beech from Europe, MLH (Mixed Light Hardwood) from Solomon Islands and Papua (New Guinea). Higher tonnage trucks/ containers are deployed for transportation to save on fossil fuel.</p>

4.	Steps taken to procure goods and services from local & small producers, including communities surrounding the place of work and initiatives taken to improve their capacity and capability	The Company has embedded sustainability throughout its procurement supply chain. We procure much of our machinery, spare-parts, consumables and packing materials from medium and small scale manufactures/ suppliers, preferably located close to our manufacturing units wherever possible. The Company also sources its supplies from various self-help groups. Awareness sessions are conducted for its suppliers on social and environmental issues. Suppliers are provided with managerial and technical assistance to train them on practices and procedures that will ensure improvement in productivity, quality, cost-reduction, delivery and safety.
5.	Mechanism and percentage of recycling of products and waste	Conversion of logs into veneer and thereafter to plywood is accompanied by incidental waste in some form or the other. The Company uses most of its wood based wastes either as raw material for particle board or as fuel for running its boilers. Through process technology and operational control measures, the Company endeavours to minimise the generation of product or process waste. Advanced technology is being used to join waste wood veneers together to make it usable as raw material, thereby minimising wastage. The waste-water generated is treated and used for greenbelt development, thereby ensuring zero effluent discharge. It is the Company's ongoing endeavour to have a mechanism to recycle our products and limit the waste arising out of production. Our objective is to reduce the waste and to minimise the need of raw materials to produce a brand new product. Presently more than 10% of the product wastes are either recycled or put to secondary use.

### Principle 3: Employees' well-being

#### Businesses should promote the well-being of all employees

The Company focuses on ensuring the well-being of all its employees, their safety and health. It considers employee well-being as imperative ingredient to achieve a profitable growth. The Company has migrated from an era of industrial relations to employee relations. The Company believes that the power of its people is propelling its progressive growth. Their knowledge, experience and passion to perform are fundamental to building the organisation further. Hence, the Company provides its employees with opportunities that encourage them to excel and ensures a work environment that promotes well-being.

Our workforce is a fine blend of talent from different age groups, genders, castes, domains, religions, cultural backgrounds etc. We nurture talent by providing them the right mix of challenges and opportunities, learning platforms and leading positions, safe workplace and egalitarian work culture along with professional growth and personal development. Diversity and merit are the two enablers of ensuring equality of opportunity for our workforce, at the time of recruitment and during the course of employment. Bias, discrimination and harassment have no room at our workplace.

Recognition and recreation are crucial to motivate the employees to perform to the best of their potential. We have specific modules to reward talent. Some of these means and modules of employee recognition and recreation include:

1. Special celebration to accord due recognition to the retiring employee
2. Long-service award to recognise the loyalty and commitment of employees
3. Family picnics to foster warm and friendly relations.
4. Birthday celebrations.
5. Talent hunt initiatives in the form of 'Centurion Idol'
6. Performance recognition through initiatives like 'Sarvada Sarvottam Ambassadors', 'Champions', 'Star Performers' and 'i-lead'

Information with reference to BRR framework:

1.	Total number of employees	6807												
2.	Total number of employees hired on temporary/ contractual/ casual basis.	3019												
3.	Number of permanent women employees.	384												
4.	Number of permanent employees with disabilities	8												
5.	Employee associations recognised by the management.	The Company respects the rights of employees to free association and union representation. The Company has various employee unions and associations at various sites, which encourage the employees to participate freely in constructive dialogue with the management.												
6.	Percentage of permanent employees who are members of recognised employee association.	27%												
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<table border="1"> <thead> <tr> <th>Category</th> <th>No. of complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>Child labour/ forced labour/ involuntary labour</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Sexual harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Discriminatory employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year	Child labour/ forced labour/ involuntary labour	Nil	Nil	Sexual harassment	Nil	Nil	Discriminatory employment	Nil	Nil
		Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year										
		Child labour/ forced labour/ involuntary labour	Nil	Nil										
		Sexual harassment	Nil	Nil										
Discriminatory employment	Nil	Nil												
The Company has also constituted an Internal Complaints Committee where employees can register their complaints against sexual harassment.														
8.	Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?	Permanent Employees	18%											
		Permanent Women Employees	9%											
		Casual/ Temporary/ Contractual Employees	3%											
		Employees with disabilities	12%											

**Principle 4 : Stakeholders' Engagement**

**Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

Your Company believes that the performance of business enterprises must be measured in terms of the value they create for society. Company's stakeholders include shareholders and investors, employees, suppliers, dealers, stockists, retailers, customers, government and regulatory authorities, trade unions, media and local communities around its sites of operations. The Company values the support of its stakeholders and respects the interests and concerns they have towards it. The Company endeavours to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner through effective dialogues, identification of material concerns and their resolution in an equitable and transparent manner.

Information with reference to BRR framework:

1.	Mapping of internal and external stakeholders	<p>The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. CPIL has always acknowledged the vital contribution of all in building a sustainable business and has accorded importance to their voices and concerns.</p> <p>The main categories and their mode of engagements are:</p> <table border="1" data-bbox="612 488 1445 982"> <tr> <td data-bbox="612 488 863 567">Investors and shareholders</td> <td data-bbox="863 488 1445 567">General meetings, annual report and Investor meets</td> </tr> <tr> <td data-bbox="612 567 863 646">Employees</td> <td data-bbox="863 567 1445 646">Meetings, newsletters, intranet portal, employee satisfaction survey and trainings</td> </tr> <tr> <td data-bbox="612 646 863 689">Suppliers and dealers</td> <td data-bbox="863 646 1445 689">Site visits and personal/ telephonic interactions</td> </tr> <tr> <td data-bbox="612 689 863 762">Retailers and Customers</td> <td data-bbox="863 689 1445 762">Customer meets, customer satisfaction survey and web-based interactive portals</td> </tr> <tr> <td data-bbox="612 762 863 841">Government and regulatory authorities</td> <td data-bbox="863 762 1445 841">Industry bodies/ forums</td> </tr> <tr> <td data-bbox="612 841 863 884">Trade unions</td> <td data-bbox="863 841 1445 884">Union meetings</td> </tr> <tr> <td data-bbox="612 884 863 928">Media</td> <td data-bbox="863 884 1445 928">Press releases, media events and announcements.</td> </tr> <tr> <td data-bbox="612 928 863 982">Local communities</td> <td data-bbox="863 928 1445 982">Personal visits</td> </tr> </table>	Investors and shareholders	General meetings, annual report and Investor meets	Employees	Meetings, newsletters, intranet portal, employee satisfaction survey and trainings	Suppliers and dealers	Site visits and personal/ telephonic interactions	Retailers and Customers	Customer meets, customer satisfaction survey and web-based interactive portals	Government and regulatory authorities	Industry bodies/ forums	Trade unions	Union meetings	Media	Press releases, media events and announcements.	Local communities	Personal visits
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2.	Identification of disadvantaged, vulnerable and marginalised Stakeholders	<p>CPIL identifies disadvantaged, vulnerable and marginalised communities around its manufacturing facilities and continuously work towards their betterment by identifying their needs and expectations. It also identifies disadvantaged, vulnerable and marginalised stakeholders and continuously works towards their betterment.</p>																
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	<p>CPIL makes conscious efforts for the communities residing in proximity of its manufacturing units so as to enable them improve their standard of living. Development and deployment of need-based community programmes in the areas of health, education, skill development, sanitation, livelihood etc. constitute a prominent part of Corporate Social Responsibility (CSR) initiatives. The Company's vocational training centre imparts carpentry training to local youth, thereby making them self-dependent.</p> <p>Direct engagement with small and marginal suppliers provides an avenue for sustainable livelihood generation and capacity building. MSME vendors are given preference wherever possible, for local procurements.</p> <p>CPIL's policies are designed to protect employees against any kind of discrimination based on caste, religion, geography, educational or social background, gender etc. Regular training at factory helps in the betterment and upliftment of workers.</p> <p>The Company constantly targets fake products and packaging manufacturers and label printers through raids in collaboration with local authorities and network of business associates as counterfeit products in the market pose a risk to customers as well.</p>																

## Principle 5 : Human Rights

### Businesses should respect and promote human rights

CPIL's culture demonstrates integrity and respect for human rights. The Company is committed to respect and protect the human rights of all individuals and strive to serve them with honesty, just management and fairness. The Company understands that human rights are inherent, universal, indivisible and inter-dependent in nature. The Company upholds the fundamental human rights in line with the legitimate role of business.

Information with reference to BRR framework:

1.	Coverage of the Company's policy on human rights and its extension to the Group/ Joint Ventures/ Suppliers/ NGOs/Others	CPIL respects human rights and its code of conduct demonstrates its commitment towards the preservation of human rights across the value chain. The Company believes that a sustainable organisation rests on ethics and respect for human rights. CPIL's policy on human rights sets the Company's expectations of its Business Channel Partners, Investors and Contractors to adhere to principles of human rights. The Company, within its sphere of influence, promote the awareness and realisation of human rights across their value chain. The Company encourages its Business Partners to follow the policy and discourages dealings with those who violate human rights.
2.	Stakeholder complaints received in the past financial year and percentage of complaints resolved satisfactorily by the management	No complaint was received pertaining to human rights violation during the reporting financial year.

## Principle 6 : Environment

### Business should respect, protect, and make efforts to restore the environment

The Company is committed to conduct its business in an environmentally responsible manner. This commitment is consistent with the corporate objectives of the Company and is essential to sustainable development. It constantly endeavours to embed environmental sustainability right at the design and development stage. Despite using wooden logs as its primary raw material, the Company constantly endeavours to reduce over-consumption of resources and its related environmental impact. Optimal use of resources, reusing and recycling of waste has been embedded in its processes. Efforts to improve performances have resulted in considerable reduction in the use of energy and natural resources. There are several innovative technologies which have been implemented to reduce the energy consumption.

Information with reference to BRR framework:

1.	Coverage of the policy related to Principle 6 and its extension to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others	The guidelines are communicated to our key associates like vendors, suppliers and contractors and they are encouraged to apply them in conduct of their businesses. We aim to propagate the principles of sustainability throughout our value chain and to all stakeholders.
2.	Company's strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.	CPIL continuously strives to minimise the environmental impact of its operations through sustainable practices and responsible use of natural resources. We are continually investing in new technologies, implementing process improvements and innovating. The Company is working to control/reduce formaldehyde emission from plywood and HPL by improved glue formulation. The Company has also developed new resin manufacturing technology to avoid vacuum distillation at final stage to avoid liquid effluent discharge. Treated water is being used for steam generation in boiler, filling of ponds for storing logs, gardening, toilet flushing, fire water storage, road cleaning, etc. CPIL is regularly engaging in and encouraging its Business Partners to join its drive in expanding green cover through tree plantation activities in and around its manufacturing units and also at other places.

3.	Identification and assessment of potential environmental risks	Identification and assessment of potential environmental risks is an ongoing process at CPIL. Sound environmental management systems are practiced across our manufacturing units. Systems are in place to ensure continuous monitoring of potential environmental risks involved in its operations. For new and upcoming projects, potential environmental risks are identified while preparing Environment Impact Assessment (EIA) and Risk Assessment reports. Accordingly, identified potential environmental risks are addressed at the design stage and also mitigated through incorporation of robust environmental management plan. Environmental audits are carried out regularly which help in identifying potential risks and necessary corrective actions are taken to mitigate the same.
4.	Company's initiatives/ projects related to Clean Development Mechanism and environmental compliance report filed	The Company has not applied for any projects under the Clean Development Mechanism. However, we strive for continual improvement in our products, services and processes, and in the value we provide to our customers, employees and the communities we serve. We embrace sustainability as a catalyst for business growth and innovation.
5.	Company's initiatives on clean technology, energy efficiency, renewable energy, etc.	<p>CPIL is committed to reduce environmental impacts on our natural resources through implementation of best technology, reduction in use of energy, water conservation, minimisation of air emissions, rainwater harvesting and solid waste recycling. Some of the steps taken in this directions are-</p> <ul style="list-style-type: none"> <li>• Use of wood wastages for running boilers</li> <li>• Energy meters installed at all location to monitor/ control for power optimum utilisation.</li> <li>• Installation of wet scrubbers for air pollution control installed in lamination plant.</li> <li>• Installation of electrical parameters for monitoring of different sections for power control.</li> <li>• Installation of energy efficient equipment, lighting fixtures and also using translucent roofing sheets to use solar light during day time.</li> <li>• Shift towards installation of LED lighting by phasing out conventional Tube Lights/ Sodium/ Mercury Halogen lights</li> <li>• Increased use of turbo vents for better air circulation without electrical energy</li> <li>• Rooftop solar photo voltaic projects are being installed, wherever found viable</li> <li>• Screening and utilisation of various bio materials obtainable from natural renewable sources is regularly being experimented to achieve reduction in the use of petroleum based chemicals, thereby reducing generation of industrial wastes and pollution.</li> </ul>
6.	Reporting on the emissions/ waste generated by the Company as per the permissible limits given by CPCB/ SPCB	Efficient control equipment and robust procedures helped the Company to meet the applicable environmental standards continuously. The emissions/ waste generated by CPIL is not only within but in many cases, significantly lower than the permissible limits given by the State or Central Pollution Control Boards. The environmental monitoring reports are regularly submitted to CPCB/ SPCB by the Company.
7.	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	There are no pending or unresolved show cause/ legal notices from CPCB/ SPCB as on 31st March, 2017.

**Principle 7 : Responsible Policy Advocacy**

**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

CPII engages with industry bodies and associations to influence public and regulatory policy in a responsible manner. The Company has always strived to create a positive impact in the business eco-system and communities by practicing pro-active advocacy not for securing certain benefits for industry, but for advocating certain best practices for the benefit of society at large. The Company’s engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

**Information with reference to BRR framework:**

1.	Membership in any trade and chamber or association	CPII has its representation in several business and industrial associations such as- (a) MCC Chamber of Commerce and Industry (b) Bharat Chamber of Commerce (c) Indian Chamber of Commerce (d) Federation of Indian Chambers of Commerce and Industry (e) Indian Plywood Manufacturers’ Research Association
2.	Advocating/ lobbying through above associations for the advancement or improvement of public good	CPII through various industry associations participates in advocating matters for advancement of the industry and public good. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue, though, at times we had advocated on Economic Reforms and Sustainable Business Principles through them.

**Principle 8 : Inclusive Growth and Equitable Development**

**Businesses should support inclusive growth and equitable development**

Inclusive business for the Company means creating economic well-being through employment, skill improvement and access to markets for the community we operate in. The Company believes in creating opportunities for the people around its operations to enable a sustainable future and ensure inclusive growth. Its community development activities focus on areas that foster development and well-being of communities. CPII’s CSR initiatives are aligned to aspects, such as healthcare, education and environmental sustainability.



**Information with reference to BRR framework:**

1.	Specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8	<p>CPIL supports the principles of inclusive growth and equitable development through not just its corporate social responsibility initiatives but through its core business as well. The Company believes in being an equal opportunity employer. Policies have even been framed for promoting an inclusive workplace, where the potential of our women employees is leveraged and every woman feels valued, heard and fully involved with the Company.</p> <p>We also work towards targeting fake and counterfeit products available in the market as these pose a serious risk to our customer’s well-being as well.</p> <p>The Company’s inclusive growth initiatives are focused towards achieving the following objectives:</p> <ol style="list-style-type: none"> <li>1. Ensuring the well-being of local communities</li> <li>2. Building self-employment capabilities by imparting carpentry training</li> <li>3. Empowering women</li> <li>4. Creating access to healthcare</li> <li>5. Conserving the environment</li> <li>6. Promoting education</li> </ol>
2.	Modes through which programmes/ projects undertaken (through in-house team/ own foundation/ external NGO/ government structures/ any other organisation)	Programmes pertaining to Principle 8 are carried out by the Company directly and/ or through its own Company-promoted Charitable Trusts, other NGOs and non-profit organisations.
3.	Impact assessments for initiatives undertaken	The Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.
4.	Company’s direct contribution to community development projects and the details of the projects undertaken.	CPIL’s contribution towards community development projects carried under its CSR policy during the reporting period (2016-17) is ₹3.10 crore. Details of the same have been provided in Annexure '7' of the Directors’ Report.
5.	Steps taken to ensure that community development initiatives are successfully adopted by the community.	<p>CPIL follows a participatory approach in the areas of intervention and encourages participation from communities for planning and implementation purposes. All our businesses and manufacturing units continuously engage with communities surrounding their operations through surveys and focused meetings. This is done to assess the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself.</p> <p>This year a new Programme “Pragati Yojna -Century Ply Carpentry School” was initiated whereby the local youth are provided free of cost training in carpentry. The objective of the project is to provide skill development training to youth from economically weaker sections of the society and help to make them more employable.</p>

**Principle 9 : Customer Value**

**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

The Company is committed to continuously exceed customer expectations. Customer satisfaction is the key to our growth and success in this line of business. The Company strives hard to provide better services and greatest value to its customers. Our

customers have been our strong pillar of support and over the years of our existence have become our true brand ambassadors. This foundation is supported by our continuous efforts to provide the best quality product, accompanied by the best marketing and technical support.

**Information with reference to BRR framework:**

1.	Percentage of customer complaints/ consumer cases pending as on the end of financial year	1483 customer complaints were received, of which 1461 were successfully resolved. Only 22 complaints constituting 1.48% remained pending as on the end of the financial year. Subsequently, most of these complaints have also been resolved. Further, only 5 cases filed by customers/ consumers in various Consumer Courts/ Redressal Forum were pending as on the 31st March, 2017.
2.	Display of product information on the product label, over and above what is mandated as per local laws	CPL adheres to all legal statutes with respect to product labelling and display of product information. The Company also displays all the requisite information and safety guidance which are specific to its product.
3.	Case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on the end of financial year.	One case was filed against the Company on grounds of irresponsible advertising of its 'Sainik' brand of plywood. This was however decided in favour of the Company by The Advertising Standards Council of India and the complaint was dismissed.
4.	Consumer survey/ consumer satisfaction trends carried out by the Company	Consumer satisfaction is important for business. The Company connects with consumer with multiple touch points. Feedback of the end-consumers is also obtained through the numerous dealers and architects empanelled with the Company to understand the product quality feedback. The Company's CFS Division also carries out shipping lines' survey. The Company also has a systematic process for resolution of all complaints and this helps in improving consumer delight.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
(DIN: 00246043)  
*Chairman & Managing Director*

Kolkata, 23rd May, 2017

# Annexure 9

## Form MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

#### I. Registration and other details:

1.	CIN	L20101WB1982PLC034435
2.	Registration Date	05-01-1982
3.	Name of the Company	Century Plyboards (India) Ltd.
4.	Category/ Sub-Category of the Company	Public Company limited by shares
5.	Address of the Registered office and contact details	6, Lyons Range, 1st Floor, Kolkata- 700 001 Ph: 033 3940 3950, Email ID: investors@centuryply.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd., 23, R. N. Mukherjee Road, 5th Floor, Kolkata 700 001 Ph: 033-22435029 Email ID: mdpldc@yahoo.com

#### II. Principal business activities of the Company

All the Business activities contributing 10 % or more of the total turnover of the Company are stated:-

Sl.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Plywood & Veneer	1621	70.67
2.	Laminate	1709	19.26

### III. Particulars of Holding, Subsidiary and Associate companies

Sl.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Auro Sundram Ply and Door Pvt. Ltd.	Raipur Industrial Area, Gagalheri Road, Bhagwanpur, Roorkee, Uttarakhand- 247661	U20211UR2005PTC032621	Subsidiary	51	2(87)(ii)
2.	Century MDF Ltd.	6, Lyons Range, Kolkata- 700001	U20296WB2012PLC181050	Subsidiary	100	2(87)(ii)
3.	Ara Suppliers Pvt. Ltd.	6, Lyons Range, Kolkata- 700001	U51109WB2006PTC110351	Subsidiary	80	2(87)(ii)
4.	Arham Sales Pvt. Ltd.	6, Lyons Range, Kolkata- 700001	U51909WB2006PTC111570	Subsidiary	80	2(87)(ii)
5.	Adonis Vyaper Pvt. Ltd.	6, Lyons Range, Kolkata- 700001	U52190WB2006PTC111573	Subsidiary	80	2(87)(ii)
6.	Apnapan Viniyog Pvt. Ltd.	6, Lyons Range, Kolkata- 700001	U52190WB2006PTC111571	Subsidiary	80	2(87)(ii)
7.	Century Infotech Ltd.	6, Lyons Range, Kolkata- 700001	U72900WB1997PLC086118	Subsidiary	60.06	2(87)(ii)
8.	Centuryply Myanmar Pvt. Ltd.	No.24-27 Min Theidki Kyaw Swar Road, East Dagon Industrial Zone, Yangon, Myanmar	Foreign Company	Subsidiary	100	2(87)(ii)
9.	Century Ply (Singapore) Pte Ltd.	10 Anson Road, #27-02 International Plaza Singapore 079903	Foreign Company	Subsidiary	97.26	2(87)(ii)
10.	PT Century Ply Indonesia	Wisma Mobil Lantai 3, Jl. Raden Saleh Raya No. 53, Kelurahan Cikini, Kecamatan Menteng, Jakarta, Pusat 10330	Foreign Company	Step down Subsidiary	95	2(87)(ii)
11.	Century Ply Laos Co. Ltd.	House No.225 Sysavangvong Road, Unit 22, Saiyamongkoun Village, Kaisonphomevihan district Savannakhet Province, Lao PDR	Foreign Company	Step down Subsidiary	90	2(87)(ii)

### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	123605771	Nil	123605771	55.64	120627598	Nil	120627598	54.30	(2.41)
b) Central Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corporate	39329080	Nil	39329080	17.70	39329080	Nil	39329080	17.70	Nil
e) Banks/ FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):	162934851	Nil	162934851	73.34	159956678	Nil	159956678	72.00	(1.83)

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/ FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	162934851	Nil	162934851	73.34	159956678	Nil	159956678	72.00	(1.83)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	7257308	Nil	7257308	3.27	8873494	Nil	8873494	3.99	22.27
b) Banks/ FI	122748	Nil	122748	0.05	30487	Nil	30487	0.01	(75.16)
c) Central Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	11259864	Nil	11259864	5.07	2898270	Nil	2898270	1.31	(74.26)
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)									
Foreign Portfolio Investors	15540944	Nil	15540944	6.99	25534679	Nil	25534679	11.49	64.31
Sub-total (B)(1):	34180864	Nil	34180864	15.38	37336930	Nil	37336930	16.80	9.23
2. Non-institutions									
a) Bodies Corporate									
i) Indian	9549385	16500	9565885	4.31	9143612	12000	9155612	4.12	(4.29)
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	11079194	771100	11850294	5.33	12708201	657960	13366161	6.02	12.79
ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	1870306	Nil	1870306	0.84	1022728	Nil	1022728	0.46	(45.32)
c) Others (specify)									
(i) Trusts	Nil	Nil	Nil	Nil	15315	Nil	15315	0.01	100
(ii) Clearing Member	1117480	Nil	1117480	0.50	709978	Nil	709978	0.32	(36.47)
(iii) Non Resident Individual	642610	Nil	642610	0.29	581405	Nil	581405	0.26	(9.52)
(iv) NBFCs registered with RBI	10700	Nil	10700	0.01	25705	Nil	25705	0.01	140.23
(v) Foreign National	Nil	Nil	Nil	Nil	2478	Nil	2478	Negligible	100
Subtotal (B)(2):-	24269675	787600	25057275	11.28	24209422	669960	24879382	11.20	(0.71)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	58450539	787600	59238139	26.66	61546352	669960	62216312	28.00	5.03
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>221385390</b>	<b>787600</b>	<b>222172990</b>	<b>100</b>	<b>221503030</b>	<b>669960</b>	<b>222172990</b>	<b>100</b>	<b>Nil</b>

ii) Shareholding of Promoters

Sl.	Shareholder's Name	No. of Shares held at the beginning of the year (01.04.2016)			No. of Shares held at the end of the year (31.03.2017)			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Sajjan Bhajanka	26357954	11.86	2.25	25232954	11.36	Nil	(4.27)
2.	Sanjay Agarwal	25325124	11.40	2.25	24200124	10.89	Nil	(4.44)
3.	Divya Agarwal	16749750	7.54	Nil	16749750	7.54	Nil	Nil
4.	Santosh Bhajanka	15649500	7.04	Nil	15649500	7.04	Nil	Nil
5.	Vishnu Khemani	12607857	5.67	Nil	12607857	5.67	Nil	Nil
6.	Sudha Khemani	5985286	2.69	Nil	5985286	2.69	Nil	Nil
7.	Yash Bhajanka	3149132	1.42	Nil	3149132	1.42	Nil	Nil
8.	Prem Kumar Bhajanka	5126170	2.31	1.35	4636997	2.09	1.35	(9.54)
9.	Bhawna Agarwal	3087690	1.39	Nil	3087690	1.39	Nil	Nil
10.	Hari Prasad Agarwala	2435760	1.10	0.45	2435760	1.10	Nil	Nil
11.	Hari Prasad Agarwala and Others HUF	1852990	0.84	Nil	1602990	0.72	Nil	(13.49)
12.	Sumitra Devi Agarwala	1676250	0.75	Nil	1676250	0.75	Nil	Nil
13.	Rajesh Kumar Agarwal	1602308	0.72	Nil	1602308	0.72	Nil	Nil
14.	Sonu Kajaria	600000	0.27	Nil	611000	0.28	Nil	1.83
15.	Payal Agrawal	600000	0.27	Nil	600000	0.27	Nil	Nil
16.	Shraddha Agarwal	600000	0.27	Nil	600000	0.27	Nil	Nil
17.	Nancy Bhajanka	100000	0.05	Nil	100000	0.05	Nil	Nil
18.	Keshav Bhajanka	100000	0.05	Nil	100000	0.05	Nil	Nil
19.	Sri Ram Vanijya Pvt. Ltd.	8502180	3.83	Nil	8502180	3.83	Nil	Nil
20.	Brijdham Merchants Pvt. Ltd	7743990	3.49	Nil	7743990	3.49	Nil	Nil
21.	Sumangal International Pvt. Ltd.	7666800	3.45	Nil	7666800	3.45	Nil	Nil
22.	Sumangal Business Pvt. Ltd.	6831240	3.07	Nil	6831240	3.07	Nil	Nil
23.	Sri Ram Merchants Pvt. Ltd.	6739870	3.03	Nil	6739870	3.03	Nil	Nil
24.	Auroville Investments Pvt. Ltd.	1845000	0.83	Nil	1845000	0.83	Nil	Nil
<b>Total</b>		<b>162934851</b>	<b>73.34</b>	<b>6.30</b>	<b>159956678</b>	<b>72.00</b>	<b>1.35</b>	<b>(1.83)</b>

**iii) Change in Promoters' Shareholding**

Sl.	Shareholder's Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
	At the beginning of the year		162934851	73.34			
	Date wise Increase/ Decrease in Promoters shareholding during the year	21.07.16	(2500000)	(1.12)	160434851	72.22	Transfer
		17.10.16	(489173)	(0.22)	159945678	72.00	Transfer
		15.11.16	11000	Negligible	159956678	72.00	Transfer
	At the end of the year				159956678	72.00	

**iv) Shareholding Pattern of top ten Shareholders (as on 31st March, 2017)  
(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl.	For each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1.	<b>GOVERNMENT PENSION FUND GLOBAL</b>						
	At the beginning of the year		5500000	2.48			
	Date wise Increase/ Decrease in Shareholding during the year	22/07/2016	49125	0.02	5549125	2.50	Transfer
		29/07/2016	1700000	0.77	7249125	3.27	Transfer
		05/08/2016	1355750	0.61	8604875	3.88	Transfer
		04/11/2016	(50000)	(0.02)	8554875	3.85	Transfer
		11/11/2016	(533369)	(0.24)	8021506	3.61	Transfer
		18/11/2016	(278759)	(0.13)	7742747	3.49	Transfer
		25/11/2016	(417617)	(0.19)	7325130	3.30	Transfer
		09/12/2016	(542000)	(0.24)	6783130	3.06	Transfer
		16/12/2016	(254478)	(0.11)	6528652	2.94	Transfer
		23/12/2016	(162888)	(0.07)	6365764	2.87	Transfer
		30/12/2016	(223909)	(0.10)	6141855	2.77	Transfer
	06/01/2017	(641855)	(0.29)	5500000	2.48	Transfer	
	At the end of the year				5500000	2.48	
2.	<b>SUNDARAM MUTUAL FUND</b>						
	At the beginning of the year		3205881	1.44			
	Date wise Increase/ Decrease in Shareholding during the year	06/05/2016	(4908)	Negligible	3200973	1.44	Transfer
		03/06/2016	707774	0.32	3908747	1.76	Transfer
		10/06/2016	47681	0.02	3956428	1.78	Transfer
		17/06/2016	(3893)	Negligible	3952535	1.78	Transfer
		19/08/2016	5000	Negligible	3957535	1.78	Transfer
		23/09/2016	(5648)	Negligible	3951887	1.78	Transfer
		25/11/2016	2000	Negligible	3953887	1.78	Transfer
		02/12/2016	(25568)	(0.01)	3928319	1.77	Transfer
		30/12/2016	(12610)	(0.01)	3915709	1.76	Transfer
		06/01/2017	(90000)	(0.04)	3825709	1.72	Transfer
		13/01/2017	(54665)	(0.02)	3771044	1.70	Transfer
		20/01/2017	(15335)	(0.01)	3755709	1.69	Transfer
		10/03/2017	(75000)	(0.03)	3680709	1.66	Transfer
	31/03/2017	(5400)	Negligible	3675309	1.65	Transfer	
	At the end of the year				3675309	1.65	

Sl.	For each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
3.	<b>GOLDMAN SACHS INDIA LIMITED</b>						
	At the beginning of the year		2151443	0.97			
	Date wise Increase/Decrease in Shareholding during the year	17/02/2017	235865	0.11	2387308	1.07	Transfer
		24/02/2017	253692	0.12	2641000	1.19	Transfer
		03/03/2017	180300	0.08	2821300	1.27	Transfer
		31/03/2017	29359	0.01	2850659	1.28	Transfer
	At the end of the year				2850659	1.28	
4.	<b>PARVEST EQUITY WORLD EMERGING</b>						
	At the beginning of the year		Nil	Nil			
	Date wise Increase/Decrease in Shareholding during the year	15/07/2016	302189	0.14	302189	0.14	Transfer
		22/07/2016	592147	0.27	894336	0.40	Transfer
		29/07/2016	23614	0.01	917950	0.41	Transfer
		05/08/2016	386606	0.17	1304556	0.59	Transfer
		26/08/2016	238396	0.11	1542952	0.69	Transfer
		02/09/2016	335508	0.15	1878460	0.85	Transfer
		09/09/2016	53880	0.02	1932340	0.87	Transfer
		21/10/2016	156726	0.07	2089066	0.94	Transfer
		28/10/2016	15854	0.01	2104920	0.95	Transfer
	18/11/2016	406408	0.18	2511328	1.13	Transfer	
	At the end of the year				2511328	1.13	
5.	<b>HDFC MUTUAL FUND</b>						
	At the beginning of the year		1592000	0.72			
	Date wise Increase/Decrease in Shareholding during the year	15/04/2016	813000	0.36	2405000	1.08	Transfer
	At the end of the year				2405000	1.08	
6.	<b>MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.P.</b>						
	At the beginning of the year		2112204	0.95			
	Date wise Increase/Decrease in Shareholding during the year	08/04/2016	191835	0.09	2304039	1.04	Transfer
		15/04/2016	93588	0.04	2397627	1.08	Transfer
		22/04/2016	362493	0.16	2760120	1.24	Transfer
		29/04/2016	95454	0.04	2855574	1.29	Transfer
		03/06/2016	192830	0.09	3048404	1.37	Transfer
		21/10/2016	(63122)	(0.03)	2985282	1.34	Transfer
		28/10/2016	(18400)	(0.01)	2966882	1.34	Transfer
		03/02/2017	(175000)	(0.08)	2791882	1.26	Transfer
		24/02/2017	(150000)	(0.07)	2641882	1.19	Transfer
		03/03/2017	(87745)	(0.04)	2554137	1.15	Transfer
		24/03/2017	(403530)	(0.18)	2150607	0.97	Transfer
		31/03/2017	(117310)	(0.05)	2033297	0.92	Transfer
	At the end of the year				2033297	0.92	



Sl.	For each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
7.	PICTET COUNTRY (MAURITIUS) LIMITED						
	At the beginning of the year		Nil	Nil			
	Date wise Increase/ Decrease in Shareholding during the year	03/02/2017	418144	0.19	418144	0.19	Transfer
		10/02/2017	325339	0.15	743483	0.34	Transfer
		10/03/2017	24143	0.01	767626	0.35	Transfer
		24/03/2017	590100	0.26	1357726	0.61	Transfer
		31/03/2017	195296	0.09	1553022	0.70	Transfer
	At the end of the year				1553022	0.70	
8.	SCOTIA ENTERPRISES PRIVATE LIMITED						
	At the beginning of the year		356959	0.16			
	Date wise Increase/ Decrease in Shareholding during the year	14/10/2016	643200	0.29	1000159	0.45	Transfer
		28/10/2016	275000	0.12	1275159	0.57	Transfer
	At the end of the year				1275159	0.57	
9.	IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM						
	At the beginning of the year		1305937	0.59			
	Date wise Increase/ Decrease in Shareholding during the year	03/06/2016	41642	0.02	1347579	0.61	Transfer
		10/06/2016	30699	0.01	1378278	0.62	Transfer
		29/07/2016	(506059)	(0.23)	872219	0.39	Transfer
		09/09/2016	67350	0.03	939569	0.42	Transfer
		07/10/2016	26038	0.01	965607	0.43	Transfer
		04/11/2016	47621	0.02	1013228	0.46	Transfer
		18/11/2016	138845	0.06	1152073	0.52	Transfer
		25/11/2016	166288	0.07	1318361	0.59	Transfer
		03/02/2017	(62439)	(0.03)	1255922	0.57	Transfer
	31/03/2017	(71338)	(0.03)	1184584	0.53	Transfer	
	At the end of the year				1184584	0.53	
10.	EPSILON ENTERPRISES PRIVATE LIMITED						
	At the beginning of the year		1070000	0.48			
	Date wise Increase/ Decrease in Shareholding during the year.		Nil	Nil			
	At the end of the year				1070000	0.48	

## V. Shareholding of Directors and Key Managerial Personnel:

Sl.	For each of the Directors & KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1.	<b>Sajjan Bhajanka</b>						
	At the beginning of the year		26357954	11.86			
	Date wise Increase/ Decrease in Shareholding during the year.	21.07.2016	(1125000)	(0.50)	25232954	11.36	Transfer
	At the end of the year				25232954	11.36	
2.	<b>Sanjay Agarwal</b>						
	At the beginning of the year		25325124	11.40			
	Date wise Increase/ Decrease in Shareholding during the year.	21.07.2016	(1125000)	(0.51)	24200124	10.89	Transfer
	At the end of the year				24200124	10.89	
3.	<b>Vishnu Khemani</b>						
	At the beginning of the year		12607857	5.67			
	Date wise Increase/ Decrease in Shareholding during the year.		Nil	Nil			
	At the end of the year				12607857	5.67	
4.	<b>Prem Kumar Bhajanka</b>						
	At the beginning of the year		5126170	2.31	-	-	
	Date wise Increase/ Decrease in Shareholding during the year.	17.10.2016	(489173)	(0.22)	4636997	2.09	Transfer
	At the end of the year				4636997	2.09	
5.	<b>Hari Prasad Agarwal</b>						
	At the beginning of the year		2435760	1.10			
	Date wise Increase/ Decrease in Shareholding during the year.		Nil	Nil			
	At the end of the year				2435760	1.10	
6.	<b>Ajay Baldawa</b>						
	At the beginning of the year		75000	0.03			
	Date wise Increase/ Decrease in Shareholding during the year.		Nil	Nil			
	At the end of the year				75000	0.03	
7.	<b>Keshav Bhajanka</b>						
	At the beginning of the year		100000	0.05			
	Date wise Increase/ Decrease in Shareholding during the year.		Nil	Nil			
	At the end of the year				100000	0.05	

Sl.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company		
8.	<b>Nikita Bansal</b>						
	At the beginning of the year	Nil	Nil				
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil				
	At the end of the year			Nil	Nil		
9.	<b>Mangi Lal Jain</b>						
	At the beginning of the year	4400	Negligible				
	Date wise Increase/ Decrease in Shareholding during the year.	29.04.2016	400	Negligible	4800	Negligible	Transfer
		20.05.2016	100	Negligible	4900	Negligible	Transfer
		30.06.2016	1050	Negligible	5950	Negligible	Transfer
		05.08.2016	500	Negligible	6450	Negligible	Transfer
		25.11.2016	200	Negligible	6650	Negligible	Transfer
	At the end of the year			6650	Negligible		
10.	<b>Manindra Nath Banerjee</b>						
	At the beginning of the year	Nil	Nil				
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil				
	At the end of the year			Nil	Nil		
11.	<b>Samarendra Mitra</b>						
	At the beginning of the year	Nil	Nil				
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil				
	At the end of the year			Nil	Nil		
12.	<b>Santanu Ray</b>						
	At the beginning of the year	Nil	Nil				
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil				
	At the end of the year			Nil	Nil		
13.	<b>Asit Pal</b>						
	At the beginning of the year	Nil	Nil				
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil				
	At the end of the year			Nil	Nil		
14.	<b>Mamta Binani</b>						
	At the beginning of the year	Nil	Nil				
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil				
	At the end of the year			Nil	Nil		

Sl.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase/decrease
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
15.	<b>J P Dua</b>					
	At the beginning of the year	Nil	Nil			
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil			
	At the end of the year			Nil	Nil	
16.	<b>Vijay Chhibber</b>					
	At the beginning of the year	Nil	Nil			
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil			
	At the end of the year			Nil	Nil	
17.	<b>Arun Kumar Julasaria</b>					
	At the beginning of the year	11054	Negligible			
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil			
	At the end of the year			11054	Negligible	
18.	<b>Sundeep Jhunjhunwala</b>					
	At the beginning of the year	Nil	Nil			
	Date wise Increase/ Decrease in Shareholding during the year.	Nil	Nil			
	At the end of the year			Nil	Nil	

## VI. Indebtedness

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

₹ in Lac

Sl.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1.	<b>Indebtedness at the beginning of the financial year</b>				
	i) Principal Amount	45,547.65	-	-	45,547.65
	ii) Interest due but not paid	61.93	-	-	61.93
	iii) Interest accrued but not due	75.94	-	-	75.94
	<b>Total (i + ii + iii)</b>	<b>45,685.52</b>	<b>-</b>	<b>-</b>	<b>45,685.52</b>
2.	<b>Change in Indebtedness during the financial year</b>				
	Addition	15,88,806.92	16,676.00	-	16,05,482.92
	Reduction	15,74,567.49	16,176.00	-	15,90,743.49
	<b>Net Change</b>	<b>14,239.43</b>	<b>500.00</b>	<b>-</b>	<b>14,739.43</b>

Sl.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
3.	<b>Indebtedness at the end of the financial year</b>				
	i) Principal Amount	59,787.08	500.00	-	60,287.08
	ii) Interest due but not paid	26.10	14.03	-	40.13
	iii) Interest accrued but not due	104.57	-	-	104.57
	<b>Total (i+ii+iii)</b>	<b>59,917.75</b>	<b>514.03</b>	<b>-</b>	<b>60,431.78</b>

## VII. Remuneration of Directors and Key Managerial Personnel

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

₹ in Lac

Sl.	Particulars of Remuneration	Name of MD/WTD/ Manager								Total Amount
		Sajjan Bhajanka (CMD)	Sanjay Agarwal (MD)	Hari Prasad Agarwal (WTD)	Prem Kumar Bhajanka (MD)	Vishnu Khemani (MD)	Keshav Bhajanka (WTD)	Ajay Baldawa (WTD)	Nikita Bansal (WTD)	
1.	Gross salary									
	(a) Salary as per provisions contained in section 17(1) of the Income- Tax Act, 1961	120.00	120.00	60.00	120.00	120.00	50.00	92.50	4.00	686.50
	(b) Value of perquisites u/s 17(2) of the Income- Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission									
	- as % of profit	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	-others, specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (A)	120.00	120.00	60.00	120.00	120.00	50.00	92.50	4.00	686.50
	Ceiling as per the Act									2,392.46

**B. Remuneration to other Directors:**

₹ in Lac

Sl.	Particulars of Remuneration	Name of Directors								Total Amount
		Manindra Nath Banerjee	Mangi Lal Jain	Santanu Ray	Samarendra Mitra	Asit Pal	Mamta Binani	J P Dua	Vijay Chhibber	
1.	Independent Directors									
	• Fee for attending Board/ Committee meetings	1.90	3.15	3.00	2.65	1.90	2.15	1.10	Nil	15.85
	• Commission	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Nil	14.00
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total(1)	3.90	5.15	5.00	4.65	3.90	4.15	3.10	Nil	29.85
2.	Other Non-executive Directors									
	• Fee for attending Board/ Committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total(B)=(1+2)	3.90	5.15	5.00	4.65	3.90	4.15	3.10	Nil	29.85
	Total Managerial Remuneration									700.50*
	Overall Ceiling as per the Act									2631.71

\* excluding fee for attending Board/ Committee meetings

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**
*₹ in Lac*

Sl.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	102.28	27.04	129.32
	b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	0.15	0.15	0.30
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify.	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>102.43</b>	<b>27.19</b>	<b>129.62</b>

**VIII. Penalties/ Punishment/ Compounding of offences**

There were no Penalties/ Punishment/ Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other officer in default, during the year.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
(DIN: 00246043)  
*Chairman & Managing Director*

Kolkata, 23rd May, 2017

# Annexure 10

Disclosure of the particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

## A. Conservation of Energy

(i) The Company adopted the following measures towards conservation of energy:

- Energy meters installed at all location to monitor/control for power optimum utilisation.
- Resin plant floor washing waste water are being reused in resin preparation.
- Resin formulations changed to avoid vacuum distillation thus no effluent water is discharged.
- Installation of wet scrubbers for air pollution control installed in lamination plant.
- Auto control capacitor panels installed for maintaining power factor as per norms.
- Variable frequency drives installed operate ID fan at reduced speed to avoid heat loss and save power.
- The electric distribution network is periodically analysed for corrective and proactive measures to optimise energy usage, ensuring an effective and efficient system of energy distribution.
- Yearly energy audit is conducted and recommendations are implemented to obtain optimum utilisation.
- Installation of electrical parameters for monitoring of different sections for power control.
- Changed over supply power from 11 KV to 33 KV which minimised drastically the load shedding and the operation of generators. Moreover, the quality of voltage is steady minimising the damage to motors.
- Installation of sky light sheet which enabled to switch off the lighting system during day time.
- Installation of turbo vents to improve air circulation without electrical energy.
- Rain water harvesting—all rain water collected and stored.
- There is a gradual shift towards installation of LED lighting by phasing out conventional Tube Lights/Sodium/Mercury Halogen lights. As a result of which, there is a reduction of 20KW in lighting load.

(ii) The steps taken by the Company for utilising alternate sources of energy:

Increased the turbo vents for better air circulation without electrical energy.

(iii) Additional investments including Capital Investments on equipment and proposals, if any:

Investments, wherever required, for conservation of energy are proactively made by the Company. The Company has a continuous process to monitor and explore ways and means for conservation of energy.

## B. Technology Absorption

(i) Efforts made towards technology absorption:

- The Company is carrying out in-house research to develop new and better products and also to improvise the quality of existing products.
- The Company is regularly trying to increase usage of environmentally safe ingredients in its products.
- The Company is working to control/ reduce formaldehyde emission from plywood and HPL by improved glue formulation.
- Correction module has been installed to control board density across width.
- Manufacturing process/parameters are continuously monitored and modified wherever required to ensure better productivity both in terms of quantity and quality.
- Collaboration with different research laboratories for development of innovative products.
- Adopted Nano Technology for producing anti-bacterial and anti-fungal Laminates and Plywood.
- Introducing Nano Technology shortly in Plywood and Laminates to produce Fire Retardant properties, currently under development.
- Developed new resin manufacturing technology to avoid vacuum distillation at final stage to avoid liquid effluent discharge.
- Setting up a quality assurance cell to ensure the dispatch of only goods produced under strict process



control with specific standard notifications from the factory.

- Participating in national and international conferences, seminars and exhibitions.
- Analysing feedback from users to improve products and services.

(ii) **Benefits derived:**

- Improved product quality and quantity
- Cost reduction, technology up-gradation
- Reduction in manufacturing time
- Customer satisfaction by delivery of diversified range of products
- Better utilisation of resources through improved processes

(iii) **Details of Imported Technology:**

The Company has not imported technology during the last three years and wherever required, the Company takes guidance from technical experts as well as from suppliers of machinery within India.

(iv) **Expenditure on R & D:**

During the year under review, the Company has not incurred any specific and material capital/ recurring expenditure on research and development. Research and Development is carried out in-house using the existing manufacturing setup.

The Company is a member of Indian Plywood Industries Research and Training Institute (IPIRTI) and has contributed ₹18,000 to it. The technologies used by the Company are indigenous.

**C. Foreign Exchange earnings and outgo**

₹ in crore

<b>Earnings on account of:</b>	<b>2016-17</b>	<b>2015-16</b>
FOB value of exports	84.58	94.93
<b>Total</b>	<b>84.58</b>	<b>94.93</b>
<b>Outgo on account of:</b>		
a) Raw materials	286.82	366.23
b) Capital goods	121.19	33.32
c) Traded goods	105.54	85.06
d) Stores and spare parts	4.79	0.63
e) Transit Stock	22.03	--
f) Services	0.09	0.11
g) Travelling expenses	1.21	0.84
h) Interest	5.22	4.81
i) Others	0.30	0.43
<b>Total</b>	<b>547.19</b>	<b>491.43</b>

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
(DIN: 00246043)  
*Chairman & Managing Director*

Kolkata, 23rd May, 2017

# Management discussion and analysis

## Industry structure and developments

### Indian economic overview

India's GDP growth has been sustained in the last few years, the country hailed as a 'bright spot' among emerging economies. India's GDP moderated in 2016-17; the projected GDP growth of 7.6% was revised to 6.8% (as estimated by IMF) compared to 7.9% in FY16. The slowdown was largely owing to the currency demonetisation initiative resulting in cash shortage and payments disruption. The demonetisation had abated by the close of the financial year review after having affected economic growth for two quarters.

The growth rate of the industrial sector was estimated to moderate to 5.2% in FY 2017, down from 7.4% in FY 2016. The country's Index of Industrial Production (IIP) registered a modest growth of 0.4% during the April-November period of 2016-17. With Rajasthan, Madhya Pradesh and Maharashtra receiving 20% more rain than the usual, the agriculture sector is expected to grow at an above-average level of 4% on a weak base caused by previous two consecutive poor monsoons. This should lift the sagging rural demand and, by extension, the GDP growth rate. The major impetus is expected to come from the farms as non-agriculture growth is pegged to pick up by 10 bps over the previous fiscal to 8.6%. The Union Budget for 2016-17 came in the context of a fragile economic situation. The Union Budget for 2017-18 set aside ₹48,700 crore for the MNREGA scheme so as to lend a shot in the arm to skill development.

### Outlook

The near-term growth outlook for India seems brighter than it was during the last fiscal. The IMF forecast a 7.2% growth rate for the Indian economy in FY2018. India's fundamentals are expected to emerge stronger following digitisation, GST implementation, favourable monsoons, stable oil prices, stronger supply chain linkages and renewed consumer confidence. In view of these realities (and the fact that the Chinese economy continues to remain sluggish), India is likely to retain its position as the fastest growing major economy. The economic growth will level up development in housing and infrastructure which in turn is expected to raise the demand for panel products in the industry.

## Indian plywood and laminates industry

### Wood panel products

Consumption of Indian panel products has grown at a CAGR of 15-20% for the organised segment as compared to the overall industry growth of 5-7% over past few years. This

has been led by increasing consumerism and urbanisation owing to increase in per capita income and living standards of the consumers. While plywood and laminate sector is well-established in India, MDF and particle board sector is under-penetrated. But with cost differential between plywood and MDF coming down, customers are increasingly accepting MDF for furniture.

### Plywood

The Indian plywood industry is estimated at ₹18,000 crore and is largely unorganised in nature with informal players accounting for close to 70% share of revenues. Globally, China is the largest supplier of plywood followed by Indonesia and Malaysia. According to industry sources, Indian plywood makers have begun to import logs from Papua New Guinea, Solomon Island, Malaysia, Vietnam, Cambodia, Gabon, Liberia and Cameroon in the face of increasingly stringent environmental regulations.

### Veneers and laminates

Total market size of laminates and decorative veneer in India is ₹7,000 crore with the unorganised players forming about 30% of the market in 2015 as compared to 40% in 2013, reflecting a clear and gradual shift towards the organised market. There is a sharp shift towards the organised market from the unorganised market due to innovation in terms of product mix, design and lower input prices that have resulted in higher margins for laminates and decorative veneer companies in the last few quarters. According to ITTO's September 2016 Tropical Timber Market Report, three or four Indian plywood companies are considering setting up plants for the production of veneer in Gabon, which has become an attractive investment place for wood industry in recent years.

The unorganised players offer lower-priced laminates products in the range of 0.6-0.8 millimetres thickness and are used as liners inside furniture items. There is a huge export market for Indian laminate manufacturers.

### MDF

Demand in this sector is driven by the increasing preference for ready-made modular furniture, modular kitchens, ready-to-move offices/retail outlets, among others. MDFs can also be used as shelves, decorative mouldings, doors, furniture and laminated flooring. The market size of the Indian MDF segment was pegged at ₹15 billion growing at a CAGR of around 20% over the last five years. Around 70% share of this market is accounted for by organised players and 30% by imports. Globally, MDF constitutes ~65% of total panel

products compared to ~4% in India with plywood constituting the rest. Being eco-friendly and cost-effective, MDF leads the panel products sold globally and the trend is spreading to India especially in the fast-growing ready-made furniture market. Consumers in India are also slowly adapting to this new technology.

The Company has invested in an MDF plant, which is one of the largest in the country and is expected to start commercial production in 2017-18. With the wide product portfolio, robust innovation strategy and incessant aspiration to grow, the prospect of the Company looks bright in the coming years.

### Indian furniture industry

The USD 20 billion Indian furniture industry employs around 5 million people and is largely unorganised (>85%) in nature. However, the demand trajectory for the furniture industry has trended upwards during the past few years following rapid industrialisation and unprecedented growth in India's real estate sector. This has propelled consumers to lay a keen emphasis on qualitative consistency. Consequently, the organised furniture industry is expected to grow at a rate of 20% per annum. The result: the industry contributed about 0.5% of the GDP of India in 2015. E-tailing of furniture has emerged as a key demand driver. As such, it is expected that the online furniture market will grow at a CAGR of 75% to reach USD 700 million by 2020.

### Outlook and optimism

- **Housing sector growth:** The housing sector alone contributes 5-6% to the country's GDP. Moreover, for the period FY18-20, the sector's size is expected to increase at a CAGR of 11.2%. With the Central Government undertaking decisive measures to plug India's housing shortage (~60 million units), 110 million houses across 305 cities and towns in nine states are expected to be built over the next seven years.
- **Commercial real estate growth:** There is a burgeoning demand for commercial real estate across retail, hospitality and healthcare sectors. With FDI in real estate being relaxed, foreign funds are expected to flow into the real estate market, providing a much-needed fillip to the commercial realty market.
- **Rapid urbanisation:** Almost 33% of the total Indian population is settled in urban centres. This is attributable to migration from other states as well as improvements in standards of living. The same figure is pegged to reach to register a sharp increment of ~ 7 % to reach 40% by 2030. The governmental focus on creating Smart Cities will further drive demand for homes.
- **Growing replacement market:** Increasing per capita incomes have led to aspirations for better living across India. This is vindicated by a steep decline in home

renovation cycles. Overall, the replacement cycle for furniture is estimated to be eight to ten years. With the arrival of new designs and changing trends, the furniture replacement cycle is expected to shorten to five to seven years in the near future. The replacement market for furniture, which currently is valued at 15% of the overall market, is expected to grow at a healthy pace.

- **The GST game-changer:** The past few years have witnessed a palpable shift in preference for products manufactured by organised players. To wit, the plywood industry has grown at a five-year CAGR of 8-10% with major organised players outpacing the overall sectoral growth with ease. Superior quality products, strengthening brand equities and aggressive marketing strategies have helped carve out larger slices of the revenue pie. Nevertheless, unorganised players constitute ~70% of the plywood market in India. The implementation of the GST can help correct the skew between the organised and unorganised players by levelling the playing field via a unified taxation regime.
- **Policy boost:** The Central Government has increased the allocation for PMAY-Gramin by 53% to achieve the target of constructing one crore houses by 2019. With affordable housing accorded infrastructure status and the implementation of the 'Housing for All by 2022' initiative, sectoral revenues are expected to get a much-needed shot in the arm.
- **Budgetary initiatives:** The Union Budget 2017-18 has laid a keen emphasis on the infrastructure sector via a slew of initiatives including higher allocation to infrastructure, increased emphasis on affordable housing and higher disposal income in the hands of India's middle class. A suite of measures pertaining to real estate – lower holding periods for long-term capital gains, larger homes under affordable housing affect everything – steel, cement, employment of unskilled labour, bank financing as well as furniture. These measures have the potential to create a virtuous investment cycle and are anticipated to provide an impetus to the furniture industry.
- **Advent of e-commerce:** The experience of furniture shopping is changing rapidly in India. One can decorate a dream home with just a laptop and a credit card, without having to trawl through shops and bye-lanes for the right sofa or recliner, or chase down a local carpenter to deal with post-delivery glitches. Moreover, an ever-increasing range of products, exclusive styles, secure payment options, warranties, after-sales service and customer-friendly return policies have made buying furniture online less strenuous. The biggest patrons of online furniture retailers are nuclear families, mostly economic migrants, who need to set up homes away from their birthplaces. The result: online retailing which accounts for just ~1% of

overall furniture sales is expected to could grow 10x over the next decade.

- **Demonetisation and digital payments:** Although the initiative had a massive impact on the real estate sector, it is limping back to normalcy. Post-demonetisation, lending rates have also gone down. This will encourage people to avail housing loans and thereby will boost furniture sales. With more and more consumers choosing to go cashless and online retail platforms gaining traction, the furniture industry is expected to bounce back soon.
- **Foreign investment in the real estate sector:** Increased inflow of foreign investment in the real estate sector and the housing sector developments is expected to upshot demand for panel products for creating a basic living ambience. Government policies, expanded budgetary plans and the rolling out of indirect tax reform –GST expected to additionally support immense growth in the sectors and will indirectly impact the growth of the panel structure industry. With contraction of the furniture replacement cycle, the demand for the panel products is anticipated to increase. This expected surge in demand will open up wide range of opportunities for Century Ply to grow and expand continuously.

### Indian logistics sector

The Indian logistics sector which accounts for ~14% of the nation's GDP is likely to grow annually at a rate of 8.6% till 2020. The implementation of the GST is expected to usher in savings worth USD 200 billion annually. Although, the unorganised sector accounts for ~80% of the total logistics market in India, the organised segment could grow to USD 50 billion by 2025. Between April and September 2016, the 12 major ports in India handled 315.4 million metric tonnes of cargo, clocking a growth of 5.1 % in comparison to the same time during previous year. The volume of cargo handled at the Kolkata Port Trust rose by 17% from 544,000 to 635,000 twenty-foot equivalent units of containers (as of February 2017).

Century Ply successfully accepted the challenge to diversify its operations by diving into the logistic business segment. It offers time bound logistic services along with online tracking facility which has infused trust among its clients. It also offers online bidding option to play a fair game in the industry. With the visionary growth in the Indian logistics sector, the growth of this segment remains positive for the Company.

### Strength and challenges

#### Strengths

- Growing domestic market
- Product variants
- Cost-competitive labour
- Robust manufacturing competence

### Challenges

- Raw material availability and imports
- Volatility in raw material prices
- Unorganised supplier base
- Price-sensitive market
- Lack of investments

### Opportunities and threats

#### Opportunities

- Anti-dumping policy
- Real-estate sector growth
- Urbanisation
- Increase in the Working age population
- Rising nuclear families and increasing per capita incomes
- Increasing consumer's preference for quality products
- GST- fair competition taxation

#### Threats

- Ban on raw material export from neighbouring countries
- Threat of new entrants
- Threat of substitutes

### Outlook

The Indian plywood industry is on an upward growth trajectory and is expected to reach USD 479.7 billion by 2019. The industry has a lot of potential to grow as the demand for housing has consistently grown and is likely to continue in the future. As such, untapped rural markets especially those in Eastern India will emerge as gamechangers. Shifting consumer trends, preferences for branded products, roll-out of GST and increasing expenditures on technology and operations will allow the organised market to outperform the unorganised market.

Century Ply has an evolving product mix to cater to the industry requirement. With the positive expectation of growth in the interior infrastructure industry, relentless effort of the Company to manufacture unique products and strategic decisions to withstand threats, the business for the Company is expected to grow over years.

### Segment-wise performance

**Plywood:** Revenues from plywood business reported 10.18% growth from ₹1,266.40 crore in 2015-16 to ₹1,395.30 crore in 2016-17. The Company maintained its market share despite the overall industry remained muted owing to slow growth in the downstream sectors macro-economic disruptions in the form of demonetisation among others.

**Laminates:** The laminates business reported a growth of 13.80% from ₹362.27 crore in 2015-16 to ₹412.28 crore in 2016-17. Value-added and premium quality products drove business in this segment along with better buying experience for the customers.

Logistics: Revenues from the logistics business reported a 2.78% growth from ₹86.02 crore in 2015-16 to ₹88.41 crore in 2016-17. The topline of this segment remained subdued due to less than expected cargo movement through Kolkata Port owing to massive congestion.

### Risks and concerns

Risk in different quantum is inevitable if the organisation is to achieve its growth objectives. Effective management of risk helps to manage innovation and improve performance by contributing to:

- Increased certainty and fewer surprises;
- Better service delivery;
- More effective management of change;
- More efficient use of resources;
- Better management at all levels through improved decision making;
- Reduced wastage and fraud and better value for money;
- Management of contingent and maintenance activities

Risk is associated with every business transaction and they could have material impact on the performance of the Company. The Company has people and processes in place to evaluate the risk associated with each transaction and to take necessary initiatives for balancing the risk and rewards. The Board, through its Committee, periodically reviews the risk management system and takes appropriate measures to improvise the same.

### Downturn in the economic condition may adversely affect the Company's performance

**Risk mitigation:** With a more stable Government at the Centre, the performances across all sectors is undoubtedly set to improve by leaps and bounds. Further the Company's presence in different verticals, viz. plywood, laminates, MDF and logistics also considerably reduces sectoral risks.

### Slowdown in the downstream industry can decelerate product offtake

**Risk mitigation:** With the rise in real estate bouncing back in the aftermath of the demonetisation initiative, the interior infrastructure industry is expected to emerge as a chief beneficiary. Moreover, the 'Housing for All' scheme implemented by the Central Government will lend a boost to low-cost housing. This is expected to drive sales of economically-priced panel products like particle boards. Increasing per capita income and living standards of the consumers coupled with growing preference for branded products is bound to bring in an upsurge for the Company's products. Century's wide portfolio covering all price points is expected to drive offtake for the Company.

### Inability to introduce new products may make the Company uncompetitive

**Risk mitigation:** The Company has made a name for itself by rolling out new products in a consistent manner. Case in point: several new products have been introduced during the past five years including particle boards, laminated particle boards, doors, MDFs, among others. The Company was the first in the country to introduce borer-proof plywood. Introduction of new-age products like 'Zykron' and 'Starke' has further strengthened the Company's product portfolio.

### Inability to procure raw materials to may adversely affect operations

**Risk mitigation:** During the fiscal gone by, the Company's Laotian operations got disrupted following a ban on the export of raw wood and veneer. The Company is having discussions with Laos Government to allow export of veneer on a conditional basis. This would add substantially to the subsidiary's (Century Ply Laos Co. Ltd) business by escalating production levels. As far as the Myanmar subsidiary was concerned, the situation is set to improve with the export ban settling down and fresh cutting taking place.

### Demand decline or disturbances in particular geographies could impact business operations

**Risk mitigation:** Century is present in more than 630 cities and towns in India via a network of more than 1800 dealers/distributors. The Company also has six manufacturing units at various locations in India and one each in Myanmar and Laos (through its Subsidiaries/ Step-down subsidiaries). More than 5% of the Company's revenue is derived from export markets.

### Increased number of competitors in the industry can impact the profitability of the Company

**Risk mitigation:** The Company has highest market share in the organised plywood industry and the 3rd largest in the organised laminates segment. With the implementation of GST creating a level-playing field for, the Company's strong operational efficiencies will enable it to report better margins.

### High attrition rates and inability attract good people can have an adverse impact on business growth

**Risk mitigation:** The Company has grown from a 3485 employee organisation in FY10 to a 6807 employee organisation in FY17. Most of the employees have been with the Company for more than five years and the Company's attrition rate is also among the lowest in the industry.

### Increase operational cost could impact the profitability of the Company

**Risk mitigation:** Centuryply is among the most frugally operated companies in the industry. Despite an increase in

the topline, the Company operating cost as a proportion of revenue remained fairly attractive compared that in FY16. The Company initiated a number of efficiency enhancement measures making it one of the lowest cost plywood manufacturing companies in the country.

**Inability to meet the environment norms could lead to operational disruption.**

**Risk mitigation:** The Company complies with the necessary environment regulations and made significant investments in lowering effluent generation, emissions and water consumption.

**Inability to raise fund at an attractive costs can lead to higher interest outlays**

**Risk mitigation:** The Company has over the years followed a tried-and-tested policy of investing in projects, maximising returns and then reinvesting the money. The result: the long-term gearing of the Company stood at 0.21 (as on 31st March 2017). The strength of the balance sheet along with a strong track record helped the Company in enjoying cost fund lower than the prevailing market rates.

**Currency fluctuation could impact the Company's profitability**

**Risk mitigation:** The Company has a central forex monitoring team reviewing foreign currency risks periodically and accordingly takes adequate hedging initiatives. The hedging decisions are taken after reviewing the cost of hedging and currency losses. The Company avails overseas buyers' credit, on case to case basis, so as to benefit from extended credit as well as better manage the fluctuations averaging over a longer period.

Other Risks – In the dynamic environment of today's business world, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks *inter alia* are: Regulations, Competition, Business risk, Technology obsolescence, Investments, and expansion of facilities. Business risk, *inter alia*, further includes financial risk, political risk, fidelity risk, legal risk, etc.

Century Ply has the right expertise which is required for a business to sustain amidst all the challenges and threats. Their experience for years in the field is reflected in the way they handle their business risks. Every strategic move, be it a decision on costing or investment is taken with an in-depth understanding of future consequences. The Company has in place systems to address the impact of the identified risks, monitor and mitigate the same.

**Internal control systems and their adequacy**

The Company has set in place an effective internal control system which undergoes continuous review. In addition,

corrective measures are taken to enhance their efficiency if required. In accordance with the highest industry standards, the Company has been accredited with ISO 9001 (quality systems) and ISO 14001 (environment management systems). The Company's SAP based robust ERP system has been upgraded to SAP HANA which offers inexhaustible possibilities to define queries for detection of exceptions and/or detection of deviating transactions, real time analytics on transactional data, unmatched flexibility when changing reporting structures and even real-time simulation of business scenarios.

Discussion on financial performance with respect to operational performance. The Company's total income increased by 11% from ₹1,781.45 crore in 2015-16 to ₹1,984.41 crore in 2016-17. Profit before tax of the Company surged by 22% from ₹200.13 crore in 2015-16 to ₹244.98 crore in 2016-17. Net profit for the year increased 14% from ₹169.75 crore in 2015-16 to ₹193.48 crore in 2016-17.

**Material developments in human resources/ industrial relations**

During the fiscal gone by, the Company maintained harmonious relations across levels. In accordance with its ISO 9001:2000 certification, the Company complies with all mandatory training drills required to be undertaken across its units. Training is imparted to employees based on requirements identified from performance appraisals. The Company also encourages employees to regularly attend external seminars, improving process efficiencies. This is intrinsic to the Company culture. Employees are encouraged to discuss different initiatives to improve processes through periodical departmental meetings. Performance-linked incentives have been offered to identify and motivate standout performers. The Company's total team strength as on 31st March, 2017 stood at 6807.

**Cautionary statement**

The statements in the 'management discussion and analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. 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 events.

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Centuryply believes "Corporate Governance" is about commitment to values and about ethical business conduct. It is about how an organisation is managed. This includes our corporate and other business structures, our culture, policies and procedures which ensures that the Company is managed in a manner that meets stakeholder aspirations and societal expectations. Frugality, Integrity, Excellence, Teamwork, Empowerment, Speed & Energy, Accountability, Change friendly, Caring and Sharing are some of the core values imbibed within our organisational setup. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its Vision of "*Sarvada Sarvottam, The Best Always.*" The goal of Corporate Governance is to ensure fairness for every stakeholder – our customers, investors, vendor-partners, the community and the governments of the countries in which we operate.

We believe that our Company goes beyond adherence to regulatory framework. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.

### 1. Board of Directors

#### Composition

The Board of Directors is entrusted with the ultimate responsibility of providing leadership and guidance to the

Company's management and supervision and control of the Company's performance.

The Company recognises the benefit of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company has framed a Policy on Board Diversity which sets out the approach to diversity on the Board of Directors of the Company.

The Composition of the Board of Directors as on 31st March, 2017 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board of Directors consists of an optimum combination of Executive and Non-executive Directors, including two women Directors, thereby imparting balance to the Board processes. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements. A Succession Plan has also been put in place and the same is being reviewed periodically by the Board to ensure leadership continuity.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience. This enables the Board to discharge its responsibilities and provide effective leadership to the business. As on 31st March, 2017 and on the date of this report, the Board consists of sixteen Directors headed by an Executive Chairman. For effective operations of the Company there are eight Executive Directors including four Managing Directors. There are eight Non-executive Independent Directors, all of whom are persons of eminence, bringing in a wide range of expertise and experience to the Board functioning. Detailed profile of our Directors is available on our website: [www.centuryply.com](http://www.centuryply.com).

### Directorship, Committee Membership and Chairmanship

All the Directors have made necessary disclosures regarding directorship/ committee positions occupied by them in other listed entities/ public limited companies (whether listed or not) in accordance with Regulations 25 and 26 of the Listing Regulations and the Companies Act, 2013. The details of each member of the Board as on 31st March, 2017 along with the number of Directorship(s)/ Committee Membership(s)/ Chairmanship(s) are provided herein below:

Sl.	Name	DIN	Designation	Category	Directorship of Public Limited Companies <sup>#</sup>	Membership(s) [including Chairmanship(s)] of Board Committees <sup>§</sup>
1.	Sri Sajjan Bhajanka	00246043	Chairman & Managing Director	Promoter - Executive	7	5 (including 1 as Chairman)
2.	Sri Hari Prasad Agarwal	00266005	Vice Chairman & Executive Director	Promoter - Executive	8	3
3.	Sri Sanjay Agarwal	00246132	Managing Director	Promoter - Executive	6	-
4.	Sri Prem Kumar Bhajanka	00591512	Managing Director	Promoter - Executive	6	-
5.	Sri Vishnu Khemani	01006268	Managing Director	Promoter - Executive	2	-
6.	Sri Keshav Bhajanka	03109701	Executive Director	Promoter - Executive	2	-
7.	Smt. Nikita Bansal*	03109710	Executive Director	Promoter - Executive	2	-
8.	Sri Ajay Baldawa	00472128	Executive Director	Executive – Non-independent	7	-
9.	Sri Manindra Nath Banerjee	00312918	Director	Independent	4	4 (including 2 as Chairman)
10.	Sri Mangi Lal Jain	00353075	Director	Independent	9	7 (including 3 as Chairman)
11.	Sri Santanu Ray	00642736	Director	Independent	5	5 (including 3 as Chairman)
12.	Sri Samarendra Mitra	05105399	Director	Independent	2	2 (including 1 as Chairman)
13.	Sri Asit Pal	00742391	Director	Independent	10	9 (including 3 as Chairman)
14.	Smt. Mamta Binani	00462925	Director	Independent	6	4 (including 1 as Chairman)
15.	Sri J. P. Dua	02374358	Director	Independent	3	1
16.	Sri Vijay Chhibber*	00396838	Director	Independent	3	-

\* Smt. Nikita Bansal and Sri Vijay Chhibber were both appointed as Additional Directors w.e.f. 1st February, 2017.

# includes Private Companies which are subsidiaries of Public Limited Companies, Unlimited Liability Companies, Membership of Managing Committees of Chambers of Commerce/ Professional Bodies but excludes Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

§ includes membership/ chairmanship of Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, Unlimited Liability Companies whether listed or not but excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

None of the Directors hold office of a Director in more than twenty Companies including ten Public Companies and Private Companies that are either Holding or Subsidiary of a Public Company. None of the Directors is a Member of more than ten Committees or Chairman of more than five committees, across all the companies in which he/ she is a Director. Further, none of the Directors on the Board serve as an Independent Director of more than seven listed entities across all entities in which he/ she is a Director. None of the whole time Director on the Board is serving as an Independent Director of more than three listed entities across all entities in which he/ she is a Director.



## 2. 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 with a maximum time gap of 120 days between any two consecutive meetings. Additional meetings are held, when necessary. In case of any urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The Board Meetings are usually held in 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 of the Board meetings is set by the Company Secretary in consultation with the Chairman and the Managing Director and CEO of the Company and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board meetings. Every Board Member is free to suggest items for inclusion in the Agenda. Any item not included in the Agenda is taken up for consideration before the Board with the permission of the Chairman and with the consent of majority of Directors present in the meeting, which includes at least one Independent Director.

The Company's Board of Directors plays a primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including those required under the Listing Regulations is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board is also kept informed of major events/ items and approvals taken wherever necessary. The Chairman & 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 Board periodically reviews compliance reports of all laws applicable to the Company.

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.

### Board Meetings held during the year

Four Board Meetings were held during the financial year ended 31st March, 2017. These were held on 10th May, 2016, 2nd August, 2016, 1st November, 2016, and 31st January, 2017.

### Attendance of Directors at the Board Meetings held during 2016-17 and at the last Annual General Meeting (AGM)

Sl.	Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 31st August, 2016
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	3	No
6.	Sri Keshav Bhajanka	4	Yes
7.	Sri Ajay Baldawa	4	No
8.	Smt. Nikita Bansal*	--	--
9.	Sri Manindra Nath Banerjee	4	Yes
10.	Sri Mangi Lal Jain	4	Yes
11.	Sri Santanu Ray	4	Yes
12.	Sri Samarendra Mitra	4	No
13.	Sri Asit Pal	4	Yes
14.	Smt. Mamta Binani	4	No
15.	Sri J P Dua	3	No
16.	Sri Vijay Chhibber*	--	--

\* Smt. Nikita Bansal and Sri Vijay Chhibber were appointed as additional Directors w.e.f. 1st February, 2017.

### Separate Meeting of Independent Directors

During the year, the Independent Directors of the Company met separately on 1st November, 2016 and 31st January, 2017 without the presence of Executive Directors or management representatives. Both meetings were attended by all the Independent Directors except Sri J. P. Dua and Smt. Mamta Binani who could not attend on 31st January, 2017. Performance of Non-independent Directors (including the Chairman) and the Board as a whole was reviewed. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees that is necessary to effectively and reasonably perform and discharge their duties. In addition to these formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

### Directors' Induction and Familiarisation

Pursuant to Regulation 25(7) of the Listing Regulations, all new Independent Directors inducted on the Board are given an orientation. Presentations are made by Executive Directors and senior management giving an overview of the Company, its Subsidiaries, operations, products, manufacturing, marketing, finance and other important aspects.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director.

A note on familiarisation programme undertaken for Independent Directors is included elsewhere in this Annual Report. Details of familiarisation programme imparted to Independent Directors and the terms and conditions of appointment of Independent Directors has also been disclosed on the website of the Company at <http://www.centuryply.com/investor/investor-information/familiarisation-programme-details.pdf> and <http://www.centuryply.com/investor/investor-information/terms-conditions-of-appointment-of-independent-director.pdf> respectively.

### Performance evaluation and criteria

The Nomination and Remuneration Committee in consultation with the Board revised the Board Evaluation Policy to bring it in conformity with the guidance note issued by Securities and Exchange Board of India in this regard. The policy provides a framework and set standards and parameters for the evaluation of the Board as a whole, its Committees and individual Directors.

In terms of the requirements of the Companies Act, 2013 and Listing Regulations, the Board evaluated its own performance and that of its Committees. The individual performance of all Directors (including the Independent Directors) was also carried out by the entire Board (excluding the director being evaluated).

The Independent Directors of the Company reviewed the performance of Non-independent Directors, the Board as a whole and of the Chairperson of the Company, taking into account the views of Executive Director and Non-executive Directors. The Nomination & Remuneration Committee carried out evaluation of every director's performance.

All evaluations were carried out through structured questionnaires designed specifically for the Board/ Committees/ Individual Directors covering *inter alia* the following parameters and criteria-

#### a. Board Evaluation-

- Board composition, culture and dynamics
- Development of appropriate strategies and business plans;

- Implementation of policies and procedures;
- Fulfilment of key responsibilities
- Awareness about the latest industry developments, market conditions and corporate governance framework.

#### b. Board Committee Evaluation-

- Committee composition, culture and dynamics
- Independence of working
- collective judgment and contribution to Board decisions.
- Fulfilment of key responsibilities

#### c. Individual Director Evaluation (including IDs)-

- Leadership & stewardship abilities
- Participation and constructive contribution at Board/ Committee meetings.
- Communication of expectations and concerns
- Identification and mitigation of corporate risks
- Assessment policies, structures & procedures
- Adherence to ethical standards and code of conduct of Company

### Information regarding the directors seeking appointment/ reappointment

Resume and other information as required under Regulation 36 of the Listing Regulations in respect of Directors retiring by rotation and seeking appointment/ re-appointment has been included in the Notice convening the ensuing Annual General Meeting and in the Statement pursuant to Section 102 of the Companies Act, 2013.

### Changes in Directorships during the financial year 2016-17 and thereafter.

The Nomination and Remuneration Committee recommended the appointment of Smt. Nikita Bansal and Sri Vijay Chhibber as Directors of the Company. Accordingly, Smt. Nikita Bansal was appointed as an Additional Director in the Executive category with effect from 1st February, 2017 at the Board Meeting held on 31st January, 2017 for a period of five years subject to approval of the shareholders of the Company at the ensuing Annual General Meeting. Sri Vijay Chhibber was appointed as an Additional Director in the Independent category with effect from 1st February, 2017 at the Board Meeting held on 31st January, 2017 for a term up to 31st January, 2020. His appointment is subject to regularisation/ approval of the shareholders of the Company at the ensuing Annual General Meeting.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 31st January, 2017 reappointed, subject to the approval of the shareholders, Sri Hari Prasad Agarwal as

the Vice-Chairman and Executive Director of the Company for a further period of five years with effect from 1st June, 2017.

### **Directors' Responsibilities**

The Board of Directors' key responsibility is to ensure the Company's prosperity by collectively directing the Company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders. In addition to business and financial issues, Board of Directors is required to deal with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics. The Board has to determine the Company's vision and mission to guide and set the pace for its current operations and future development. It determines the values to be promoted throughout the Company and formulates policies and guideline for achieving the same.

The Board has to determine the business strategies and plans, review and evaluate present and future opportunities and threats relating to the Company. It has to establish a corporate environment that promotes timely and effective disclosures (including robust and appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with all applicable laws and regulations. Directors are expected to attend Board meetings, meetings of Committees on which they serve and the General Meeting of shareholders and devote the time needed to discharge their responsibilities properly.

### **Role of Company Secretary in governance and compliance process**

The responsibility for developing and implementing processes to promote and sustain good corporate governance has fallen largely within the ambit of the Company Secretary. The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. Providing support goes beyond scheduling meetings to proactively managing the agenda and ensuring the presentation of high quality up-to-date information in advance of meetings.

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees and ensures appropriate recording of minutes of the meetings.

### **Compliance**

The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and regulations, primarily the Companies Act, 2013 read

with the rules thereunder and Listing Regulations. The Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations. In accordance with Section 205 of the Companies Act, 2013, the Company Secretary reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. The Company Secretary also coordinates with Stock Exchanges and Depositories to ensure compliance with their Rules, Regulations and other directives. He is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary. Based on the reports and certificates, a certificate of statutory compliances duly signed by the Managing Director & CEO and CFO is also placed before the Board at its meetings held during the year under review.

The Board of Directors reviews the compliance reports of the laws applicable to the Company as well as instances of non – compliances, if any, together with their possible impact on the business, if any. The Audit Committee also reviews the statutory compliances of the Company at each of its meetings. A strict Internal Audit system is also in place to monitor and certify the compliance system.

### **3. Committees of the Board**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. Currently, the Board has six Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee, Corporate Social Responsibility Committee and Finance Committee.

#### **Audit Committee**

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality of financial reporting.

The Audit Committee is empowered to investigate any activity within its terms of reference, seek information from any employee, obtain external, legal or other professional advice

and secure attendance of outsiders with relevant expertise, if required.

### Terms of reference

Terms of reference of the Audit Committee are in line with the guidelines set out in Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and includes the following:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up thereon;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate.

### Composition

The Audit Committee comprises of the following members:

Sl.	Name	Category	Designation
1.	Sri Mangi Lal Jain	Non-executive Independent	Chairman
2.	Sri Santanu Ray	Non-executive Independent	Member
3.	Sri Samarendra Mitra	Non-executive Independent	Member
4.	Sri Hari Prasad Agarwal	Executive Non-independent	Member

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of Listing Regulations. All Members of the Audit Committee are financially literate and have accounting

or related financial management expertise. Sri Mangi Lal Jain and Sri Santanu Ray are both fellow members of the Institute of Chartered Accountants of India. Sri Mangi Lal Jain, Chairman of the Audit Committee was also present at the last Annual General Meeting.

### Meetings and Attendance

Four meetings of the Audit Committee were held during the financial year ended 31st March, 2017. These meetings were held on 10th May, 2016, 2nd August, 2016, 1st November, 2016, and 31st January, 2017. The gap between any two consecutive meetings did not exceed 120 days.

### Attendance of Members at the Audit Committee Meetings held during 2016-17

Sl.	Name	No. of meetings attended
1.	Sri Mangi Lal Jain	4 (out of 4)
2.	Sri Santanu Ray	4 (out of 4)
3.	Sri Samarendra Mitra	4 (out of 4)
4.	Sri Hari Prasad Agarwal	4 (out of 4)

The meetings of Audit Committee are also attended by the Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board, *inter alia*, identifies persons qualified to become Directors and formulates criteria for evaluation of performance of the Independent Directors and the Board. The Committee's role also includes recommending to the Board the appointment, re-appointment, remuneration and removal of Independent, Executive and Non-executive Directors. The Committee reviews and where required, approves the human resource policies, remuneration proposals, succession planning, evaluation of performances and development plans of Key Managerial Personnel, Senior Management and other employees of the Company.

### Terms of reference

Terms of reference of the Nomination and Remuneration Committee includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

- ii. Formulation of criteria for evaluation of performance of Directors and also carrying out of such evaluation.
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- v. Recommending/ reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

### Composition

The Nomination and Remuneration Committee comprises of the following three members:

Sl.	Name	Category	Designation
1.	Sri Mangi Lal Jain	Non-executive Independent	Chairman
2.	Sri Santanu Ray	Non-executive Independent	Member
3.	Smt. Mamta Binani	Non-executive Independent	Member

The composition of Nomination and Remuneration Committee conforms to the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

### Meetings and Attendance

The Nomination and Remuneration Committee met two times during the financial year ended 31st March, 2017. These meetings were held on 10th May, 2016 and 31st January, 2017.

### Attendance of Members at the Nomination and Remuneration Committee Meetings held during 2016-17

Sl.	Name	No. of meetings attended
1.	Sri Mangi Lal Jain	2 (out of 2)
2.	Sri Santanu Ray	2 (out of 2)
3.	Smt. Mamta Binani	2 (out of 2)

### Remuneration Policy

The Company's Remuneration Policy aims at attracting and retaining high calibre talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstance of the Company's business so as to attract and retain quality talent and leverage performance significantly. The Board is responsible for approving and

overseeing implementation of the Remuneration Policy and the same is reviewed and reassessed by the Nomination and Remuneration Committee as and when required and found appropriate.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. The Committee also evaluates the performance of each Director individually.

Remuneration of Executive and Non-executive Directors is determined by the Board, on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Shareholders, where required. The remuneration of Directors, Key Managerial Personnel and all other employees is based on competency, contribution and commitment demonstrated by them towards the Company.

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.

Non-executive Independent Directors are eligible for sitting fees and commission not exceeding the limits prescribed under the Companies Act, 2013. Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors decides the remuneration payable to Non-executive Directors within the overall limits approved by the Members of the Company.

The Independent Directors of the Company are not entitled to participate in Stock Option Scheme, if any, introduced by the Company.

The Remuneration Policy has been published elsewhere in this Report as an Annexure to the Directors Report.

#### **Criteria for making payments to Non-executive Directors**

The Non-executive directors of the Company have a crucial role to play in the independent functioning of the Board. They bring in external and wider perspective to the deliberations and decision-making by the Board. The responsibilities and obligations imposed on the non-executive directors have recently increased manifold owing to new legislative initiatives. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the

Company from time to time. The Company is being hugely benefited from their expertise, advice and inputs.

The Company believes that the remuneration paid to its Non-executive Independent Directors should be reflective of the size of the Company and complexity of the sector/ industry/ Company's operations and should be consistent with recognised best practices. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperative.

Contribution of the Non-executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, timely guidance to the Board on important policy matters of the Company, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non-executive Directors.

Criteria for making payments to Non-executive Directors is also available on the website of the Company and can be accessed at: <http://www.centuryply.com/investor/codes&policies/criteria-for-making-payments-to-NEDs.pdf>

#### **Pecuniary relationship of Non-executive Directors**

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-executive Directors apart from sitting fees and commission as approved by members and reimbursement of their travelling expenses for the purpose of attending Board/ Committee meetings.

##### **• Sitting fees**

Non-executive Directors are paid a sitting fee of ₹40,000/- for each Board meeting and ₹20,000/- for each Committee meeting attended by them. These fees have been decided taking into consideration the extent of business transacted at various meetings.

##### **• Commission**

Commission not exceeding in aggregate 1% of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, subject to a maximum of ₹2,00,000 per Director is paid to all Non-executive Directors. This is based on the premise that Non-executive Directors, drawn from various fields, have necessary expertise and they all contribute in some way or the other in making Board/ Committee procedures effective and fruitful, essential for the growth of the Company.

### Details of remuneration paid to Directors during the financial year 2016-17

Sl.	Name of the Director	Designation & Service contract	Salary (₹)	Sitting Fee (₹)	Commission (₹)	No. of shares held as on date
<b>Executive Directors:</b>						
1.	Sri Sajjan Bhajanka	Chairman & Managing Director up to 31.03.2021	1,20,00,000	Nil	Nil	25232954
2.	Sri Hari Prasad Agarwal	Vice-chairman & Executive Director up to 31.05.2022**	60,00,000	Nil	Nil	2435760
3.	Sri Sanjay Agarwal	Managing Director up to 30.06.2021	1,20,00,000	Nil	Nil	24150124
4.	Sri Prem Kumar Bhajanka	Managing Director up to 31.07.2018	1,20,00,000	Nil	Nil	4636997
5.	Sri Vishnu Khemani	Managing Director up to 31.07.2018	1,20,00,000	Nil	Nil	12607857
6.	Sri Keshav Bhajanka	Executive Director up to 27.01.2021	50,00,000	Nil	Nil	100000
7.	Sri Ajay Baldawa	Executive Director up to 30.06.2021	92,50,000	Nil	Nil	75000
8.	Smt. Nikita Bansal	Executive Director up to 31.01.2022**	4,00,000*	Nil	Nil	50000
<b>Non-executive Directors:</b>						
1.	Sri Manindra Nath Banerjee	Independent Director up to 31.03.2019	Nil	1,90,000	2,00,000	Nil
2.	Sri Mangi Lal Jain	Independent Director up to 31.03.2019	Nil	3,15,000	2,00,000	6650
3.	Sri Santanu Ray	Independent Director up to 31.03.2019	Nil	3,00,000	2,00,000	Nil
4.	Sri Samarendra Mitra	Independent Director up to 31.03.2019	Nil	2,65,000	2,00,000	Nil
5.	Sri Asit Pal	Independent Director up to 31.03.2019	Nil	1,90,000	2,00,000	Nil
6.	Smt. Mamta Binani	Independent Director up to 31.03.2019	Nil	2,15,000	2,00,000	Nil
7.	Sri J P Dua	Independent Director up to 31.03.2019	Nil	1,10,000	2,00,000	Nil
8.	Sri Vijay Chhibber	Independent Director up to 31.01.2020**	Nil	Nil#	Nil#	Nil

\* w.e.f 1st February, 2017 as Executive Director

\*\*subject to regularisation/ approval of the shareholders

# did not attend any meeting during the financial year.

### 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, the Service Contracts entered in to with them and the Remuneration Policy of the Company all of which covers the terms and conditions of such appointment. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors. A notice of three months is required to be given by a Director seeking to vacate office and the resignation takes effect upon the expiration of the notice or its earlier acceptance by the Board.

Formal appointment letters are issued to Independent Directors. As required by Regulation 46 of the Listing Regulations, the terms and conditions of appointment of Independent Directors is available on the Company's website and can be accessed at <http://www.centuryply.com/investor/investor-information/terms-conditions-of-appointment-of-independent-director.pdf>.

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 Director was paid any bonus, pension or performance-linked incentive.

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee oversees redressal of shareholder and investor grievances, reviews the service standards of the Registrar and Share Transfer Agent of the Company and suggests measures for improving service standards.

### Terms of reference

Terms of reference of the Stakeholders Relationship Committee includes the following:

- Investor relations and redressal of shareholders grievances in general;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;

- iii. Provide guidance and make recommendations to improve investor service levels for the investors.

### Composition

The Stakeholders Relationship Committee comprises of the following two members:

Sl.	Name	Category	Designation
1.	Smt. Mamta Binani	Non-executive Independent	Chairperson
2.	Sri Hari Prasad Agarwal	Executive Non-independent	Member

The composition of Stakeholders Relationship Committee conforms to the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

### Meetings and Attendance

During the year the Stakeholders Relationship Committee met once on 10th May, 2016. Both members respectively attended the meeting.

### Compliance Officer and status of pending complaints

Sri Sundeep Jhunjhunwala, Company Secretary is Compliance Officer of the Company for attending to Complaints/ Grievances of the members. During the financial year ended 31st March, 2017, the Company received nine complaints from shareholders and all of them were resolved to their satisfaction. 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.

### Share Transfer Committee

The Share Transfer Committee has been formed to look into share transfer and related applications received from shareholders. The Share Transfer Committee carries out procedural matters and *inter alia*, approves transfer and transmission of shares, sub-division/ consolidation/ renewal/ issue of duplicate share certificates etc.

### Terms of reference

Terms of reference of the Share Transfer Committee includes the following:

- i. Oversee, review and approve all matters connected with transfer, transmission, split, consolidation, rematerialisation, etc.;
- ii. Issue of duplicate share certificates in lieu of share certificates lost, defaced or destroyed;
- iii. Issue of share certificates on rematerialisation;

- iv. Issue of new share certificates consequent upon split/ consolidation of existing ones;
- v. Cancellation of share certificates in compliance with the applicable provisions.

### Composition

The Share Transfer Committee presently comprises of the following members:

Sl.	Name	Category	Designation
1.	Sri Hari Prasad Agarwal	Executive Non-independent	Chairman
2.	Sri Keshav Bhajanka	Executive Non-independent	Member
3.	Sri Ajay Baldawa	Executive Non-independent	Member

The Company Secretary acts as Secretary to the Committee.

### Meetings and Attendance

The Share Transfer Committee met ten times during the financial year ended 31st March, 2017. These meetings were held on 19th May, 2016, 9th June, 2016, 24th August, 2016 5th September, 2016, 7th September, 2016, 22nd September, 2016, 6th October, 2016, 2nd November, 2016, 13th February, 2017 and 2nd March, 2017.

### Attendance of Members at the Share Transfer Committee Meetings held during 2016-17

Sl.	Name	No. of meetings attended
1.	Sri Hari Prasad Agarwal	10 (out of 10)
2.	Sri Keshav Bhajanka	7 (out of 10)
3.	Sri Ajay Baldawa	10 (out of 10)

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company

The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Committee formulates & monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company in terms of the Companies Act, 2013.

### Terms of reference:

Terms of reference of the Corporate Social Responsibility Committee includes the following:



- i. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy and any amendments thereof, indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
- ii. To recommend the amount of expenditure to be incurred on the CSR activities as per CSR Policy;
- iii. To monitor the CSR Policy of the Company from time to time;
- iv. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- v. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable with respect to Corporate Social Responsibility or as may be necessary or appropriate for implementing the Company's policies thereunder.

#### Composition

The Corporate Social Responsibility Committee comprises of the following four members:

Sl.	Name	Category	Designation
1.	Sri Sajjan Bhajanka	Executive Non-independent	Chairman
2.	Sri Hari Prasad Agarwal	Executive Non-independent	Member
3.	Sri Mangi Lal Jain	Non-executive Independent	Member
4.	Smt. Mamta Binani	Non-executive Independent	Member

The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Company Secretary acts as Secretary to the Committee.

#### Meetings and Attendance

During the year, the Corporate Social Responsibility Committee met once on 10th May, 2016.

#### Attendance of Members at the Corporate Social Responsibility Committee Meetings held during 2016-17

Sl.	Name	No. of meetings attended
1.	Sri Sajjan Bhajanka	1 (out of 1)
2.	Sri Hari Prasad Agarwal	1 (out of 1)
3.	Sri Mangi Lal Jain	1 (out of 1)
4.	Smt. Mamta Binani	1 (out of 1)

#### Finance Committee

The Finance Committee is constituted to deal with the day to day matters within the terms of reference defined by the Board. The Committee is responsible for attending to routine matters and ensuring their expeditious implementation.

#### Terms of reference:

Terms of reference of the Finance Committee includes the following:

- i. To approve the opening of and modification in operation of bank accounts;
- ii. Borrow money by way of loan (including foreign currency loans) in or outside India for the purpose of financing new projects, refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments and take necessary actions connected therewith;
- iii. Provide corporate guarantee/ performance guarantee from the Company for credit facilities availed by its subsidiaries or by any other entity;
- iv. Approve establishment and operation of representative/ sales/ branch offices in or outside India;
- v. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;
- vi. Review and consideration of periodical budgets of the Company and approval of capital expenditures;
- vii. Authorise and empower executives and/ or authorised representatives in all matters relating to business operations, direct and indirect taxes, commercial taxes, municipal taxes, import and export, customs, port trust, provident fund, ESI, electricity and other utilities and all legal matters of the Company and approve execution of Power of Attorney, as may be required, for this purpose.
- viii. Opening, modification and closure of trading and demat accounts required for securities, derivatives and all other Options;
- ix. Consideration of matters relating to participation in bids/ tenders/ expression of interest and all other business alliances and joint ventures, among others, if any;
- x. Monitoring of loans and advances granted by the Company as approved by the Board of Directors from time to time;
- xi. Avail facilities relating to foreign exchange transactions and to authorise officials for this purpose;
- xii. Take decisions in connection with any arrangement, document or matter necessary, ancillary, incidental or desirable to give effect to all its powers and authority;

- xiii. Any other financial issues or other matters, whether out of and incidental to these functions or not, as may be assigned by the Board;
- xiv. Delegate authorities from time to time to the executives, officers and other authorised persons to implement the Committee's decisions;
- xv. Authorise Directors, Officers and other Authorised Persons for execution of necessary documents and affixing Common Seal of the Company, as may be required for implementing decisions taken by the Board or any Committee thereof.

The Company Secretary acts as Secretary to the Committee.

#### Meetings and Attendance

The Finance Committee met nine times during the financial year ended 31st March, 2017. These meetings were held on 5th April, 2016, 11th April, 2016, 24th June, 2016, 22nd July, 2016, 17th August, 2016, 3rd November, 2016, 19th January, 2017, 3rd March, 2017 and 29th March, 2017.

#### Attendance of Finance Committee Members at the Finance Meetings held during 2016-17

Sl.	Name	No. of meetings attended
1.	Sri Sajjan Bhajanka	9 (out of 9)
2.	Sri Hari Prasad Agarwal	9 (out of 9)
3.	Sri Sanjay Agarwal	9 (out of 9)

#### Composition

The Finance Committee comprises of the following three members:

Sl.	Name	Category	Designation
1.	Sri Sajjan Bhajanka	Executive Non-independent	Chairman
2.	Sri Sanjay Agarwal	Executive Non-independent	Member
3.	Sri Hari Prasad Agarwal	Executive non-Independent	Member

## 4. General Body Meetings

#### Particulars of last three Annual General Meetings:

AGM	Year ended	Venue	Date	Time
33rd	31.03.2014	Indian Chamber of Commerce Auditorium, 10th Floor, 4, India Exchange Place, Kolkata- 700 001	11.09.2014	11-00 AM
34th	31.03.2015	Indian Chamber of Commerce Auditorium, 10th Floor, 4, India Exchange Place, Kolkata- 700 001	27.08.2015	11-00 AM
35th	31.03.2016	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	31.08.2016	11-00 AM

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

AGM	Date	Venue
33rd	11.09.2014	<ol style="list-style-type: none"> <li>1. Appointment of Statutory Auditors in place of existing Auditors.</li> <li>2. Payment of remuneration by way of commission to non-executive Directors.</li> <li>3. Adoption of revised Articles of Association of the Company.</li> <li>4. Authorisation to the Board to mortgage, hypothecate or create charge on Company's assets.</li> <li>5. Authorisation to the Board to borrow up to an amount not exceeding ₹2,000 crore.</li> <li>6. Appointment of Sri Rajesh Kumar Agarwal, relative of a Director, as an employee in the Company.</li> <li>7. Appointment of Sri Abhishek Rathi, relative of a Director, as an employee in the Company.</li> <li>8. Appointment of Sri Surender Kumar Gupta, relative of a Director, as an employee in the Company</li> </ol>
34th	27.08.2015	None
35th	31.08.2016	None

### Extraordinary General Meeting and Postal Ballot

During the financial year ended 31st March, 2017, no Extraordinary General Meeting was convened nor was any approval of the shareholders obtained through Postal Ballot.

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution through postal ballot.

## 5. DISCLOSURES

- There were no materially significant transactions, financial or commercial, between the Company and members of the Management that may have a potential conflict with the interest of the Company at large. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, commitment of supply, quality standards, specialisation and the Company's long-term strategy for sectoral investments, liquidity and capital resources.

All related party transactions are negotiated on arms-length basis and are intended to further the Company's interests. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters. The Register of Contracts containing transactions in which the Directors are interested, is placed before the Board regularly.

Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in notes to accounts annexed to the financial statements.

The Company has framed a 'Policy on Materiality of and Dealing with Related Party Transactions' as required by under Regulation 23 of the Listing Regulations and the same is disclosed on the Company's website at: <http://www.centuryply.com/investor/codes&policies/policy-for-transactions-with-related-parties.pdf>.

- During the year ended 31st March, 2017, the Company did not have any material listed/ unlisted subsidiary company as defined in Regulation 16 of the Listing Regulations.
- 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 Directors of the Company are not related *inter se*, except for Sri Keshav Bhajanka who is the son of Sri Sajjan Bhajanka, Chairman & Managing Director and Smt. Nikita Bansal, who is the daughter of Sri Sanjay Agarwal, Managing Director.
- During the year under review, the Company has not raised any money through an issue (public, rights, preferential, etc.)

- The Company has complied with all relevant Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.
- The Company confirms compliance with the requirements under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- The Company has complied with Secretarial Standards on Board Meetings and General Meeting.
- The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:
  - a) Non-executive Chairman's Office: The Company has an Executive Chairman and his office is maintained by the Chairman himself.
  - b) Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
  - c) Modified Opinion in Auditors Report: The Company's financial statement for the year 2016-17 does not contain any modified audit opinion.
  - d) Separate posts of Chairman and CEO: The Chairman of the Company is an Executive Director and his position is separate from that of the Chief Executive Officer.
  - e) Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee.

### Whistle Blower Policy/ Vigil Mechanism

The Company has framed a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The same is discussed elsewhere in this Annual Report. During the financial year ended 31st March, 2017, no personnel was denied access to the Audit Committee for reporting cases under this policy.

### Code of Conduct

Consistent with its values and beliefs, the Company has formulated and adopted a Code of Conduct for Directors and Senior Management Executives ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) including all functional heads of the Company and the same has been posted on the Company's website [www.centuryply.com](http://www.centuryply.com).

The Code of Conduct defines what the Company expects of its businesses and people regardless of the location or background. It is aligned with our values, group standards and legal requirements, and clarifies the ethics and compliance expectations for everyone who works with the Company. The Code reflects a value-based approach, where rules are not stated explicitly and day-to-day business decisions would continue to be guided by our values. The Code covers the

Company's commitment to corporate social responsibility and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency, auditability and legal compliance.

The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct as on 31st March, 2017 and a declaration to that effect, signed by the Managing Director and Chief Executive Officer (CEO) is given hereunder:

I hereby confirm that all members of the Board of Directors and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct for the financial year 2016-17.

**Sanjay Agarwal**  
 Managing Director & CEO  
 Kolkata, 23rd May, 2017

#### Policy for determining 'material' subsidiaries

The Company has framed a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's website at: <http://www.centuryply.com/investor/codes&policies/policy-on-material-subsiary.pdf>. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. A detailed note on the Policy has been included elsewhere in this Annual Report.

#### Policy on Materiality of and Dealing with Related Party Transactions

In line with requirement of the Companies Act, 2013 and Listing Regulations, the Company has formulated a 'Policy on Materiality of and Dealing with Related Party Transactions' which is also available on the Company's website at <http://www.centuryply.com/investor/codes&policies/policy-for-transactions-with-related-parties.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval.

#### Appointment of Independent Directors

The appointment process of Independent Directors is independent from the Company management where the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board for proper and effective discharge of its functions. The Company has

issued letter of appointment to all Independent Directors in the manner as provided in the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The maximum tenure of Independent Directors has been fixed in accordance with the Companies Act, 2013 and rules made thereunder. The Code of conduct contains the duties of Independent Directors as laid down in Act. The terms and conditions of appointment have also been disclosed on the website of the Company at <http://www.centuryply.com/investor/investor-information/terms-conditions-of-appointment-of-independent-director.pdf>.

#### 6. CEO and CFO Certification

A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, *inter alia*, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee has been annexed separately in this report.

#### 7. Means of Communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance.

The Company regularly interacts with shareholders through multiple channels of communication. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other matters which in its opinion, are material and relevant for the shareholders.

- **Financial Results:** 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, Business Line, Mint, Arthik Lipi and Duronto Barta. These results are also made available on the website of the Company [www.centuryply.com](http://www.centuryply.com).
- **News releases and presentations:** Official news releases and official media releases are sent to Stock Exchanges and are displayed on its website.
- **Presentations to institutional investors/ analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly as well as annual financial results. These presentations and Schedule of analyst or institutional investors meet are also uploaded on the Company's website as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in presentation made to institutional investors and financial analysts.
- **Company Website:** The Company's website ([www.centuryply.com](http://www.centuryply.com)) contains a separate dedicated section 'Investors' where information for the shareholders is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

- **Annual Report:** The Annual Report containing, *inter alia*, Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Designated exclusive Email ID:** The Company has designated the following Email- ID exclusively for investor servicing: investors@centuryply.com.

## 8. Management Discussion and Analysis

Management Discussion and Analysis is set out in a separate section included in this Annual Report.

## 9. General Shareholder Information

### Company Registration Details

The Company is registered in the State of West Bengal, India. The Corporate Identity Number (CIN) allotted to the

Company by the Ministry of Corporate Affairs (MCA) is L20101WB1982PLC034435.

### Annual General Meeting

Day & date	Friday, 1st September, 2017
Time	11.00 A.M.
Venue	Satyajit Ray Auditorium, Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata- 700071
Financial Year	2016-17
Book Closure dates	Thursday, 3rd August, 2017 to Wednesday, 9th August, 2017 (both days inclusive) (for the purpose of dividend)
Dividend Payment date	Within statutory period from date of passing of resolution at the Annual General Meeting.

### Listing Details:

Name and Address of Stock Exchange	Stock Code
National Stock Exchange of India Ltd.(NSE) Exchange Plaza, Bandra- Kurla Complex, Bandra (East). Mumbai – 400 051	CENTURYPLY
BSE Ltd. (BSE) P J Towers, Dalal Street, Fort, Mumbai 400 001	532548
ISIN	INE348B01021

### Payment of Listing Fees

Listing Fees for financial year 2016-17 & 2017-18 has been paid to NSE and BSE.

### Payment of Depository Fees

Annual Custody/ Issuer fee for the financial year 2016-17 & 2017-18 has been paid to NSDL and CDSL.

### 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 2016-17 are as follows:

Month	BSE			NSE		
	High ₹	Low ₹	Volume No. of Shares	High ₹	Low ₹	Volume No. of Shares
<b>2016</b>						
April	189.05	166.70	51860508	189.00	184.85	4972121
May	194.50	157.00	105723477	194.40	157.00	6647231
June	205.35	161.00	153147397	205.00	163.05	6899597
July	243.75	196.65	721587370	243.90	196.00	16185259
August	240.95	203.50	242754650	241.00	204.65	6208391

Month	BSE			NSE		
	High ₹	Low ₹	Volume No. of Shares	High ₹	Low ₹	Volume No. of Shares
September	262.60	217.35	189441131	262.90	215.20	4696562
October	267.00	239.00	122457167	267.80	237.60	3256955
November	257.00	163.00	103995684	257.60	171.05	6204343
December	183.45	154.50	122304317	184.15	154.45	7087932
<b>2017</b>						
January	203.20	169.50	143466682	203.25	169.40	6853799
February	253.65	196.90	155997354	253.00	195.00	4925107
March	261.40	233.50	132282358	261.00	233.00	5046504

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

Month	BSE Sensex		Company's Shares	
	Closing	% Change	Closing	% Change
<b>2016</b>				
April	25606.62	1.04	183.35	7.63
May	26667.96	4.14	162.25	(11.51)
June	26999.72	1.24	196.40	21.05
July	28051.86	3.90	235.20	19.76
August	28452.17	1.43	215.75	(8.27)
September	27865.96	(2.06)	250.35	16.04
October	27930.21	0.23	249.10	(0.50)
November	26652.81	(4.57)	182.30	(26.82)
December	26626.46	(0.10)	168.05	(7.82)
<b>2017</b>				
January	27655.96	3.87	195.65	16.42
February	28743.32	3.93	250.00	27.78
March	29620.50	3.05	259.15	3.66

Note : Figures within brackets indicate negative value

**Registrar and Share Transfer Agent:**

M/s. Maheshwari Datamatics Private Ltd.  
23, R.N.Mukherjee Road,  
5th Floor, Kolkata 700 001  
Phone No. 033- 22435029/2248-2248  
Fax : 033-22484787  
Email : mdpldc@yahoo.com

**Share Transfer System**

All valid share transfer requests/ demat requests are processed and put into effect within a maximum period of 15 days from the date of receipt after being approved by the Share Transfer Committee, provided the documents are found to be in order. Shares under objection are returned within two weeks.

The Share Transfer Committee meets as and when required for approving share transfers, etc. A summary of the transfer,

transmissions, dematerialisation, rematerialisation, etc. 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 Regulation 40(10) of the Listing Regulations.

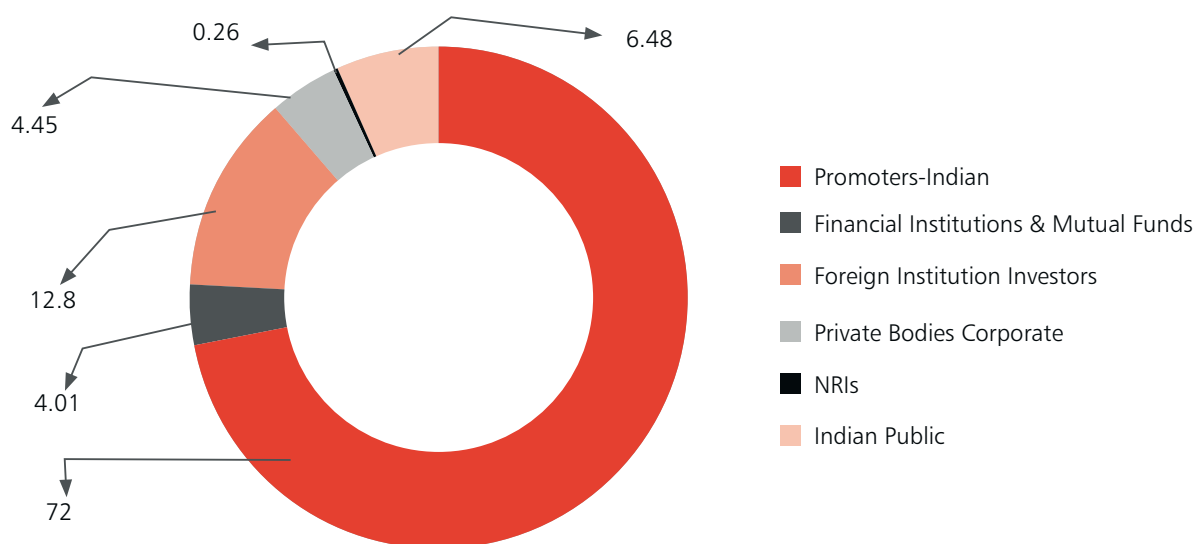
**Reconciliation of Share Capital Audit**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Company Secretary in Practice carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

### Distribution of shareholding

Category	As on 31st March, 2017			
	No. of Shareholders		No. of Shares	
	Total	%	Total	%
1 - 500	26193	82.67	3477234	1.57
501 - 1000	2994	9.45	2143677	0.96
1001 - 2000	1153	3.64	1703845	0.77
2001 - 3000	401	1.27	1050548	0.47
3001 - 4000	161	0.50	570643	0.26
4001 - 5000	154	0.49	712892	0.32
5001 - 10000	269	0.85	1942367	0.87
Above 10000	358	1.13	210571784	94.78
<b>TOTAL</b>	<b>31683</b>	<b>100.00</b>	<b>222172990</b>	<b>100.00</b>

### Shareholding pattern -Distribution by category



Category	As on 31st March, 2017	
	No. of Shares	% to Share Capital
Promoters- Indian	159956678	72.00
Financial Institutions & Mutual Funds	8903981	4.01
Foreign Institutional Investors	28432949	12.80
Private Bodies Corporate	9891295	4.45
NRIs	583883	0.26
Indian Public	14404204	6.48
<b>TOTAL</b>	<b>222172990</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity

The Company's Shares form part of the SEBI's Compulsory Demat segment for all Shareholders/investors. Valid demat requests received by the Company's Registrar are confirmed within the statutory period. 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.

**Bifurcation of shares held in physical and demat form as on 31st March, 2017**

Particulars	No. of Shares	%
Physical	669960	0.30
Demat *		
NSDL (A)	192973546	86.86
CDSL (B)	28529484	12.84
TOTAL (A + B)	221503030	99.70
TOTAL	222172990	100.00

\* includes entire Promoters' shareholding.

**Transfer of Unclaimed dividend to Investor Education and Protection Fund (IEPF)**

Dividends which remains unpaid/unclaimed for a period of Seven years from the date of transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). The Company regularly sends reminder letters through electronic and/or physical means to all those shareholders whose dividend are lying unpaid/unclaimed for any year/(s) during the last seven years indicating that the unclaimed amount will be transferred to the IEPF, if not claimed by the shareholders before the due date of transfer to the said Fund. Further, the details of dividend unclaimed by the Members for the past years which have not yet been transferred to IEPF are readily available for view by the Members on the website of the Company [www.centuryply.com](http://www.centuryply.com).

**Unclaimed Shares**

Details as required under Schedule V of the Listing Regulations, in respect of unclaimed shares transferred to the demat account, 'Century Plyboards (India) Limited- Unclaimed Shares Suspense Account', is as follows-

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1st April, 2016	Nil	Nil
Aggregate number of Shareholders and outstanding shares transferred to Unclaimed Suspense Account during the year	37	62750
Number of shareholders who approached the Company for transfer of shares from Unclaimed suspense account during the year	Nil	Nil

Particulars	No. of Shareholders	No. of Shares
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31st March, 2017	37	62750

Voting rights in respect of the aforesaid 62750 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned Shareholders/ legal heirs.

**Outstanding GDR/ ADR/ warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has never issued any GDR/ ADR/ warrants or any convertible instruments.

**Commodity price risk or foreign exchange risk and hedging activities:**

**Foreign currency exposure and its hedging:**

The Company has following foreign exchange exposure in its books

- Liability towards imports for purchases for goods and services.
- Liability towards foreign currency loans such as Buyers Credit, Foreign Currency Term Loans, etc.
- Forex exposure in terms of receivables against its exports made to various countries.

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures.

**Commodity price risk:**

Commodities form a major part of the raw materials required for Company's Products portfolio and hence Commodity price risk is one of the important market risk for the Company. Your Company has mechanisms in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. Presently, the Company does not hedge its exposure to commodity price risks.



### 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 and Purbanchal Timber Industries, (Guwahati Units) 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	Logistics	Century Sonai CFS Block-B & C, Sonai, Khidderpore, Kolkata, West Bengal Century Jinjira Pole CFS Hide Road, Brace Bridge, Khidderpore, Kolkata, West Bengal
D	Particle Board	Chinnappolapuram, Gummidipoondi, Tamil Nadu
E	MDF	Village Doulowal, Tehsil and District Hoshiarpur, Punjab

### Address for correspondence

Company Secretary & Compliance Officer  
 Century Plyboards (India) Limited  
 6, Lyons Range, Kolkata 700 001  
 Phone : 033-39403950  
 Fax : 033-2248 3539  
 Email : [sundeeppj@centuryply.com](mailto:sundeeppj@centuryply.com)  
 Website : [www.centuryply.com](http://www.centuryply.com)  
 E Mail ID for Investors Grievances : [investors@centuryply.com](mailto:investors@centuryply.com)

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
 (DIN: 00246043)  
 Chairman & Managing Director

Kolkata, 23rd May, 2017

## **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, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Century Plyboards (India) Limited (“the Company”), certify that:

- a. We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief, state that:
  - 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, none of the transactions entered into by the Company during the year ended 31st March, 2017 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated, wherever applicable, to the Auditors and Audit Committee:
  - i) significant changes, if any, in the internal control over financial reporting during the year;
  - ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Sanjay Agarwal**  
*Managing Director & CEO*

**Arun Kumar Julasaria**  
*Chief Financial Officer*

Kolkata, 23rd May, 2017

## Independent Auditor's Report

To,  
THE MEMBERS OF  
CENTURY PLYBOARDS (INDIA) LIMITED

### Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of CENTURY PLYBOARDS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.  
In conducting our audit, we have taken into account

the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as stated in note 36 (ii) to the financial statement;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

For Singhi & Co.,  
Chartered Accountants  
Firm's Registration No. 302049E

Anurag Singhi  
Partner

Place: Kolkata  
Date: 23rd day of May, 2017

Membership No. 066274

## Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 7 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Century Plyboards (India) Limited for the year ended 31st March, 2017)

We report that:

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, fixed assets have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- iii. The Company has granted unsecured loans to its certain subsidiaries during the year, which are covered in the register maintained under section 189 of the Act.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans were granted to above subsidiaries were not, prima facie, prejudicial to the interest of the Company.
  - b) The subsidiaries have been regular in the payment of the principal and interest as stipulated.
- c) There are no overdue amounts in respect of the loan granted to the subsidiaries as at the balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments made and providing guarantees and securities, as applicable.
- v. According to information and explanations given to us, the Company has not accepted any deposits from public during the year.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product & services rendered by the Company.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, to the appropriate authorities.

There are no arrears in respect of the aforesaid dues as at 31st March, 2017 for a period of more than six months from the date they became payable.
  - b) The particulars of dues of income tax, sales tax, duty of excise, service tax, duty of customs, and value added tax have not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature of Dues	Amount (₹ In Lac)	Period to which the amount relates	Forum where dispute is pending
Various States Sales Tax/ VAT	Sales Tax/ VAT	751.51	1999-2000, 2004-05 to 2015-16	Assistant/Deputy Commissioner/ Joint/ Additional Commissioner/ Hon'ble High court at Andhra Pradesh/ Revisional Board/ The West Bengal Commercial Taxes Appellate/ Sales Tax Inspector
Central Sales Tax Act, 1956	Central Sales Tax	54.84	1990-92, 2004-05, 2010-11, 2012-13	Commissioner (Appeals)
The West Bengal Tax on Entry of Goods Into Local Areas Act, 2012	West Bengal Entry Tax	1,331.23	2012-13 to 2016 -17	Hon'ble High court at Calcutta
Finance Act, 1994	Service Tax	464.24	2004-05, 2007-08 to 2014-15	Commissioner (Appeals)/ CESTAT/ Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	478.73	2005-06 to 2007-08, 2009-10 to 2016-17	Commissioner (Appeals)/ CESTAT
Income Tax Act, 1961	Income Tax	1,227.84	2013-14 and 2014-15	Commissioner of Income Tax (A)

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained except for the temporary investment of fund considering non-utilization.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Singhi & Co.,**  
*Chartered Accountants*  
 Firm's Registration No. 302049E

**Anurag Singhi**  
*Partner*

Place: Kolkata  
 Date: 23rd day of May, 2017

Membership No. 066274

## Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 8(f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Century Plyboards (India) Limited for the year ended 31st March, 2017)

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

1. We have audited the internal financial controls over financial reporting of Century Plyboards (India) Limited ('the Company') as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st

March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Singhi & Co.,**  
*Chartered Accountants*  
 Firm's Registration No. 302049E

**Anurag Singhi**  
*Partner*  
 Membership No. 066274

Place: Kolkata  
 Date: 23rd day of May, 2017



## Balance Sheet as at 31st March, 2017

₹ in Lac

	Notes	31st March, 2017	31st March, 2016	1st April, 2015
<b>A ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	3	24,869.39	19,631.76	20,012.54
Capital Work-in-Progress		3,962.67	2,967.39	2,225.18
Intangible Assets	4	71.43	115.20	137.39
Intangible Assets under development		24.57	15.52	-
Expenditure on New/Expansion Projects	5	24,435.01	6,318.74	-
Investment in Subsidiaries	6	9,602.24	4,965.64	4,509.12
<b>Financial Assets</b>				
Investments	6	0.05	1.78	15.63
Loans and Advances	7	1,000.38	741.48	648.08
Other financial assets	8	998.49	2,372.36	1,717.87
Deferred Tax Assets (Net)	9	6,886.91	6,554.04	5,191.04
Other Non-Current assets	10	2,435.11	3,157.27	1,968.77
<b>Current Assets</b>				
Inventories	11	26,383.06	27,515.06	32,004.46
<b>Financial Assets</b>				
Trade Receivables	12	33,527.36	28,676.44	26,571.97
Cash and cash equivalents	13	5,299.28	1,637.66	1,684.95
Bank Balances other than above	13	85.14	266.49	17.60
Loans and Advances	7	461.19	479.86	1,159.33
Other financial assets	8	8,252.04	4,817.05	3,787.05
Other Current assets	10	7,177.93	3,962.09	2,999.10
<b>TOTAL ASSETS</b>		<b>1,55,472.25</b>	<b>1,14,195.83</b>	<b>1,04,650.08</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	14	2,225.27	2,225.27	2,225.27
Other Equity	15	68,637.43	50,280.55	39,502.57
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	14,674.86	6,396.50	8,132.88
Other financial liabilities	17	-	-	-
Other non-current liabilities	18	22.91	26.90	41.36
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	41,033.90	34,096.50	37,439.94
Trade Payables				
Dues to micro and small enterprises	20	571.83	744.94	3.23
Dues to others	20	13,537.89	7,687.64	6,477.33
Other Financial Liabilities	21	9,109.70	8,726.30	7,403.45
Other Current Liabilities	22	3,804.87	3,107.38	2,508.93
Provisions	23	1,152.71	677.79	322.62
Current tax liabilities (Net)	24	700.88	226.06	592.50
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,55,472.25</b>	<b>1,14,195.83</b>	<b>1,04,650.08</b>
Significant Accounting Policies and Key Estimates and Judgements	2			

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date

For Singh & Co.

Firm Registration No- 302049E

Chartered Accountants

For and on behalf of the Board of Directors

Anurag Singhi

Partner

Membership No. 066274

Sajjan Bhajanka

Chairman & Managing Director

DIN:00246043

Sanjay Agarwal

Managing Director

DIN:00246132

Place: Kolkata

Date: 23rd May, 2017

Arun Kumar Julasaria

Chief Financial Officer

Sundeep Jhunjhunwala

Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Lac

	Notes	2016-2017	2015 - 2016
<b>INCOME</b>			
Revenue from Operations	25	1,92,033.16	1,77,021.28
Other Income	26	2,267.72	649.36
<b>Total Income</b>		<b>1,94,300.88</b>	<b>1,77,670.64</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	60,099.25	63,378.80
Purchase of Stock-in-Trade		31,547.53	21,758.54
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	161.37	(813.99)
Employee Benefits Expense	29	25,667.96	22,780.95
Finance Cost	30	2,864.23	4,645.85
Depreciation and Amortisation Expense	31	5,237.57	4,373.04
Excise Duty	32	13,787.45	13,452.48
Other Expenses	33	31,566.56	28,113.83
<b>Total Expenses</b>		<b>1,70,931.92</b>	<b>1,57,689.50</b>
<b>Profit before Taxation</b>		<b>23,368.96</b>	<b>19,981.14</b>
<b>Tax Expenses</b>	9		
Current Tax		5,040.74	4,266.96
Less: MAT credit entitlement		158.52	643.70
Net Current Tax Expense		4,882.22	3,623.26
Deferred Tax		(69.07)	(623.20)
<b>Total Tax Expenses</b>		<b>4,813.15</b>	<b>3,000.06</b>
<b>Profit for the year</b>		<b>18,555.81</b>	<b>16,981.08</b>
<b>Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:</b>			
Re-Measurement gains/(losses) on defined benefit plans		(304.21)	(282.61)
Income tax effect	9	105.28	96.06
<b>Total Other Comprehensive Income</b>		<b>(198.93)</b>	<b>(186.55)</b>
<b>Total Comprehensive Income for the year</b>		<b>18,356.88</b>	<b>16,794.53</b>
<b>Earnings per equity share (nominal value of share ₹1/-/(Previous Year ₹1/-))</b>			
<b>Basic and Diluted (₹)</b>	50	<b>8.35</b>	<b>7.64</b>
<b>Significant Accounting Policies and Key Estimates and Judgements</b>	2		

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date

For Singhi & Co.

Firm Registration No- 302049E

Chartered Accountants

Anurag Singhi

Partner

Membership No. 066274

Place: Kolkata

Date: 23rd May, 2017

For and on behalf of the Board of Directors

Sajjan Bhajanka

Chairman & Managing Director

DIN:00246043

Arun Kumar Julasaria

Chief Financial Officer

Sanjay Agarwal

Managing Director

DIN:00246132

Sundeep Jhunjunwala

Company Secretary

## Cash Flow Statement for the year ended 31st March, 2017

₹ in Lac

	2016-2017	2015 - 2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	23,368.96	19,981.14
Adjustments for:		
Depreciation/Amortisation	5,237.57	4,373.04
Finance Cost	2,864.23	4,645.85
Dividend Income on investment carried at FVTPL	-	(0.11)
Irrecoverable Debts & Advances Written Off	9.45	131.83
Unspent/Unclaimed Balances Written Back	(0.32)	(42.15)
(Profit)/Loss on disposal of Property, Plant and Equipment	(52.84)	16.59
Net gain on Sale of Investments carried at FVTPL	(0.94)	0.50
Interest Income from financial assets at amortised cost	(35.00)	(86.80)
Provision for Doubtful Debts provided / (written back)	(106.92)	275.83
Unrealised Foreign Exchange Fluctuations Loss/(Gain)	(1,586.49)	630.58
<b>Operating Profit before Working Capital Changes</b>	<b>29,697.70</b>	<b>29,926.30</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(4,826.02)	(2,385.00)
(Increase) / Decrease in Inventories	1,132.00	4,489.40
(Increase) / Decrease in Financial Assets	(7,369.40)	(1,013.44)
(Increase) / Decrease in Other Assets	617.19	(814.14)
Increase / (Decrease) in Short Term Provisions	170.71	72.56
Increase / (Decrease) in Financial Liabilities	871.11	882.38
Increase / (Decrease) in Other Liabilities	697.49	598.45
Increase / (Decrease) in Trade Payables	5,872.19	1,825.07
<b>Cash Generated from Operations</b>	<b>26,862.97</b>	<b>33,581.58</b>
Direct Taxes Paid (Net of Refunds)	(4,565.92)	(4,633.40)
<b>Net Cash generated from Operating Activities</b>	<b>22,297.05</b>	<b>28,948.18</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(28,967.80)	(12,661.84)
Sale of Property, Plant and Equipment	168.82	127.51
Purchase of Long Term Investments (Subsidiaries)	(4,744.01)	(456.52)
Purchase of Current Investments	(1,000.00)	-
Sale of Non Current Investments (Subsidiaries)	107.41	-
Sale of Non Current Investments (Others)	1.17	13.34
Sale of Current Investment	1,001.50	-
Share Application Money given (Subsidiaries)	1,345.28	(646.36)
Loans (Given)/Refunds (net)	-	730.00
Dividend Received	-	0.11
Interest Received	9.33	26.47
<b>Net Cash used in Investing Activities</b>	<b>(32,078.30)</b>	<b>(12,867.29)</b>

## Cash Flow Statement for the year ended 31st March, 2017

₹ in Lac

	2016-2017	2015 - 2016
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	13,091.58	3,264.32
Repayment of Long Term Borrowings	(5,069.12)	(4,778.00)
Proceeds from Short Term Borrowings	17,460.35	2,810.80
Repayment of Short Term Borrowings	(9,355.63)	(6,474.63)
Interest Paid	(2,391.14)	(2,609.12)
Other Borrowing Cost Paid	(473.31)	(2,083.78)
Dividend paid	(1.21)	(4,991.22)
Dividend Tax Paid	-	(1,017.66)
<b>Net Cash (used in)/from Financing Activities</b>	<b>13,261.52</b>	<b>(15,879.29)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>3,480.27</b>	<b>201.60</b>
Cash & Cash Equivalents - Opening Balance	1,904.15	1,702.55
Cash & Cash Equivalents - Closing Balance	5,384.42	1,904.15

The accompanying notes form an integral part of the standalone financial statements

### Notes:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on 'Statement of Cash Flow'.
- 2 Cash and Cash Equivalents include ₹85.14 Lac (Previous Year ₹266.49 Lac) available for restricted use. The restrictions are mainly on account of cash and bank balances held as margin money deposit against bank guarantees and unclaimed dividends.

As per our Report of even date

For Singhi & Co.  
Firm Registration No- 302049E  
Chartered Accountants

Anurag Singhi  
Partner  
Membership No. 066274

Place: Kolkata  
Date: 23rd May, 2017

For and on behalf of the Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Arun Kumar Julasaria  
Chief Financial Officer

Sanjay Agarwal  
Managing Director  
DIN:00246132

Sundeep Jhunjhunwala  
Company Secretary

## Statement of Changes in Equity for the year ended 31st March, 2017

### A) Equity Share Capital

Equity Shares of ₹1 each issued, subscribed and fully paid	Number of shares	₹ in Lac
On April 1, 2015*	22,21,72,990	2,225.27
Changes in equity share capital during the year	-	-
Balance at March 31, 2016*	22,21,72,990	2,225.27
Changes in equity share capital during the year	-	-
Balance at March 31, 2017*	22,21,72,990	2,225.27

\* includes amount received on forfeited shares (FY 2001-02)

### B) Other Equity

₹ in Lac

Particulars	Reserves and Surplus					
	Securities Premium Reserve	Amalgamation Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Total
Balance at 1st April, 2015	1,892.77	317.40	50.00	990.19	36,252.21	39,502.57
Profit for the year	-	-	-	-	16,981.08	16,981.08
Other Comprehensive Income for the year, net of tax:						
Remeasurement gain / (loss) on Defined Benefit Plans	-	-	-	-	(186.55)	(186.55)
	1,892.77	317.40	50.00	990.19	53,046.74	56,297.10
<b>Adjustments</b>						
Final Dividend for the year 2014-15 (₹1.25 per share) (Refer Note 49)	-	-	-	-	(2,777.16)	(2,777.16)
Tax on final dividend for the year 2014-15 (Refer Note 49)	-	-	-	-	(565.46)	(565.46)
Payment of Interim dividend (₹1 per share)	-	-	-	-	(2,221.73)	(2,221.73)
Tax on interim dividend	-	-	-	-	(452.29)	(452.29)
Tax on proposed equity dividend written back	-	-	-	-	0.09	0.09
Balance at 31st March, 2016	1,892.77	317.40	50.00	990.19	47,030.19	50,280.55
Profit for the year	-	-	-	-	18,555.81	18,555.81
Other Comprehensive Income for the year, net of tax						
Remeasurement gain / (loss) on Defined Benefit Plans	-	-	-	-	(198.93)	(198.93)
Balance at 31st March, 2017	1,892.77	317.40	50.00	990.19	65,387.07	68,637.43

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date

For Singhi & Co.

Firm Registration No- 302049E

Chartered Accountants

For and on behalf of the Board of Directors

Anurag Singhi

Partner

Membership No. 066274

Sajjan Bhajanka

Chairman & Managing Director

DIN:00246043

Sanjay Agarwal

Managing Director

DIN:00246132

Place: Kolkata

Date: 23rd May, 2017

Arun Kumar Julasaria

Chief Financial Officer

Sundeep Jhunjhunwala

Company Secretary

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 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. The Company is primarily engaged in manufacturing and sale of Plywood, Laminates, Decorative Veneers, Pre-laminated boards, Particle Board and Flush Doors and providing Container Freight Station services. The Company presently has manufacturing facilities near Kolkata, Karnal, Guwahati, Kandla and Chennai. Container Freight station is located near Kolkata port.

### 2. Significant Accounting Policies and Key Estimates and Judgements

#### 2.1 Basis of Preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued by the Ministry of Corporate Affairs ("MCA").

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 [Indian GAAP].

These financial statements for the year ended 31st March, 2017 are the first financial statements, the Company has prepared in accordance with Indian Accounting Standards ("Ind AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Further, in accordance with the Rules, the Company has restated its Balance Sheet as at 1st April, 2015 and financial statements for the year ended and as at 31st March, 2016 also as per Ind AS. For preparation of opening balance sheet under Ind AS as at 1st April, 2015, the Company has availed exemptions and first time adoption policies in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards", the details of which have been explained thereof in Note 34.

The financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value as described in accounting policies regarding financial instruments.

#### Estimates

The estimates at 1st April, 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). Consequent to Company's transition to Ind AS as explained in "Basis of Preparation" paragraph above, following are accounted for the first time in these financial statements and hence estimates for these items are based on conditions existing on the respective Balance Sheet dates:

- (a) Impairment of financial assets based on expected credit loss model
- (b) Fair value of certain financial assets and liabilities through Profit and Loss (FVTPL)

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2015, the date of transition to Ind AS and as of 31st March, 2016.

#### 2.2 Summary of Significant Accounting Policies

##### a. Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Company's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in Company's normal operating cycle

## Notes to Financial Statements as at and for the year ended 31st March, 2017

- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### b. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company considers that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. Accordingly, it is considered for valuation of stock of finished goods lying in the factories and branches as on the Balance Sheet date.

However, Sales tax/ value added tax (VAT) is not received by the Company on its own account. These are collected on behalf of the government and accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

#### Sale of Goods

Revenue from the sale of goods is recognised on transfer of significant risks and rewards of ownership to customers based on the contract with the customers for delivery. Revenue from the sale of goods is net of returns and allowances, trade discounts and volume rebates.

#### Rendering of Services

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.

#### Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

#### Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Insurance Claims

Insurance and other claims are accounted for as and when accepted.

### c. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic

## Notes to Financial Statements as at and for the year ended 31st March, 2017

basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

### d. Taxes

Tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current tax & deferred tax.

#### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (MAT Credit Entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### e. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Expenditure directly attributable to expansion projects are capitalised. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not related to the project nor are incidental thereto, are charged to Statement of Profit and Loss.

Depreciation on property, plant and equipment is provided under Written Down Value method at the rates determined based on useful lives of the respective assets and residual values which is in line with those indicated in Schedule II of The Companies Act, 2013.



## Notes to Financial Statements as at and for the year ended 31st March, 2017

The estimated useful life of the Property Plant and Equipment is given below:-

Asset Group	Useful life (in years)
Factory Building	30
Non-factory Building	60
Plant & Equipment	8-15
Electrical Installation	10
Furniture & Fixtures	10
Office Equipment and Vehicle	5-8
Computers	3

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

### f. Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of de-recognition.

### g. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

The Company has intangible assets with finite useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets (Computer Software) are amortised on a Written Down value method over a period of 5 years.

### h. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Company as a Lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments as per terms of the agreement are recognised as an expense in the statement of profit and loss.

### j. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- (i) Raw materials, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.
- (iii) Traded goods: These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

### k. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or class of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### l. Retirement and other Employee Benefits

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 expenditure when an employee renders the related service.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

The Company has no obligations other than the contribution payable to the respective funds.

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.

Short term compensated absences are provided for based on estimates.

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 does not have an unconditional right to defer the settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

### m. Foreign Currency Translation

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement profit or loss are also recognised in OCI or statement profit and loss, respectively).

### n. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

##### (i) Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the asset is delivered to or by the Company which generally coincides with the trade date.

##### (ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (a) Debt instruments at amortised cost
- (b) Equity instruments at fair value through profit or loss (FVTPL)

##### (a) Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

## Notes to Financial Statements as at and for the year ended 31st March, 2017

- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company
- (b) Equity Instruments at Fair Value through Profit or Loss (FVTPL)**
- All equity investments in scope of Ind AS 109 are measured at fair value except equity investments in subsidiaries which are measured at cost as per Ind AS 27. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
- (c) Equity Instruments in subsidiaries**
- Equity investments in Subsidiaries are carried at Cost, in accordance with option available in Ind AS 27 "Separate Financial Statements".
- (iii) De-Recognition**
- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.
- (iv) Impairment of Financial Assets**
- In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.
- The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

### Financial Liabilities

**(i) Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### (ii) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### (iii) De-Recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### (iv) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Derivative Financial Instruments

### Initial Recognition and Subsequent Measurement

The Company uses derivative financial instruments, such as forward contracts, interest rate swaps, etc. to hedge its foreign currency risks and interest rate risks and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss.

### o. Fair Value Measurement

The Company measures financial instruments, such as, quoted investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on recurring basis the Company determines whenever transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period and discloses the same.

### p. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### q. Cash Dividend to Equity Holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution

## Notes to Financial Statements as at and for the year ended 31st March, 2017

is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### r. Earning Per Share

Earning per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### s. Segment Reporting

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

### t. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

### u. 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. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### v. Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

- Ind AS 7 - Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind AS. The amendment will come into force from accounting period commencing on or after 1st April, 2017. The Company is in the process of assessing the possible impact of Ind AS 7: Statement of Cash Flows and will adopt the amendments on the required effective date.

## 2.3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### (i) Judgements

The management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Liability towards decommissioning cost for land lease not recognized based on management's decision that the Company will leave the leased property in as if condition at the expiry of the term of lease. As per the terms of the agreement, in such case the Company is not obligated for any decommissioning or site restoration activity.

### (ii) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have

## Notes to Financial Statements as at and for the year ended 31st March, 2017

a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### a) Defined Benefit Plans

The cost of the employment benefits such as gratuity, leave and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 35

### b) Taxes

Deferred tax assets are recognised for unused tax credits (MAT Credit Entitlement) to the extent that it is probable that taxable profit will be available against which the losses and tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The company has ₹5,204.95 Lac (31st March, 2016: ₹5,046.43 Lac, 1st April, 2015: ₹4,402.73 Lac) of tax credits carried forward.

### c) Expected Credit Loss Model

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial Assets. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 3. Property, Plant and Equipment

₹ in Lac

Cost or Deemed Cost	Freehold Land	Factory Buildings	Non-Factory Buildings on Freehold Land	Non-Factory Buildings on Leasehold Land	Storage Yard on Leasehold Land	Plant & Equipment	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles (a)	Total
At 1st April, 2015	2,477.63	3,885.28	2,977.41	512.43	2,241.43	5,482.33	543.24	447.69	223.16	221.14	1,000.80	20,012.54
Addition	21.96	827.90	273.31	3.58	-	1,495.64	38.97	62.84	110.94	186.65	974.75	3,996.54
Disposals /deductions / adjustment	27.54	2.42	-	-	-	53.80	-	50.80	4.95	5.32	21.81	166.64
At 31st March, 2016	2,472.05	4,710.76	3,250.72	516.01	2,241.43	6,924.17	582.21	459.73	329.15	402.47	1,953.74	23,842.44
Additions	299.53	1,332.05	608.20	12.21	156.83	7,140.50	418.68	123.80	118.52	73.30	248.75	10,532.37
Disposals /deductions / adjustment	17.87	-	-	-	-	11.04	8.71	120.85	12.59	13.46	11.51	196.03
At 31st March, 2017	2,753.71	6,042.81	3,858.92	528.22	2,398.26	14,053.63	992.18	462.68	435.08	462.31	2,190.98	34,178.78
Accumulated Depreciation												
At 1st April, 2015												
charge for the Year	-	479.69	222.11	73.15	459.29	1,950.02	155.26	131.24	131.81	173.34	457.35	4,233.26
Disposals /deductions / adjustment	-	0.21	-	-	-	3.20	-	13.60	1.18	1.10	3.29	22.58
At 31st March, 2016	-	479.48	222.11	73.15	459.29	1,946.82	155.26	117.64	130.63	172.24	454.06	4,210.68
charge for the Year	-	479.97	230.25	63.49	470.49	2,899.02	167.23	101.48	113.60	142.66	511.06	5,179.25
Disposals /deductions / adjustment	-	-	-	-	-	4.58	3.77	50.35	7.82	9.01	5.01	80.54
At 31st March, 2017	-	959.45	452.36	136.64	929.78	4,841.26	318.72	168.77	236.41	305.89	960.11	9,309.39
Net Carrying Values												
At 1st April, 2015	2,477.63	3,885.28	2,977.41	512.43	2,241.43	5,482.33	543.24	447.69	223.16	221.14	1,000.80	20,012.54
At 31st March, 2016	2,472.05	4,231.28	3,028.61	442.86	1,782.14	4,977.35	426.95	342.09	198.52	230.23	1,499.68	19,631.76
At 31st March, 2017	2,753.71	5,083.36	3,406.56	391.58	1,468.48	9,212.37	673.46	293.91	198.67	156.42	1,230.87	24,869.39

#### Notes :

- Vehicles Includes taken on finance lease written down Value ₹1,239.31 Lac (31.3.2016 ₹1,377.53 Lac, 1.4.2015 ₹862.83 Lac) [Refer Note 38(b)].
- For Property, plant and equipment existing as on April 1, 2015, i.e. date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost. (Refer Note 34(E)(i)(ii) under Ind AS 101 Exemption Applied)
- Contractual commitments for acquisition of Property, Plant & Equipments is disclosed in Note no 36(i)



## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 4. Intangible Assets

₹ in Lac

Cost or Deemed Cost	Computer Software
At 1st April, 2015	137.39
Addition	132.38
Written off / Disposed	0.01
At 31st March, 2016	269.76
Addition	34.78
Written off / Disposed	9.08
At 31st March, 2017	295.46
<b>Accumulated Amortisation</b>	
At 1st April, 2015	
charge for the Year	154.56
Written off / Disposed	
At 31st March, 2016	154.56
charge for the Year	78.06
Written off / Disposed	8.59
At 31st March, 2017	224.03
<b>Net Carrying Values</b>	
At 1st April, 2015	137.39
At 31st March, 2016	115.20
At 31st March, 2017	71.43

### 5. Capital Expenditure on new / expansion projects

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>A. Property, Plant &amp; Equipments :</b>			
Balance Brought forward from previous year	6,073.18		
Freehold Land	768.68	1,941.88	
Factory Building	134.70	50.29	
Plant & Equipment	93.90	52.25	
Electrical Installations	33.08	113.47	
Furniture & Fixtures	20.88	-	
Office Equipments	27.07	2.96	
Vehicles	176.05	61.27	
Computer Software	2.84	-	
Computers	21.94	4.52	
Less : Depreciation (Charged to Pre-Operative expenses)	(47.63)	(9.07)	
<b>Property, Plant &amp; Equipments - Under Erection</b>			
Land & Site Development	0.76	-	
Factory Building	3,009.53	152.01	
Non-factory Building	218.61	2.03	
Plant & Equipment	14,411.40	3,606.88	
Furniture & Fixtures	0.98	-	
Electrical Installations	978.09	94.69	
(I)	19,850.88	6,073.18	-
	25,924.06	6,073.18	-

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 5. Capital Expenditure on new / expansion projects (contd.)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Less: Transferred to Property Plant & Equipment during the year	5,295.87	-	-
	<b>20,628.19</b>	<b>6,073.18</b>	-
<b>B. Incidental Expenditure pending allocation to Property, Plant &amp; Equipments :</b>			
Balance Brought forward from previous year	245.56		
Finance Cost	590.45	68.62	
Power and Fuel	111.07	44.95	
Rent	15.08	3.08	
Salary, Wages, Bonus, etc..	307.91	55.60	
Travelling & Conveyance	77.32	29.13	
Consultancy Charges	230.42	10.30	
Telephone & Internet	8.28	0.62	
Miscellaneous Expenses	2,366.80	24.19	
Depreciation Expense	47.63	9.07	
<b>(II)</b>	<b>3,754.96</b>	<b>245.56</b>	-
	<b>4,000.52</b>	<b>245.56</b>	-
Less : Allocated to Property Plant & Equipments during the year	193.70	-	-
	<b>3,806.82</b>	<b>245.56</b>	-
<b>Total I+II</b>	<b>24,435.01</b>	<b>6,318.74</b>	-

The capitalisation rate used for general borrowing during the year is 5.62% (for FY 2015-16 6.13%)

### 6. Investments

₹ in Lac

	Face Value per share	No of Shares @	31st March, 2017	31st March, 2016	1st April, 2015
<b>Non-Current Investments at fair value through profit or loss (FVTPL)</b>					
<b>Quoted Equity Instruments</b>					
<b>Investments in Others</b>					
Bharat Commerce & Industries Ltd.	10	-	-	0.73	0.73
		(19000)			
Corporation Bank	2	-	-	-	1.58
		(3000)			
Kitply Industries Ltd.	10	-	-	-	-
		(100)			
Pidilite Industries Ltd.	1	-	-	-	12.00
		(2000)			
Tech Mahindra Ltd.	5	-	-	-	0.27
		(44)			
<b>Sub Total</b>			<b>-</b>	<b>0.73</b>	<b>14.58</b>
<b>Unquoted Equity Instruments</b>					
<b>(i) Investments In Associates (at cost)</b>					
Century Infotech Ltd.	10	-	-	-	50.00
		(500000)			
<b>Sub Total</b>			<b>-</b>	<b>-</b>	<b>50.00</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 6. Investments (contd.)

₹ in Lac

	Face Value per share	No of Shares @	31st March, 2017	31st March, 2016	1st April, 2015
<b>(ii) Investments in Others (at FVTPL)</b>					
Manmao Plywood Pvt. Ltd.	100	-	-	1.00	1.00
		(1000)			
<b>Sub Total</b>			<b>-</b>	<b>1.00</b>	<b>1.00</b>
<b>(iii) Investments In Subsidiaries (at cost)</b>					
Auro Sundram Ply & Door Pvt Ltd	10	510000	231.80	231.80	231.80
Century MDF Ltd	10	300000	30.00	30.00	30.00
Century Ply (Singapore) Pte Ltd **	USD-1	5296926	3,532.67	99.11	#
	SGD-1	215475			
		(1)			
Centuryply Myanmar Pvt Ltd	Kyat 1,00,000/-	78800	4,938.93	3,680.20	3,680.20
		(58800)			
Ara Suppliers Pvt Ltd	10	1422091	142.21	129.28	129.28
		(1292810)			
Arham Sales Pvt Ltd	10	1422091	142.21	129.28	129.28
		(1292810)			
Adonis Vyaper Pvt Ltd	10	1422091	142.21	129.28	129.28
		(1292810)			
Apnapan Viniyog Pvt Ltd	10	1422091	142.21	129.28	129.28
		(1292810)			
Century Infotech Ltd.	10	3000000	300.00	300.00	-
Innovation Pacific Singapore Pte. Ltd.		-	-	107.41	-
	SGD-1	(229000)			
<b>Sub Total</b>			<b>9,602.24</b>	<b>4,965.64</b>	<b>4,459.12</b>
<b>Investment in government Securities (at amortised cost)</b>					
National Savings Certificate (VII Issue)*			0.05	0.05	0.05
<b>TOTAL</b>			<b>9,602.29</b>	<b>4,967.42</b>	<b>4,524.75</b>
<b>Aggregate Amount of Investments</b>					
<b>6.1 Aggregate amount of quoted investment</b>			-	0.73	14.58
<b>6.2 Market value of quoted investment</b>			-	0.73	14.58
<b>6.3 Aggregate amount of unquoted investment</b>			9,602.29	4,966.69	4,510.17

\* Lodged with Government Departments as Security Deposit.

# ₹48/-

@ Figures in bracket represent previous year figures as at 1st April, 2015 & as at 31st March, 2016.

\*\* 215475 shares of SGD 1 each held by the Company in CPSPL has been converted in 157080 shares of USD 1 each.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 7. Loans and Advances (At amortised cost)

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured considered good</b>						
Security Deposits	1,000.38	741.48	648.08	161.19	179.86	129.33
Loans:						
- To an Associate Company (refer Note 44)	-	-	-	-	-	30.00
- To a Body corporate	-	-	-	-	-	1,000.00
- To a Subsidiary Company (refer Note 44)	-	-	-	300.00	300.00	-
	<b>1,000.38</b>	<b>741.48</b>	<b>648.08</b>	<b>461.19</b>	<b>479.86</b>	<b>1,159.33</b>
Due from officers of the company	5.00	-	-	-	-	-

### 8. Other Financial Assets (At Amortised Cost)

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured considered good</b>						
Advances recoverable in cash or kind	-	-	-	7,896.07	4,500.90	3,472.95
Other Receivables	-	28.59	20.46	304.80	288.52	293.53
Share application money						
To Subsidiary Companies	998.49	2,343.77	1,697.41	-	-	-
Interest accrued on Loans, Deposits etc.	-	-	-	51.17	25.50	0.08
Insurance Claim Receivable	-	-	-	-	2.13	20.49
	<b>998.49</b>	<b>2,372.36</b>	<b>1,717.87</b>	<b>8,252.04</b>	<b>4,817.05</b>	<b>3,787.05</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 9. Income Tax

₹ in Lac

	31st March, 2017	31st March, 2016
<b>Current income tax</b>	5,040.74	4,266.96
MAT credit entitlement	(158.52)	(643.70)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(69.07)	(623.20)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>4,813.15</b>	<b>3,000.06</b>
<b>OCI section</b>		
Deferred tax related to items recognised in OCI during the year:		
Net loss / (gain) on remeasurements of defined benefit plans	105.28	96.06
<b>Income tax charged to OCI</b>	<b>105.28</b>	<b>96.06</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2016 and 31st March, 2017:

₹ in Lac

	31st March, 2017	31st March, 2016
Accounting profit before income tax	23,368.96	19,981.14
At India's statutory income tax rate of 34.61% (31st March, 2016: 34.61%)	8,088.00	6,915.47
<b>Income tax expense reported in the statement of profit and loss</b>	<b>4,813.15</b>	<b>3,000.06</b>

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Deferred Tax Assets</b>			
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	678.02	432.74	216.04
Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	740.03	718.57	354.88
Provision for doubtful debts and advances	263.91	356.30	217.39
	<b>1,681.96</b>	<b>1,507.61</b>	<b>788.31</b>
Minimum Alternate Tax Credit Entitlement*	5,204.95	5,046.43	4,402.73
<b>Net Deferred Tax Asset</b>	<b>6,886.91</b>	<b>6,554.04</b>	<b>5,191.04</b>

₹ in Lac

	31st March, 2017	31st March, 2016
<b>Deferred Tax Assets (Net) (Statement of Profit and Loss)</b>		
a) Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	245.28	216.70
b) Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	21.46	363.69
c) Provision for doubtful debts and advances	(92.39)	138.91
d) Minimum Alternate Tax Credit Entitlement*	158.52	643.70
	<b>332.87</b>	<b>1,363.00</b>

\*The Company enjoys tax holiday benefit in respect of its certain units under section 80IA and 80IE of the Income Tax Act, 1961 (Act) and accordingly at present is paying Minimum Alternative Tax (MAT) under Section 115JB of the Act. Utilisation of such MAT credit would commence immediately upon completion of the Tax holiday period and the management is certain that there will be sufficient taxable profit to utilise the MAT credit recognised in the books of accounts.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 10. Other Assets

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
Anti Dumping Duty Receivable (Refer note 43)	-	-	-	176.66	176.66	176.66
Capital Advances against Property, Plant & Equipment	1,688.60	2,333.46	852.91	-	-	
Deposits against demand under disputes	-	-	-	111.30	187.78	182.96
Balance with Statutory/Government Authorities	-	-		4,981.36	1,208.72	1,353.81
Central/State Government Subsidies Receivable	-	-	231.95	1,340.32	1,943.07	881.74
Prepaid Expenses	746.51	823.81	883.91	568.29	445.86	403.93
	<b>2,435.11</b>	<b>3,157.27</b>	<b>1,968.77</b>	<b>7,177.93</b>	<b>3,962.09</b>	<b>2,999.10</b>

### 11. Inventories

₹ in Lac

	Notes	31st March, 2017	31st March, 2016	1st April, 2015
<b>(At Lower of Cost and Net Realisable Value)</b>				
Raw Materials	27	13,106.01	14,265.40	19,505.23
Work-in-Progress	28	2,364.82	2,728.63	2,970.57
Stock in Trade	28	3,837.31	4,296.54	2,326.86
Finished Goods	28	6,186.18	5,524.51	6,438.26
Stores & Spares Parts, etc.		888.74	699.98	763.54
<b>Total</b>		<b>26,383.06</b>	<b>27,515.06</b>	<b>32,004.46</b>
<b>Note:-</b>				
The above includes Stock-in-Transit				
Raw Materials		1,554.52	1,998.27	1,211.54
Stock in Trade		1,174.68	440.33	906.58
Finished Goods		-	152.35	76.83

Inventories are pledged against the cash credit limit obtained by the Company.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 12. Trade Receivables

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Trade Receivables (Unsecured)</b>			
Considered Good	33,527.36	28,676.44	26,571.97
Considered Doubtful	762.58	843.89	602.81
	<b>34,289.94</b>	<b>29,520.33</b>	<b>27,174.78</b>
Less: Provision for doubtful trade receivables	762.58	843.89	602.81
<b>Total</b>	<b>33,527.36</b>	<b>28,676.44</b>	<b>26,571.97</b>
(Refer Note 44 for Related Party disclosure)			
Trade receivables are pledged against the cash credit limit obtained by the Company.			
Trade receivables are non-interest bearing and are generally on terms of 45 days.			
	<b>33,527.36</b>	<b>28,676.44</b>	<b>26,571.97</b>

No debts are due from directors or other officers of the company.

### 13. Cash and Bank Balances

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Cash and Cash Equivalents</b>			
Cash in hand	54.73	58.57	65.85
<b>Balances with Banks</b>			
On Current accounts	1,870.68	1,539.89	1,535.61
Deposits with Original Maturity of less than three months	3,000.00	-	
Cheques/Drafts on hand	373.87	39.20	83.49
	<b>5,299.28</b>	<b>1,637.66</b>	<b>1,684.95</b>
<b>Bank Balances other than above</b>			
Margin Money Deposits with Original Maturity of more than 3 months but less than 12 months	63.74	243.88	2.66
Unpaid Dividend Account	21.40	22.61	14.94
	<b>85.14</b>	<b>266.49</b>	<b>17.60</b>
<b>Total</b>	<b>5,384.42</b>	<b>1,904.15</b>	<b>1,702.55</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 14 Equity Share Capital

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Authorised</b>			
65,05,00,000 (65,05,00,000) Equity Shares of ₹1/- each	6,505.00	6,505.00	6,505.00
15,00,000 (15,00,000) Preference Shares of ₹10/- each	150.00	150.00	150.00
50,000 (50,000) Preference Shares of ₹100/- each	50.00	50.00	50.00
<b>Total</b>	<b>6,705.00</b>	<b>6,705.00</b>	<b>6,705.00</b>
<b>Issued</b>			
<b>Issued and fully paid equity shares of ₹1 each</b>			
At 1st April, 2015 (22,35,52,990 Equity Shares of ₹1/- each)	2,235.53	2,235.53	2,235.53
Changes during the period	-	-	-
At 31st March, 2016 (22,35,52,990 Equity Shares of ₹1/- each)	2,235.53	2,235.53	2,235.53
Changes during the period	-	-	-
At 31st March, 2017	2,235.53	2,235.53	2,235.53
<b>Total</b>	<b>2,235.53</b>	<b>2,235.53</b>	<b>2,235.53</b>
<b>Subscribed and Paid up</b>			
22,21,72,990 (31.3.2016 - 22,21,72,990, 1.4.2015 - 22,21,72,990) Equity Shares of ₹1/- each	2,221.73	2,221.73	2,221.73
Add: Amount received on forfeited shares (FY 2001-02)	3.54	3.54	3.54
<b>Total</b>	<b>2,225.27</b>	<b>2,225.27</b>	<b>2,225.27</b>

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

Equity Shares	31st March, 2017		31st March, 2016		1st April, 2015	
	No of Shares	₹ in Lac	No of Shares	₹ in Lac	No of Shares	₹ in Lac
At the Beginning of the year	22,21,72,990	2,221.73	22,21,72,990	2,221.73	22,21,72,990	2,221.73
Issued during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>22,21,72,990</b>	<b>2,221.73</b>

#### 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 dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in case of interim dividend.

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 in proportion to their shareholdings.

#### c) The Company does not have any Holding/ Ultimate Holding Company. As such, no shares are held by them or their Subsidiaries/ Associates



## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 14. Equity Share Capital (contd.)

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

	31st March, 2017		31st March, 2016		1st April, 2015	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Sri Sajjan Bhajanka	2,52,32,954	11.36%	2,63,57,954	11.86%	2,63,57,954	11.86%
Sri Sanjay Agarwal	2,42,00,124	10.89%	2,53,25,124	11.40%	2,53,25,124	11.40%
Smt. Divya Agarwal	1,67,49,750	7.54%	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%	1,56,49,500	7.04%
Sri Vishnu Khemani	1,26,07,857	5.67%	1,26,07,857	5.67%	1,26,07,857	5.67%

As per records of the Company, including its register of members as at 31st March, 2017, the above shareholding represents legal ownerships of shares.

- e) There are NIL (Previous year NIL) shares reserved for issue under option and contracts / commitment for the sale of shares/ disinvestment.
- f) During the period of five years immediately preceding the reporting date:
- No shares were issued for consideration other than cash
  - No bonus shares were issued
  - No shares were bought back
- g) There are NIL (Previous year NIL) securities convertible into Equity/ Preference Shares.
- h) There are NIL (Previous year NIL) calls unpaid including calls unpaid by Directors and Officers as on the balance sheet date.
- i) No shares were forfeited during the year or during the previous year. 138000 equity shares of ₹10/-each (post split 1380000 equity shares of ₹1 each) on which ₹3.54 Lac had been paid up, were forfeited in the year 2001-2002

### 15. Other Equity

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Amalgamation Reserve	317.40	317.40	317.40
Securities Premium Reserve	1,892.77	1,892.77	1,892.77
General Reserve	990.19	990.19	990.19
Capital Redemption Reserve	50.00	50.00	50.00
<b>Total</b>	<b>3,250.36</b>	<b>3,250.36</b>	<b>3,250.36</b>
<b>Retained Earnings</b>			
Balance at the beginning of the year	47,030.19	36,252.21	36,252.21
Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)	(198.93)	(186.55)	-
Add: Profit for the year	18,555.81	16,981.08	-
<b>Less: Appropriations</b>			
Payment of Final Dividend for the year 2014-15 (Refer note 49)	-	2,777.16	-
Tax on final dividend for the year 2014-15	-	565.46	-
Interim Equity Dividend ₹1 (₹0.75) per share (Refer note 49)	-	2,221.73	-

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 15. Other Equity (contd.)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Tax on Interim Equity Dividend	-	452.29	-
Tax on Proposed Equity Dividend written back	-	(0.09)	-
Total Appropriations	-	6,016.55	-
Balance at the end of the year	65,387.07	47,030.19	36,252.21
<b>Total</b>	<b>68,637.43</b>	<b>50,280.55</b>	<b>39,502.57</b>

**Amalgamation Reserve:-** This reserve was created on amalgamation of Shyam Century Ferrous Limited with the Company during the financial year 2005-06

**Securities Premium Reserve:-** This reserve had been created on issue of shares by way of public issue and right issue

**General Reserve:-** General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purpose. General reserve is created by a transfer from one component to equity to another and is not an item of other comprehensive income.

**Capital Redemption Reserve:-** This reserve was created for redemption of preference shares by company in FY 2012-13

### 16. Borrowings (At Amortised Cost)

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
<b>Term Loans (Secured)</b>						
Indian Rupee Loan from Banks	6,315.30	1,682.49	3,925.39	1,945.73	2,242.93	2,341.03
Foreign Currency Loan from Banks	7,873.83	3,860.99	3,567.63	1,892.71	2,229.01	2,018.53
<b>Other Loans and Advances (Secured)</b>						
Financial Lease obligations :-						
- From banks	469.45	802.15	532.23	639.18	500.71	182.28
- From Bodies Corporate	16.28	50.87	107.63	34.61	56.62	51.39
	<b>14,674.86</b>	<b>6,396.50</b>	<b>8,132.88</b>	<b>4,512.23</b>	<b>5,029.27</b>	<b>4,593.23</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21)	-	-	-	(4512.23)	(5029.27)	(4593.23)
<b>Total</b>	<b>14,674.86</b>	<b>6,396.50</b>	<b>8,132.88</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:-**

- (a) Term Loan of ₹1,680.49 Lac (31st March, 2016: ₹3,925.42 Lac, 1st April, 2015: ₹6,163.62 Lac) from a bank carries interest @ MCLR plus 0.50 % p.a. presently 9.60%p.a (31st March, 2016: 9.80% p.a., 1st April, 2015: 10.50% p.a.). The loan is repayable in 3 equal quarterly instalments of ₹562.50 Lac each by 31st December, 2017 and is secured by first charge over all fixed assets of plywood units at Mirza, Assam ; Bishnupur, West Bengal; Taraori, Haryana; and Chinnappolapuram, Gummidipoondi, Tamil Nadu ; and by way of a second charge on entire current assets(both present and future) of the Plywood Divisions of the Company. The above loan is further secured by personal guarantees of three directors of the Company.
- (b) Foreign currency term loan of ₹ NIL (31st March, 2016: ₹1,591.92 Lac, 1st April, 2015: ₹3,004.32 Lac) carries interest (31st March, 2016: 4.07% p.a., 1st April, 2015: 4.07% p.a.) .The loan has been fully repaid during the year.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 16. Borrowings (At Amortised Cost) (contd.)

- (c) Foreign currency term loan of ₹1,604.79 Lac (31st March, 2016, ₹2,188.89 Lac, 1st April, 2015, ₹2,581.84 Lac carries interest @6 months LIBOR + 2.00% p.a. The loan is repayable in 12 equal quarterly instalments by 31st March, 2020 and is secured / to be secured by first charge on all the fixed assets pertaining to the Plywood Unit at Bhachau, Gujarat and second charge on all the current assets of the Plywood Divisions of the Company on pari passu basis with other term lenders.
- (d) Foreign currency term loan of ₹3,503.36 Lac (31st March, 2016: ₹2,309.19 Lac, 1st April, 2015: ₹ NIL) carries interest @ 6 months LIBOR + 2.00 % p.a. The loan is repayable in 25 equal quarterly instalments commencing from 31st March, 2017 by 31st March, 2023 and is secured/to be secured by first charge on all the fixed assets pertaining to the Particle Board Unit at village Chinnappolapuram, Gummidipoondi, Tamil Nadu and by second charge on all the current assets of the Plywood Divisions of the Company on pari passu basis with other term lenders.
- (e) Foreign currency term loan of ₹4,658.39 Lac (31st March, 2016: ₹ NIL, 1st April, 2015: ₹ NIL) carries interest @ 6 months LIBOR + 2.00 % p.a. (31st March, 2016: 2.00% p.a.) The Loan is repayable in 25 equal quarterly instalments commencing from 31st March, 2017 by 31st March, 2023 and is secured by 1st charge on proposed Corporate House at Taratala, Kolkata, West Bengal and by 2nd charge on all the current assets of the plywood division of the company on pari passu basis with other term lenders.
- (f) Term loan of ₹6,580.53 Lac (31st March, 2016: ₹ NIL, 1st April, 2015: ₹ NIL) carries interest @MCLR presently 8.30% p.a. The Loan is repayable in 24 equal quarterly instalments commencing from 31st March, 2018 by 31st December, 2023 and is secured/to be secured by 1st charge overall fixed assets of MDF Unit at Hoshiarpur, Punjab and by 2nd charge on all the current assets of the said unit.
- (g) Finance lease obligations are secured by hypothecation of the assets purchased there against and carrying interest between 9.64% p.a. to 11.% p.a. (31st March, 2016: 9.64% to 11.25% p.a., 1st April, 2015: 9.64% to 11.25% p.a.).

### 17. Other Financial Liabilities

₹ in Lac

	Current Maturities		
	31st March, 2017	31st March, 2016	1st April, 2015
Trade Deposits	707.28	470.98	286.15
Amount disclosed under the head Other Financial Liabilities	(707.28)	(470.98)	(286.15)
<b>Total</b>	-	-	-

### 18. Other Non Current Liabilities

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Deferred Revenue</b>			
At the beginning of the year	41.35	55.81	55.81
Released to the statement of profit and loss	3.99	14.46	-
At the end of the year	<b>37.36</b>	<b>41.35</b>	<b>55.81</b>
Current (Amount disclosed under the head Other Current Liabilities refer Note 22)	14.45	14.45	14.45
Non-current	22.91	26.90	41.36

The deferred revenue relates to the asset related government grant received in earlier years, the same has been accounted for as deferred revenue and proportionately adjusted with depreciation.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 19. Short Term Borrowings (At Amortised Cost)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Loans repayable on demand</b>			
Cash Credit from banks (Secured)	8,706.79	12,904.57	16,058.81
Others			
- From Bodies Corporate (Unsecured)	500.00	-	-
<b>Other Loans and advances (Secured)</b>			
Short Term Loan from Bank	-	3,000.00	6,000.00
Buyers Credit from banks			
- For Capital Expenditure	9,236.88	1,943.85	877.65
- For Raw Materials	14,090.23	16,248.08	14,503.48
Commercial Paper (Unsecured)	5,000.00	-	-
Packing Credit (Unsecured)	3,500.00	-	-
<b>Total</b>	<b>41,033.90</b>	<b>34,096.50</b>	<b>37,439.94</b>

#### Notes:-

- a) Cash Credit, Short Term Loan and Buyer's Credit from banks amounting to ₹32,033.90 Lac (31.3.2016 ₹34,096.50 Lac & 1.4.2015 ₹37,439.94 Lac) 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, West Bengal; Taraori, Haryana; Chinnapploapuram, Gummidipoondi, Tamil Nadu and Bhachau, Gujarat. The cash credits, short term loan and buyer's credits are also secured by personal guarantees of three directors of the Company.
- b) The cash credit is repayable on demand and carries interest @ 9.85% to 12.00% (31.3.2016 9.85% to 10.95% 1.4.2015 11% to 11.50%) p.a.
- c) Buyers credit carries interest @ LIBOR plus 0.34% (2015-16 0.34%, 1.4.2015 0.34%) to 1.20% (2015-16 1.20%, 1.4.2015 1.25%) and is repayable in 90-180 days.
- d) Rate of Interest for Body Corporate Loan is 9.25% p.a.
- e) Rate of Interest for Commercial Paper is 6.75% p.a.
- f) Rate of Interest for Packing Credit is 6.00% to 6.05% p.a.

### 20. Trade Payables (At Amortised Cost)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
- Dues to Micro and Small Enterprises (refer note 37)	571.83	744.94	3.23
- Dues to Others	13,537.89	7,687.64	6,477.33
	<b>14,109.72</b>	<b>8,432.58</b>	<b>6,480.56</b>

Trade payables and acceptances are non-interest bearing and are normally settled on 30 day terms.

For terms and conditions with related parties, Refer Note 44

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 21. Other Financial Liabilities (At amortised cost)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Current Maturities of Long Term Debts (Refer Note 16)	3,838.43	4,471.94	4,359.56
Current Maturities on Finance Lease Obligations	673.79	557.33	233.67
Current Maturities of Other Non Current Financial Liabilities	707.28	470.98	286.15
Interest accrued but not due on borrowings	133.25	133.47	153.68
Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	21.40	22.61	14.94
Capital Creditors	101.84	71.07	54.11
Employee Related Liabilities	3,633.71	2,991.31	2,267.47
Liability on Interest Rate Swap (At FVTPL)	-	7.59	33.87
	<b>9,109.70</b>	<b>8,726.30</b>	<b>7,403.45</b>

### 22. Other Current Liabilities

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Advances from Customers	690.00	663.15	658.92
Statutory Dues Payable*	3,100.42	2,429.78	1,835.56
Deferred Revenue (Refer Note 18)	14.45	14.45	14.45
	<b>3,804.87</b>	<b>3,107.38</b>	<b>2,508.93</b>

\* Includes ₹1,323.21 Lac (₹1,003.08 Lac as at 31.3.2016, as at 1.4.2015 ₹716.56 Lac) net of payments pertaining to Entry tax on entry of certain goods into a local area of the state of West Bengal. The Company has challenged the legal validity of levy of the entry tax in the Hon'ble Calcutta High court.

### 23. Provisions

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Provision for Employee Benefits</b>			
Gratuity	646.96	351.16	64.05
Leave Encashment	505.75	326.63	258.57
	<b>1,152.71</b>	<b>677.79</b>	<b>322.62</b>

### 24. Current Tax Liabilities (net)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Taxation (Net of Advance Tax)	700.88	226.06	592.50
	<b>700.88</b>	<b>226.06</b>	<b>592.50</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 25. Revenue from Operations

H in Lac

	2016-2017	2015-2016
<b>Revenue from Operations</b>		
Sale of Products	1,82,339.60	1,67,488.55
Income from Services	8,761.18	8,373.23
<b>Other Operating revenue</b>		
Scrap Sales	90.93	127.27
Export Incentives	470.41	589.26
Sales Tax Subsidy	261.84	304.73
Miscellaneous Income	109.20	138.24
<b>Revenue from Operations (Gross)</b>	<b>1,92,033.16</b>	<b>1,77,021.28</b>

H in Lac

	2016-2017	2015-2016
<b>Details of Products Sold</b>		
Plywood & Block Board	1,15,449.74	1,07,625.94
Laminates	36,801.77	31,984.19
Pre-Laminated Particle Boards	3,710.94	3,289.56
Veneer	20,069.08	18,304.08
Particle Board	1,854.21	-
Medium Density Fibre Board	336.51	855.70
Agri Products	528.86	683.69
Phenol	1,382.03	1,138.01
Furniture	469.37	1,382.44
Others	1,737.09	2,224.94
	<b>1,82,339.60</b>	<b>1,67,488.55</b>
<b>Details of Income from Services</b>		
Container Freight Station Services	8,761.18	8,373.23
	<b>8,761.18</b>	<b>8,373.23</b>

### 26. Other Income

H in Lac

	2016-2017	2015-2016
Interest Income from financial assets at amortised cost	35.00	86.80
Dividend Income on Investments carried at FVTPL	-	0.11
Provision for doubtful debts written back	106.92	-
Insurance and Other Claims	63.35	55.29
Unspent / Unclaimed liabilities written back	0.32	42.15
Profit on disposal of property, plant and equipment	52.84	-
Bad Debts Recovered	0.90	1.34
Foreign Exchange Fluctuations (Net)	2,007.45	463.67
Net gain on sale of Investments carried at FVTPL	0.94	-
<b>Total</b>	<b>2,267.72</b>	<b>649.36</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 27. Cost of Materials Consumed

₹ in Lac

	2016-2017	2015-2016
Inventories at the beginning of the year	14,265.40	19,505.23
Add : Purchases	58,939.86	58,138.97
	73,205.26	77,644.20
Less : Inventories at the end of the year	13,106.01	14,265.40
<b>Cost of Materials Consumed</b>	<b>60,099.25</b>	<b>63,378.80</b>
<b>Details of Material Consumed</b>		
Timber Logs	11,787.32	23,250.94
Veneer	22,162.86	17,659.44
Chemicals	11,223.47	9,937.92
Paper	12,498.69	10,809.52
Waste Wood	542.45	-
Particle Board	1,884.46	1,720.98
	<b>60,099.25</b>	<b>63,378.80</b>
<b>Details of Closing Stock of Materials</b>		
Timber Logs	2,846.12	4,366.65
Veneer	5,688.12	5,816.14
Chemicals	1,065.53	712.31
Paper	3,005.65	3,130.93
Particle Board	500.59	239.37
	<b>13,106.01</b>	<b>14,265.40</b>

### 28. Purchase of Stock-in-Trade and Changes in Inventories of Finished Goods, Work-in-Progress And Stock-in-Trade

₹ in Lac

	2016-2017	2015-2016
Inventories at the beginning of the year		
Stock in Trade	4,296.54	2,326.86
Finished Goods	5,524.51	6,438.26
Work-in-Progress	2,728.63	2,970.57
	<b>12,549.68</b>	<b>11,735.69</b>
Inventories at the end of the year		
Stock in Trade	3,837.31	4,296.54
Finished Goods	6,186.18	5,524.51
Work-in-Progress	2,364.82	2,728.63
	<b>12,388.31</b>	<b>12,549.68</b>
<b>Total</b>	<b>161.37</b>	<b>(813.99)</b>
<b>Details of Purchase of Stock in Trade</b>		
Plywood and Block Boards	15,668.81	9,970.32
Veneer	12,220.66	6,588.69
Medium Density Fibre Board / Plain Particle Boards	80.50	534.77
Chemicals	522.45	654.82
Pest Control Kits	15.61	72.38
Phenol	1,354.22	1,115.37
Furniture	148.40	661.66
Others	1,536.88	2,160.53
	<b>31,547.53</b>	<b>21,758.54</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 28. Purchase of Stock-in-Trade and Changes in Inventories of Finished Goods, Work-in-Progress And Stock-in-Trade (contd.)

₹ in Lac

	2016-2017	2015-2016
<b>Details of Inventories at the year end</b>		
<b>Stock in Trade</b>		
Plywood and Block Board	1,100.97	782.51
Medium Density Fibre Board / Plain Particle Boards	71.05	223.09
Chemicals	89.14	118.25
Pest Control Kits	60.96	94.13
Furniture	-	373.62
Veneer	2,118.69	2,427.89
Others	396.50	277.05
	<b>3,837.31</b>	<b>4,296.54</b>
<b>Finished Goods at the year end</b>		
Plywood and Block Board	2,741.18	2,650.78
Laminates	2,327.01	2,192.00
Pre-Laminated Particle Boards	24.85	12.85
Particle Board	1.34	-
Veneer	1,091.80	668.88
	<b>6,186.18</b>	<b>5,524.51</b>
<b>Work-in-Progress at the year end</b>		
Plywood and Block Board	1,420.94	2,066.22
Laminates	940.03	659.44
Pre-Laminated Particle Boards	3.85	2.97
	<b>2,364.82</b>	<b>2,728.63</b>

### 29. Employee Benefits Expense

₹ in Lac

	2016-2017	2015-2016
Salaries, Wages, Bonus etc.	23,555.85	20,841.22
Contribution to Provident, Gratuity and other Funds	1,572.41	1,363.32
Employees Welfare Expenses	539.70	576.41
<b>Total</b>	<b>25,667.96</b>	<b>22,780.95</b>

### 30. Finance Cost (at effective interest rate)

₹ in Lac

	2016-2017	2015-2016
Interest Expenses	2,390.92	2,562.63
Exchange difference to the extent considered as an adjustment to borrowing costs	193.02	1,777.26
Other Borrowing cost	280.29	305.96
<b>Total</b>	<b>2,864.23</b>	<b>4,645.85</b>

### 31. Depreciation and Amortisation Expense

₹ in Lac

	2016-2017	2015-2016
Depreciation on Tangible Assets (Refer Note 3)	5,179.25	4,221.49
Amortisation of Intangible Assets(Refer Note 4)	78.06	154.56
	5,257.31	4,376.05
Less: Transferred to Capital Work in Progress	19.74	3.01
<b>Total</b>	<b>5,237.57</b>	<b>4,373.04</b>



## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 32. Excise Duty

₹ in Lac

	2016-2017	2015-2016
Excise Duty on sales	13,787.45	13,452.48
	<b>13,787.45</b>	<b>13,452.48</b>

#### Notes:

(a) Excise duty debited to Statement of Profit and Loss is net of subsidy of ₹1,743.27 Lac (₹1,327.40 Lac).

### 33. Other Expenses

₹ in Lac

	2016-2017	2015-2016
Stores & Spare parts consumed	1,809.04	1,702.21
Power and Fuel	3,741.96	3,009.65
(Increase) / decrease of excise duty on inventory	41.54	(140.91)
Insurance	251.33	250.89
Rent	1,663.48	1,519.01
Rates & Taxes	255.32	129.31
Repairs & Maintenance		
-Property	113.46	130.81
-Plant and Equipment	617.12	621.42
-Others	547.61	703.93
Transport & Freight	7,074.12	6,418.78
Commission on Sales	1,114.92	1,159.28
Advertisement, Publicity and Sales Promotion	7,549.87	6,261.92
Communication Expenses	366.52	372.81
Directors' Sitting Fees and Commission	29.85	20.25
Auditors' Remuneration	30.76	28.20
Corporate Social Responsibility Activities (Refer Note 41)	310.46	215.86
Charity and Donations	578.12	59.49
Octroi	367.02	376.56
Loss on disposal of property, plant and equipment	-	16.59
Loss on sale of investments carried at FVTPL	-	0.50
Irrecoverable Debts, Advances written off	9.45	131.83
Provision for Doubtful Debts	-	275.83
Miscellaneous Expenses	5,094.61	4,849.61
<b>Total</b>	<b>31,566.56</b>	<b>28,113.83</b>
<b>Payment to Auditors</b>		
As Auditor		
Audit Fees	17.00	17.00
For Other Services	12.86	11.03
Reimbursement of Expenses	0.90	0.17
	<b>30.76</b>	<b>28.20</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS

#### A) Effect of Ind AS adoption on the Balance Sheet as on 31st March, 2016 and 1st April, 2015

₹ in Lac

Particulars	Footnote Reference	31st March, 2016 (End of Last Period presented under previous GAAP)			1st April, 2015 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	31st March, 2016	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	d(ii)	20,292.98	(661.22)	19,631.76	20,753.08	(740.54)	20,012.54
Capital work-in-progress	d(ii)	3,006.33	(38.94)	2,967.39	2,268.26	(43.08)	2,225.18
Intangible assets		115.20	-	115.20	137.39	-	137.39
Intangible assets under development		15.52	-	15.52	-	-	-
Expenditure on New/Expansion Projects		6,318.74	-	6,318.74	-	-	-
Investment in Subsidiaries		-	4,965.64	4,965.64	-	4,509.12	4,509.12
<b>Financial assets</b>							
Investments	a	4,967.44	(4,965.66)	1.78	4,511.77	(4,496.14)	15.63
Loans and Advances	f	1,006.01	(264.53)	741.48	912.35	(264.27)	648.08
Other non-current financial assets		2,372.36	-	2,372.36	1,717.87	-	1,717.87
Deferred tax assets (net)	b,d(vii)	1,358.17	5,195.87	6,554.04	703.34	4,487.70	5,191.04
Other non-current assets	d(i),d(ii),d(vii)	7,386.06	(4,228.79)	3,157.27	5,490.37	(3,521.60)	1,968.77
		<b>46,838.81</b>	<b>2.37</b>	<b>46,841.18</b>	<b>36,494.43</b>	<b>(68.81)</b>	<b>36,425.62</b>
<b>Current assets</b>							
Inventories		27,515.06	-	27,515.06	32,004.46	-	32,004.46
<b>Financial assets</b>							
Trade receivable	g	28,978.38	(301.94)	28,676.44	26,814.12	(242.15)	26,571.97
Cash and cash equivalents	d(iv)	1,904.15	(266.49)	1,637.66	1,702.55	(17.60)	1,684.95
Other Bank Balances	d(iv)	-	266.49	266.49	-	17.60	17.60
Loans and Advances	f	511.56	(31.70)	479.86	1,159.80	(0.47)	1,159.33
Other current financial assets		5,002.68	(185.63)	4,817.05	3,937.93	(150.88)	3,787.05
Other current assets	d(ii),f	3,847.78	114.31	3,962.09	2,882.56	116.54	2,999.10
		<b>67,759.61</b>	<b>(404.96)</b>	<b>67,354.65</b>	<b>68,501.42</b>	<b>(276.96)</b>	<b>68,224.46</b>
<b>Total assets</b>		<b>1,14,598.42</b>	<b>(402.59)</b>	<b>1,14,195.83</b>	<b>1,04,995.85</b>	<b>(345.77)</b>	<b>1,04,650.08</b>
<b>Equity and Liabilities</b>							
<b>Equity</b>							
Equity Share capital		2,225.27	-	2,225.27	2,225.27	-	2,225.27
Other Equity	Equity reco	50,663.03	(382.48)	50,280.55	36,532.80	2,969.77	39,502.57
<b>Total equity</b>		<b>52,888.30</b>	<b>(382.48)</b>	<b>52,505.82</b>	<b>38,758.07</b>	<b>2,969.77</b>	<b>41,727.84</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings	e	6,407.86	(11.36)	6,396.50	8,141.96	(9.08)	8,132.88
Other non-current financial liabilities	d(vi)	470.98	(470.98)	-	286.15	(286.15)	-
Deferred revenue	h	-	26.90	26.90	-	41.36	41.36

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

#### A) Effect of Ind AS adoption on the Balance Sheet as on 31st March, 2016 and 1st April, 2015

₹ in Lac

Particulars	Footnote Reference	31st March, 2016 (End of Last Period presented under previous GAAP)			1st April, 2015 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	31st March, 2016	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
		6,878.84	(455.44)	6,423.40	8,428.11	(253.87)	8,174.24
<b>Current liabilities</b>							
Financial liabilities							
Borrowings		34,096.50	-	34,096.50	37,439.94	-	37,439.94
Trade payables							
• Total outstanding dues of micro enterprises and small enterprises		744.94	-	744.94	3.23	-	3.23
• Total outstanding dues of creditors other than micro enterprises and small enterprises	f	7,735.10	(47.46)	7,687.64	6,519.08	(41.75)	6,477.33
Other current financial liabilities	d(vi)	8,257.78	468.52	8,726.30	7,095.20	308.25	7,403.45
Other current liabilities		3,093.11	14.27	3,107.38	2,494.48	14.45	2,508.93
Provisions	c	677.79	-	677.79	322.62	-	322.62
Current tax liabilities		226.06	-	226.06	3,935.12	(3,342.62)	592.50
Deferred revenue	h	-	-	-	-	-	-
		54,831.28	435.33	55,266.61	57,809.67	(3,061.67)	54,748.00
<b>Total liabilities</b>		61,710.12	(20.11)	61,690.01	66,237.78	(3,315.54)	62,922.24
<b>Total equity and liabilities</b>		1,14,598.42	(402.59)	1,14,195.83	1,04,995.85	(345.77)	1,04,650.08

#### B) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

₹ in Lac

Particulars	Footnote Reference	Previous GAAP	Effect of Transition to Ind AS	2015-16
<b>Income</b>				
Revenue from Operations	d(v)	1,65,845.61	11,175.67	1,77,021.28
Other Income		626.94	22.42	649.36
<b>Total Income</b>		1,66,472.55	11,198.09	1,77,670.64
<b>Expenses</b>				
Cost of Materials Consumed		63,378.80	-	63,378.80
Purchase of Stock-in-Trade		21,758.54	-	21,758.54
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		(813.99)	-	(813.99)
Employee Benefits Expense	i	23,063.56	(282.61)	22,780.95
Depreciation and Amortisation Expense	d(ii)	4,464.12	(91.08)	4,373.04
Finance Cost	e	4,672.69	(26.84)	4,645.85
Excise Duty		-	13,452.48	13,452.48
Other Expenses	d(v),f	30,173.55	(2,059.72)	28,113.83

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

#### B) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016 ₹ in Lac

Particulars	Footnote Reference	Previous GAAP	Effect of Transition to Ind AS	2015-16
Total Expenses		1,46,697.27	10,992.23	1,57,689.50
Profit before Taxation		19,775.28	205.86	19,981.14
Tax Expenses				
Current Tax		4,266.96	-	4,266.96
Less: MAT credit entitlement		643.70	-	643.70
Net Current Tax Expense		3,623.26	-	3,623.26
Deferred Tax	b	(654.83)	31.63	(623.20)
<b>Total Tax Expenses</b>		<b>2,968.43</b>	<b>31.63</b>	<b>3,000.06</b>
Profit for the year		16,806.85	174.23	16,981.08
Other Comprehensive Income				
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods :				
Re-Measurement gains/(losses) on defined benefit plans	d(iii)	-	(282.61)	(282.61)
<b>Income tax effect</b>			<b>96.06</b>	<b>96.06</b>
b) Net (Loss)/ gain on FVTOCI Equity Securities		-	-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>(186.55)</b>	<b>(186.55)</b>
<b>Total Comprehensive Income for the year</b>		<b>16,806.85</b>	<b>(12.32)</b>	<b>16,794.53</b>

#### C) Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2016 ₹ in Lac

Particulars	Footnote Reference	Previous GAAP	Effect of Transition to Ind AS	2015-16
Net cash flows from operating activities		28,948.18	-	28,948.18
Net cash flows from investing activities		(12,867.29)	-	(12,867.29)
Net cash flows from financing activities		(15,879.29)	-	(15,879.29)
Net Increase in Cash and Cash Equivalents		201.60	-	201.60
Cash & Cash Equivalents - Opening Balance		1,702.55	-	1,702.55
Cash & Cash Equivalents - Closing Balance		1,904.15	-	1,904.15

#### D) Reconciliation of Total Equity as on 31st March, 2016 and 1st April, 2015 ₹ in Lac

Particulars	Footnote Reference	31st March, 2016 (End of Last Period presented under previous GAAP)	1st April, 2015 (Date of Transition)
Total Equity (Shareholders' funds) under Indian GAAP		52,888.30	38,758.07
Gain/(Loss) on fair valuation of Investments	a	(0.02)	12.98
Provision for expected credit loss	g	(487.57)	(393.03)
Adjustment for Asset related from Government Grants	i	(41.36)	(55.81)
Other Adjustments	c,d(ii),e,f,h	(2.95)	3,320.69
Tax Impact of Ind AS adjustments	b	149.41	84.94
<b>Total Adjustment to Equity</b>		<b>(382.49)</b>	<b>2,969.77</b>
<b>Total Equity under Ind AS</b>		<b>52,505.81</b>	<b>41,727.84</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

#### E) Footnotes to the above reconciliation

##### a. Investments at Fair Value (FVTPL financial assets)

Under Indian GAAP, the Company accounted for investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments except for Investment in Subsidiaries as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS and as on 31st March, 2016, difference between the instrument's fair value and Indian GAAP carrying amount has been recognised in the Retained earning and Statement of Profit and Loss net of related deferred taxes. Investment in Subsidiaries continues to be measured at cost.

##### b. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

##### c. Dividend

Under Indian GAAP, proposed dividends including Dividend Distribution Taxes (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In case of the Company, the declaration of dividend occurs after period end. Therefore, the liability recorded for dividend has been derecognised against retained earnings on 1st April, 2015 and recognised in year ended 31st March, 2016.

##### d. Re-Classifications

The Company has done the following reclassifications as per the requirements of Ind AS:

- i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- ii) The Company has re-classified leasehold land in JJP and Sonai from Property Plant & Equipment to prepayments and leasehold land in Taratala transferred from Capital work in progress to prepayments.
- iii) Re-Measurement gain/loss on employee defined benefit plans are re-classified from statement of profit and loss to OCI.
- iv) The Company has re-classified unpaid dividend balance from cash and cash equivalents to other bank balances.
- v) Excise duty on sales was earlier netted off with Sales, has now been re-classified to other expenses.
- vi) Trade deposits where there is no unconditional right to defer the payment has been disclosed under current financial liability.
- vii) MAT credit entitlement has been transferred to deferred tax asset.

##### e. Long Term Borrowings

Under Indian GAAP, the Company accounted for long term borrowings measured at transaction value. Under Ind AS, the Company has to recognise the long term borrowings at amortised cost using effective interest.

##### f. Leases

Under Ind AS, where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, straight lining of lease is not required. The same was required under AS-19.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

Company has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

**g. Expected Credit Loss Model**

Ind AS 109 requires to recognise loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

**h. Deferred Revenue**

Under Indian GAAP, the Company credited capital investment subsidy in capital reserve. Under Ind AS, the Company has to recognise the capital subsidy as deferred revenue.

**i. Other Comprehensive Income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**j. Ind AS 101 Exemptions Applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Exemptions applied by Company are detailed here under:

- (i) The Company has applied exemptions for Ind AS 103 Business Combinations and consequently none of the business combinations prior to date of transition i.e. 1st April, 2015 has been reinstated.
- (ii) With regard to Property Plant and Equipment the Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements as deemed cost at the transition date, viz., 1st April, 2015.
- (iii) The Company has elected to continue with the carrying value of investment in subsidiaries/associates as recognised in its Indian GAAP financial statement as deemed cost at the transition date, viz., 1st April, 2015.

### 35. Gratuity and Other Post Employment Benefit Plans

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 favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans.

**I. Expenses Recognised in the Statement of Profit & Loss**

	₹ in Lac	
	31st March, 2017	31st March, 2016
1. Current / Past Service Cost	299.06	251.86
2. Net Interest expense	36.12	3.73
Components of defined benefit cost recognised in P/L	<b>335.18</b>	<b>255.59</b>
3. Re-measurement - Due to Financial Assumptions	114.79	196.44
4. Re-measurement - Due to Experience Adjustments	109.76	86.42
5. Return on Plan Assets (Excluding Interest Income)	(10.56)	1.14
Components of defined benefit cost recognised in OCI	<b>213.99</b>	<b>284.00</b>
<b>Total Expense</b>	<b>549.17</b>	<b>539.59</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 35. Gratuity and Other Post Employment Benefit Plans (contd.)

#### II. Net Asset / (Liability) recognised in the Balance Sheet

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
1. Present Value of Defined Benefit Obligation	2,522.08	1,957.24	1,416.46
2. Fair Value of Plan Assets	1,875.12	1,606.08	1,352.41
3. Net Asset / (Liability)	(646.96)	(351.16)	(64.05)

#### III. Change in Obligation during the Year

₹ in Lac

	31st March, 2017	31st March, 2016
1. Present Value of Defined Benefit Obligation at the beginning of the year	1,957.24	1,416.45
2. Current Service Cost/Plan amendments	299.06	251.86
3. Interest Cost	156.58	113.32
4. Benefits Paid	(115.35)	(107.25)
5. Re-measurements - Due to Financial Assumptions	114.79	196.44
6. Re-measurements - Due to Experience Adjustments	109.76	86.42
7. Present Value of Defined Benefit Obligation at the end of the year	2,522.08	1,957.24

#### IV. Change in the Fair Value of Plan Assets during the year

₹ in Lac

	31st March, 2017	31st March, 2016
1. Plan assets at the beginning of the year	1,606.08	1,352.41
2. Interest Income	120.45	109.58
3. Contribution by employer	253.38	252.48
4. Actual Benefit Paid	(115.35)	(107.25)
5. Re-measurement - Return on Assets (Excluding Interest Income)	10.56	(1.14)
6. Closing Fair Value of Plan Assets	1,875.12	1,606.08

V. In 2017-18 the Company expects to contribute ₹564.22 Lac (2016-17: ₹468.00 Lac) to gratuity.

#### VI. The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets

	31st March, 2017	31st March, 2016	1st April, 2015
Investments with insurer	100%	100%	100%

#### VII. Actuarial Assumptions

	31st March, 2017	31st March, 2016	1st April, 2015
1. Discount Rate	7.5%	8%	8%
2. Expected rate of return on plan assets	7.5%	8%	8%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.		
4. Salary increase	6%	6%	5%
5. Withdrawal rates	1% - 8%	1% - 8%	1% - 8%

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 35. Gratuity and Other Post Employment Benefit Plans (contd.)

VIII. 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.

IX. Contribution to Provident and Other Funds includes ₹883.00 Lac (2015-16 - ₹789.85 Lac) paid towards Defined Contribution Plans

X. A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	31st March, 2017		31st March, 2016	
	Discount Rate		Discount Rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
	₹ in Lac	₹ in Lac	₹ in Lac	₹ in Lac
Impact on Gratuity	(199.04)	229.80	(198.30)	229.65

Assumptions	31st March, 2017		31st March, 2016	
	Future Salary Increase		Future Salary Increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
	₹ in Lac	₹ in Lac	₹ in Lac	₹ in Lac
Impact on Gratuity	230.38	(203.75)	222.80	(196.40)

Assumptions	31st March, 2017		31st March, 2016	
	Withdrawal Rates		Withdrawal Rates	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
	₹ in Lac	₹ in Lac	₹ in Lac	₹ in Lac
Impact on Gratuity	21.41	(24.58)	22.49	(26.24)

Sensitivities due to mortality are not material and hence impact of change is not calculated.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### XI. Maturity Profile of Defined Benefit Obligations

	₹ in Lac	
	As at 31st March, 2017	As at 31st March, 2016
Year 1	132.80	105.79
Year 2	286.80	44.81
Year 3	203.08	54.66
Year 4	210.57	58.17
Year 5	220.70	66.34
Next 5 Years	1,164.10	1,627.46



## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 36. Commitments and Contingencies

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>(i) Capital and Other Commitments</b>			
Commitment for Acquisition of Property, Plant & Equipments	8,505.39	14,890.85	7,023.38
Letter of Credit issued by Banks	6,256.24	4,141.64	3,876.08
Export Commitment	2,909.18	1,168.55	1,717.68
For Commitment relating to Lease Arrangements (Refer Note 38)			
For Commitment relating to Derivative Contracts (Refer Note 40)			
<b>(ii) Contingent Liabilities</b>			
Demands / Claims by various Government Authorities and Others not acknowledged as Debt:			
Excise Duty/Service Tax	958.57	824.46	861.70
Sales Tax / VAT	835.45	1,084.81	764.71
Income Tax	1,227.84	79.82	109.65
Guarantees in favour of a Bank against Facilities granted to a			
Subsidiary Company	3,404.10	3,482.33	-
Others (Outstanding Amount at the year end)	630.41	571.14	421.69
Un-redeemed Bank Guarantees	953.84	834.59	819.54
Bills Discounted with Banks	78.23	56.79	40.07
Export obligation under EPCG Scheme	321.18	393.28	316.16

Note: Based on discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Company, the management believes that the outflow of resources is not probable and hence, no provision there against is considered necessary.

### 37. Based on the information/documents available with the Company, information as per the requirements of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in Lac

	2016-17	2015-16	2014-15
Principal Amount due	571.83	744.94	3.23
Interest due on above	-	-	-
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006	-	-	-
Amount of interest due and payable for the period of delay	-	-	-
Amount of interest accrued and remaining unpaid as at year end	-	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-	-

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 38. Leases

#### (a) Operating Lease:

Certain office premises, depots, showrooms, 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 are neither any restrictions imposed nor any escalation clause in lease arrangements. There are no subleases. The leases are cancellable.

₹ in Lac

Particulars	2016-17	2015-16
Lease Payments made for the year	1,477.71	1,394.22

The Minimum Rentals Payable under Operating Leases for non-cancellable arrangements are as follows:

₹ in Lac

Particulars	2016-17	2015-16	2014-15
Within one year	697.67	666.57	612.52
After one Year but not more than Five Years	3,390.06	3,438.09	3,384.15
More than Five Years	559.8	1,209.44	1,929.94

#### (b) Finance Lease:

Property, plant and equipment 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 ₹1,268.74 Lac (31st March, 2016: ₹1,598.65 Lac, 1st April, 2015: ₹1,038.71 Lac) consisting of present value of lease payments of ₹1,159.53 Lac (31st March, 2016: ₹1,410.33 Lac, 1st April, 2015: ₹873.49 Lac) and financial charges ₹109.21 Lac (31st March, 2016: ₹188.31 Lac, 1st April, 2015: ₹165.22 Lac) under the respective agreements as on 31st March, 2017, is given below

₹ in Lac

	31st March, 2017		31st March, 2016		1st April, 2015	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
Within one year	757.15	673.79	673.25	557.34	310.14	233.67
After One Year but not more than Five Years	511.58	485.73	925.40	853.00	728.57	639.82
Total Minimum Lease Payments	1,268.73	1,159.52	1,598.65	1,410.34	1,038.71	873.49
Less:-Amounts Representing Finance Charges	109.21	-	188.31	-	165.22	-
Present Value of minimum Lease payments	1,159.52	1,159.52	1,410.34	1,410.34	873.49	873.49

### 39. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Company is not subject to any externally imposed capital requirements.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 40. 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 'NIL' Lac (31st March, 2016: USD 24 Lac, 1st April, 2015: USD 48 Lac). [Equivalent to ₹ 'NIL' Lac (31st March, 2016: ₹1,591.92 Lac, 1st April, 2015: ₹3,004.32 Lac)]	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 hedged foreign currency exposures as on the balance sheet date are as follows:

Nature of Item	₹ in Lac		
	31st March, 2017	31st March, 2016	1st April, 2015
Foreign Currency Term Loans	474.69	-	-
Buyer's Credit	1,989.23	-	-

- c) The particulars of forward contract entered against unhedged foreign currency exposures as on the balance sheet date are as follows:

Nature of Item	₹ in Lac		
	31st March, 2017	31st March, 2016	1st April, 2015
Foreign Currency Term Loans	9,313.01	6,102.36	5,586.16
Buyer's Credit	21,337.88	18,191.93	15,381.13
Trade Receivables	1,993.65	2,348.00	1,478.56
Trade Payables (Net)	3,647.28	2,191.21	1,983.43
Trade Advances	6,930.42	5,508.23	2,915.00
Bank Balance	1.09	1.52	-

41. A CSR committee has been formed by the Company as per provisions of Section 135 of the Companies Act, 2013. The areas for CSR activities are promoting education, healthcare, animal welfare and projects ensuring environment sustainability. Disclosures of Corporate Social Responsibility expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"

Particulars	₹ in Lac	
	2016-17	2015-16
Amount of CSR expenditure to be incurred during the year	303.36	203.79
CSR expenditure (Revenue Nature) incurred during the year	310.46	215.86

### 42. Disclosure pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements Regulations, 2015)

#### Loans and Advances in the Nature of Loans to Subsidiaries:

Name of the Company	Balance (*) as at 31st March			Maximum Amount Outstanding (*) at any time during the Year		
	2017	2016	2015	2016-17	2015-16	2014-15
	Auro Sundram Ply & Door Private Limited	351.17	324.17	324.17	351.17	324.17
Century Infotech Ltd.	-	-	-	-	20.00	-
Century Ply (Singapore) Pte Limited	-	-	-	-	256.17	-

\* Includes interest receivable

## Notes to Financial Statements as at and for the year ended 31st March, 2017

**43.** The Company has paid anti-dumping duty amounting to ₹176.77 Lac (31st March, 2016: ₹176.77 Lac, 1st April, 2015: ₹176.77 Lac) 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 Note 10 on "Other Assets".

### **44. Related Party Disclosure:**

#### **(a) Name of the Related Parties and Related Party Relationship:**

##### **Related Parties where Control Exists:**

Subsidiary Companies	
	Auro Sundram Ply & Door Pvt. Ltd.
	Ara Suppliers Pvt. Ltd.
	Arham Sales Pvt. Ltd.
	Adonis Vyaper Pvt. Ltd.
	Apnapan Viniyog Pvt. Ltd.
	Centuryply Myanmar Pvt. Ltd.
	Century MDF Ltd.
	Century Ply (Singapore) Pte Ltd.
	Century Infotech Ltd.(w.e.f.19.05.2015)*
	PT Century Ply Indonesia.(w.e.f.03.07.2015)
	Century Ply Laos Co. Ltd. (w.e.f.14.10.2015)
	Innovation Pacific Singapore Pte. Ltd. (till 24.08.2016)
	Vietnam Innovation Pacific JSC (from 19.05.2016- 24.08.2016)

\*Associate company till 18.05.2015

##### **Related Parties with whom Transactions have taken place during the Year:**

Key Management Personnel	
	Sri Sajjan Bhajanka (Chairman and Managing Director)
	Sri Sanjay Agarwal (Managing Director)
	Sri Prem Kumar Bhajanka (Managing Director)
	Sri Vishnu Khemani (Managing Director)
	Sri Hari Prasad Agarwal (Vice Chairman and Executive Director)
	Sri Ajay Baldawa (Executive Director)
	Sri Keshav Bhajanka (Executive Director w.e.f.28.01.2016)
	Smt. Nikita Bansal (Executive Director w.e.f 01.02.2017)
	Sri Arun Kumar Julasaria (Chief Financial Officer)
	Sri Sundeep Jhunjhunwala (Company Secretary)
Relatives of Key Management Personnel	
	Smt. Santosh Bhajanka (Wife of Sri Sajjan Bhajanka)
	Smt. Divya Agarwal (Wife of Sri Sanjay Agarwal)
	Smt. Yash Bala Bhajanka (Wife of Sri Prem Kumar Bhajanka)
	Smt. Sudha Khemani (Wife of Sri Vishnu Khemani)
	Smt. Sumitra Devi Agarwal (Wife of Sri Hari Prasad Agarwal)
	Smt. Shraddha Agarwal (Daughter of Sri Sajjan Bhajanka)
	Smt. Payal Agrawal (Daughter of Sri Sajjan Bhajanka)
	Smt. Sonu Kajaria (Daughter of Sri Sajjan Bhajanka)
	Smt. Nikita Bansal (Daughter of Sri Sanjay Agarwal)
	Sri Rajesh Kumar Agarwal (Son of Sri Hari Prasad Agarwal)
	Smt. Bhawna Agarwal (Daughter-in-law of Sri Hari Prasad Agarwal)
	Smt. Nancy Chowdhury (Daughter of Sri Prem Kumar Bhajanka)
	Sri Abhishek Rathi (Son-in-law of Sri Ajay Baldawa)
	Sri Surender Kumar Gupta (Brother of Sri Prem Kumar Bhajanka)

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 44. Related Party Disclosure: (contd.)

Enterprises Owned/ Influenced by Key Management Personnel or their relatives.	Brijdham Merchants Pvt. Ltd.
	Star Cement Ltd. (Formerly Cement Manufacturing Company Ltd.)
	Sri Ram Merchants Pvt. Ltd.
	Sri Ram Vanijya Pvt. Ltd.
	Sumangal Business Pvt. Ltd.
	Sumangal International Pvt. Ltd.
	Aegis Business Ltd.
	Pacific Plywoods Pvt. Ltd.
	Shyam Century Multiprojects Pvt. Ltd.
	Century LED Ltd.
	Landmark Veneers Pvt. Ltd.
	Purbanchal Timber Industries (Firm dissolved on 31.03.2016)

### (b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2017

₹ in Lac

Sl.	Type of Transactions	Subsidiaries		Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	<b>Purchase of Trading Goods</b>										
	Auro Sundram Ply & Door Pvt. Ltd.	8,366.35	5,610.37	-	-	-	-	-	-	8,366.35	5,610.37
	Century Ply (Singapore) Pte. Ltd.	3,495.17	1,120.18	-	-	-	-	-	-	3,495.17	1,120.18
	Centuryply Myanmar Pvt. Ltd.	5,925.89	3,701.48	-	-	-	-	-	-	5,925.89	3,701.48
2	<b>Purchase of Raw Materials / Stores</b>										
	Centuryply Myanmar Pvt. Ltd.	2,076.74	3,358.48	-	-	-	-	-	-	2,076.74	3,358.48
	Century Ply (Singapore) Pte. Ltd.	111.54	1,810.99	-	-	-	-	-	-	111.54	1,810.99
	Innovation Pacific Singapore Pte. Ltd.	1,087.47	76.07	-	-	-	-	-	-	1,087.47	76.07
	Star Cement Ltd.	-	-	59.54	9.09	-	-	-	-	59.54	9.09
	Landmark Veneers Pvt. Ltd.	-	-	197.95	18.03	-	-	-	-	197.95	18.03
	Century LED Ltd.	-	-	52.89	-	-	-	-	-	52.89	-
3	<b>Sale of Products / Stores &amp; spares</b>										
	Auro Sundram Ply & Door Pvt. Ltd.	480.09	419.93	-	-	-	-	-	-	480.09	419.93
	Century Ply (Singapore) Pte. Ltd.	399.92	1,366.85	-	-	-	-	-	-	399.92	1,366.85
	Centuryply Myanmar Pvt. Ltd.	-	177.59	-	-	-	-	-	-	-	177.59
	Keshav Bhajanka	-	-	-	-	1.73	-	-	-	1.73	-
	Century LED Ltd.	-	-	2.40	1.47	-	-	-	-	2.40	1.47
4	<b>Sale of Assets</b>										
	Pacific Plywoods Pvt. Ltd.	-	-	95.45	30.10	-	-	-	-	95.45	30.10
5	<b>Services Availed / (Provided)</b>										
	Aegis Business Ltd.	-	-	1,000.82	1,056.29	-	-	-	-	1,000.82	1,056.29
	Smt. Yash Bala Bhajanka	-	-	-	-	-	-	14.99	14.17	14.99	14.17
	Star Cement Ltd.	-	-	(4.13)	-	-	-	-	-	(4.13)	-
	Century LED Ltd.	-	-	(6.39)	(3.18)	-	-	-	-	(6.39)	(3.18)
	Century Ply (Singapore) Pte. Ltd.	(68.08)	(9.61)	-	-	-	-	-	-	(68.08)	(9.61)
	Century Infotech Ltd.	(11.67)	(3.01)	-	-	-	-	-	-	(11.67)	(3.01)

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 44. Related Party Disclosure: (contd.)

₹ in Lac

Sl.	Type of Transactions	Subsidiaries		Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
6	<b>Reimbursement Paid / (Received)</b>										
	Brijdham Merchants Pvt. Ltd.	-	-	1.02	1.01	-	-	-	-	1.02	1.01
	Star Cement Ltd.	-	-	0.46	2.44	-	-	-	-	0.46	2.44
	Shyam Century Multi Projects Pvt. Ltd.	-	-	(9.66)	(4.07)	-	-	-	-	(9.66)	(4.07)
7	<b>Loan Taken</b>										
	Brijdham Merchants Pvt. Ltd.	-	-	948.00	871.00	-	-	-	-	948.00	871.00
	Sri Ram Merchants Pvt. Ltd.	-	-	366.00	151.00	-	-	-	-	366.00	151.00
	Sri Ram Vanijya Pvt. Ltd.	-	-	2,007.00	2,631.00	-	-	-	-	2,007.00	2,631.00
	Sumangal Business Pvt. Ltd.	-	-	122.50	441.00	-	-	-	-	122.50	441.00
	Sumangal International Pvt. Ltd.	-	-	370.50	408.00	-	-	-	-	370.50	408.00
	Sri Keshav Bhajanka	-	-	-	-	30.00	-	-	-	30.00	-
	Sri Sajjan Bhajanka	-	-	-	-	5,650.00	4,276.00	-	-	5,650.00	4,276.00
	Sri Sanjay Agarwal	-	-	-	-	6,682.00	2,775.00	-	-	6,682.00	2,775.00
8	<b>Loan Repaid</b>										
	Brijdham Merchants Pvt. Ltd.	-	-	948.00	871.00	-	-	-	-	948.00	871.00
	Sri Ram Merchants Pvt. Ltd.	-	-	366.00	151.00	-	-	-	-	366.00	151.00
	Sri Ram Vanijya Pvt. Ltd.	-	-	2,007.00	2,631.00	-	-	-	-	2,007.00	2,631.00
	Sumangal Business Pvt. Ltd.	-	-	122.50	441.00	-	-	-	-	122.50	441.00
	Sumangal International Pvt. Ltd.	-	-	370.50	408.00	-	-	-	-	370.50	408.00
	Sri Keshav Bhajanka	-	-	-	-	30.00	-	-	-	30.00	-
	Sri Sajjan Bhajanka	-	-	-	-	5,650.00	4,276.00	-	-	5,650.00	4,276.00
	Sri Sanjay Agarwal	-	-	-	-	6,682.00	2,775.00	-	-	6,682.00	2,775.00
9	<b>Loan Given</b>										
	Century Ply (Singapore) Pte. Ltd.	-	256.17	-	-	-	-	-	-	-	256.17
	Century Infotech Ltd.	-	20.00	-	-	-	-	-	-	-	20.00
	Auro Sundram Ply & Door Pvt. Ltd.	-	300.00	-	-	-	-	-	-	-	300.00
10	<b>Loan Received Back</b>										
	Century Ply (Singapore) Pte. Ltd.	-	256.17	-	-	-	-	-	-	-	256.17
	Century Infotech Ltd.	-	50.00	-	-	-	-	-	-	-	50.00
11	<b>Share Application Money (Net of Allotment)</b>										
	Centuryply Myanmar Pvt. Ltd.	-	654.50	-	-	-	-	-	-	-	654.50
12	<b>Investments Made/ (Sold)</b>										
	Centuryply Myanmar Pvt. Ltd.	1,258.73	-	-	-	-	-	-	-	1,258.73	-
	Century Ply (Singapore) Pte. Ltd.	3,433.56	99.11	-	-	-	-	-	-	3,433.56	99.11
	Innovation Pacific Singapore Pte. Ltd.	-	107.41	-	-	-	-	-	-	-	107.41
	Century Infotech Ltd.	-	250.00	-	-	-	-	-	-	-	250.00
	Purbanchal Timber Industries	-	3.00	-	-	-	-	-	-	-	3.00
	Ara Suppliers Pvt. Ltd.	12.93	-	-	-	-	-	-	-	12.93	-
	Arham Sales Pvt. Ltd.	12.93	-	-	-	-	-	-	-	12.93	-
	Adonis Vyaper Pvt. Ltd.	12.93	-	-	-	-	-	-	-	12.93	-
	Apnapan Viniyog Pvt. Ltd.	12.93	-	-	-	-	-	-	-	12.93	-

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 44. Related Party Disclosure: (contd.)

₹ in Lac

Sl.	Type of Transactions	Subsidiaries		Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
13	<b>Interest Paid</b>										
	Brijdham Merchants Pvt. Ltd.	-	-	40.80	9.90	-	-	-	-	40.80	9.90
	Sri Ram Merchants Pvt. Ltd.	-	-	3.57	8.86	-	-	-	-	3.57	8.86
	Sri Ram Vanijya Pvt. Ltd.	-	-	51.36	64.77	-	-	-	-	51.36	64.77
	Sumangal International Pvt. Ltd.	-	-	11.68	4.39	-	-	-	-	11.68	4.39
	Sri Sajjan Bhajanka	-	-	-	-	255.45	151.37	-	-	255.45	151.37
	Sri Sanjay Agarwal	-	-	-	-	290.72	138.62	-	-	290.72	138.62
	Sri Keshav Bhajanka	-	-	-	-	0.28	-	-	-	0.28	-
	Sumangal Business Pvt. Ltd.	-	-	6.02	7.84	-	-	-	-	6.02	7.84
14	<b>Interest Received</b>										
	Auro Sundram Ply & Door Pvt. Ltd.	30.00	26.87	-	-	-	-	-	-	30.00	26.87
	Century Infotech Ltd.	-	0.46	-	-	-	-	-	-	-	0.46
	Century Ply (Singapore) Pte. Ltd.	-	1.83	-	-	-	-	-	-	-	1.83
15	<b>Dividend Paid</b>										
	Sri Sajjan Bhajanka	-	-	-	-	-	593.05	-	-	-	593.05
	Sri Sanjay Agarwal	-	-	-	-	-	569.82	-	-	-	569.82
	Smt. Divya Agarwal	-	-	-	-	-	-	376.87	-	-	376.87
	Sri Vishnu Khemani	-	-	-	-	-	283.68	-	-	-	283.68
	Smt. Santosh Bhajanka	-	-	-	-	-	-	352.11	-	-	352.11
	Others	-	-	-	884.90	-	172.64	-	436.33	-	1,493.88
16	<b>Director's Remuneration Paid</b>										
	Sri Sajjan Bhajanka	-	-	-	-	120.00	60.00	-	-	120.00	60.00
	Sri Sanjay Agarwal	-	-	-	-	120.00	60.00	-	-	120.00	60.00
	Sri Prem Kumar Bhajanka	-	-	-	-	120.00	36.00	-	-	120.00	36.00
	Sri Vishnu Khemani	-	-	-	-	120.00	60.00	-	-	120.00	60.00
	Sri Hari Prasad Agarwal	-	-	-	-	60.00	30.00	-	-	60.00	30.00
	Sri Ajay Baldawa	-	-	-	-	92.50	50.00	-	-	92.50	50.00
	Smt. Nikita Bansal	-	-	-	-	4.00	-	-	-	4.00	-
	Sri Keshav Bhajanka	-	-	-	-	50.00	4.00	-	-	50.00	4.00
17	<b>Salary Paid</b>										
	Sri Arun Kumar Julasaria	-	-	-	-	102.29	52.48	-	-	102.29	52.48
	Sri Sundeep Jhunjunwala	-	-	-	-	27.19	24.39	-	-	27.19	24.39
	Sri Keshav Bhajanka	-	-	-	-	-	-	20.00	-	-	20.00
	Smt. Nikita Bansal	-	-	-	-	-	-	20.00	12.00	20.00	12.00
	Others	-	-	-	-	-	-	79.14	65.10	79.14	65.10
18	<b>Guarantees Given</b>										
	Century Ply (Singapore) Pte. Ltd.	-	3,482.33	-	-	-	-	-	-	-	3,482.33
19	<b>Advance Given</b>										
	Sri Abhishek Rathi	-	-	-	-	-	-	5.64	-	5.64	-
	Sri Sundeep Jhunjunwala	-	-	-	-	6.00	-	-	-	6.00	-
20	<b>Advance Received back</b>										
	Sri Abhishek Rathi	-	-	-	-	-	-	2.35	-	2.35	-
	Sri Sundeep Jhunjunwala	-	-	-	-	1.00	-	-	-	1.00	-

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 44. Related Party Disclosure: (contd.)

₹ in Lac

Sl.	Type of Transactions	Subsidiaries		Associates		Enterprises owned/influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total		
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	01.04.2015
21	<b>Balance Outstanding on account of</b>													
A	<b>Receivable/(Payable)</b>													
	Auro Sundram Ply & Door Pvt. Ltd.	(1,239.43)	(694.76)	-	-	-	-	-	-	-	-	(1,239.43)	(694.76)	(831.00)
	Aegis Business Ltd.	-	-	-	-	129.59	(81.22)	-	-	-	-	129.59	(81.22)	-
	Century Ply (Singapore) Pte. Ltd.	5,832.62	3,713.45	468.43	-	-	-	-	-	-	-	5,832.62	3,713.45	468.43
	Innovation Pacific Singapore Pte. Ltd.	-	(21.41)	-	-	-	-	-	-	-	-	-	(21.41)	-
	Centuryply Myanmar Pvt. Ltd.	780.85	302.38	58.23	-	-	-	-	-	-	-	780.85	302.38	58.23
	Shyam Century Multi Projects Pvt. Ltd..	-	-	-	-	-	9.66	5.59	-	-	-	-	9.66	5.59
	Century Infotech Ltd.	13.81	3.15	-	-	-	-	-	-	-	-	13.81	3.15	-
	Century LED Ltd.	-	-	-	-	(19.36)	3.25	-	-	-	-	(19.36)	3.25	-
	Brijdham Merchants Pvt. Ltd.	-	-	-	-	(1.02)	-	-	-	-	-	(1.02)	-	-
	Star Cement Ltd.	-	-	-	-	(4.03)	-	-	-	-	-	(4.03)	-	-
	Landmark Veneers Pvt. Ltd.	-	-	-	-	(138.62)	-	-	-	-	-	(138.62)	-	-
	Sri Abhishek Rathi	-	-	-	-	-	-	-	-	3.29	-	3.29	-	-
	Sri Arun Kumar Julasaria	-	-	-	-	-	-	-	3.50	-	-	3.50	-	3.50
	Sri Sundeep Jhunjhunwala	-	-	-	-	-	-	5.00	-	-	-	5.00	-	-
B	<b>Loans Receivable/(Payable) (Incl. interest)</b>													
	Auro Sundram Ply & Door Pvt. Ltd.	351.18	324.18	-	-	-	-	-	-	-	-	351.18	324.18	-
	Century Infotech Ltd.	-	-	30.09	-	-	-	-	-	-	-	-	-	30.09
C	<b>Guarantee Outstanding</b>													
	Century Ply (Singapore) Pte. Ltd.	3,404.10	3,482.33	-	-	-	-	-	-	-	-	3,404.10	3,482.33	-



## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 44. Related Party Disclosure: (contd.)

₹ in Lac

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	
		2016-17	01.04.2015	2016-17	01.04.2015	2016-17	01.04.2015	2016-17	01.04.2015	2016-17	01.04.2015	2016-17	01.04.2015
D	<b>Guarantees Obtained</b>												
	Sri Sajjan Bhajanka	-	-	-	-	-	1,02,146.00	98,336.00	-	-	-	1,02,146.00	98,336.00
	Sri Sanjay Agarwal	-	-	-	-	-	1,02,146.00	98,336.00	-	-	-	1,02,146.00	98,336.00
	Sri Hari Prasad Agarwal	-	-	-	-	-	1,02,146.00	98,336.00	-	-	-	1,02,146.00	98,336.00
E	<b>Director's Remuneration Payable</b>												
	Sri Sajjan Bhajanka	-	-	-	-	-	6.44	-	3.61	-	-	6.44	-
	Sri Sanjay Agarwal	-	-	-	-	-	6.43	-	3.61	-	-	6.43	-
	Sri Hari Prasad Agarwal	-	-	-	-	-	3.65	-	1.93	-	-	3.65	-
	Sri Prem Kumar Bhajanka	-	-	-	-	-	4.75	1.20	-	-	-	4.75	1.20
	Sri Ajay Baldawa	-	-	-	-	-	6.56	3.01	2.65	-	-	6.56	3.01
	Smt. Nikita Bansal	-	-	-	-	-	1.47	-	-	-	-	1.47	-
	Sri Keshav Bhajanka	-	-	-	-	-	2.96	1.13	-	-	-	2.96	1.13
F	<b>Salary Payable</b>												
	Sri Arun Kumar Julasaria	-	-	-	-	-	19.41	0.06	0.65	-	-	19.41	0.06
	Sri Sundeep Jhunjhunwala	-	-	-	-	-	1.26	1.31	-	-	-	1.26	1.31
	Sri Keshav Bhajanka	-	-	-	-	-	-	-	-	-	1.04	-	1.04
	Smt. Nikita Bansal	-	-	-	-	-	-	-	-	-	0.86	-	0.86
	Others	-	-	-	-	-	-	-	-	4.16	4.21	3.37	4.21

### (c) Terms and conditions of transactions with related parties

- The sales to/ purchases from/ services availed from/ and services provided to related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Outstanding balances at the year-end from related parties are unsecured, interest free and will be settled in cash.
- The Company has given guarantee to one of its subsidiaries for which it charges commission @ 2% p.a.
- Employee related recoverable balances are unsecured, interest free and will be settled in cash.
- The Company has provided loans to its subsidiaries for its business activities. The loan was unsecured and was repayable on demand. The loan outstanding as on 31st March, 2017 carries an interest@10%p.a.
- The Company has taken loan from Enterprises owned / influenced by Key Management Personnel (KMP) or their relatives as well as from KMP's. The loan has been fully repaid during the year. The loan was unsecured and was repayable on demand. The loan carried an interest @9.25% p.a.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 45. Fair values measurements

#### (i) Financial instruments by category:

₹ in Lac

	31st March, 2017		31st March, 2016		1st April, 2015	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Non-current financial assets</b>						
(i) Investments	-	0.05	1.73	0.05	14.58	0.05
(ii) Loans and advances		1,000.38		741.48		648.08
(iii) Other non-current financial assets		998.49		2,372.36		1,717.87
<b>Current financial assets</b>						
(i) Trade receivable		33,527.36		28,676.44		26,571.97
(ii) Cash and cash equivalents		5,299.28		1,637.66		1,684.95
(iii) Bank balances other than above		85.14		266.49		17.60
(iv) Loans and advances		461.19		479.86		1,159.33
(v) Other current financial assets		8,252.04		4,817.05		3,787.05
<b>Total Financial assets</b>	-	<b>49,623.93</b>	<b>1.73</b>	<b>38,991.39</b>	<b>14.58</b>	<b>35,586.90</b>
<b>Non-current financial liabilities</b>						
(i) Borrowings		14,674.86		6,396.48		8,132.88
(ii) Other non-current financial liabilities		-		-		-
<b>Current financial liabilities</b>						
(i) Borrowings		41,033.90		34,096.50		37,439.94
(ii) Trade payables		14,109.72		8,432.58		6,480.56
(iii) Other current financial liabilities	-	9,109.70	7.59	8,718.71	33.87	7,369.58
<b>Total Financial liabilities</b>	-	<b>78,928.18</b>	<b>7.59</b>	<b>57,644.27</b>	<b>33.87</b>	<b>59,422.96</b>

#### Notes:-

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 45. Fair values measurements (contd.)

#### (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

₹ in Lac

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2017:</b>				
Assets measured at fair value:				
Investments	31st March, 2017	-	-	-
Liability measured at fair value:				
Interest rate swap	31st March, 2017	-	-	-
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2016:</b>				
Assets measured at fair value:				
Investments	31st March, 2016	1.73	-	-
Liability measured at fair value:				
Interest rate swap	31st March, 2016	-	7.59	-
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2015:</b>				
Assets measured at fair value:				
Investments	1st April, 2015	14.58	-	-
Liability measured at fair value:				
Interest rate swap	1st April, 2015	-	33.87	-

### 46. Financial Risk Management-Objectives and Policies

The Company's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investment in subsidiaries at cost and deposits.

The Company is exposed to market risk and credit risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (i) Market Risk

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

##### a. Foreign Currency Risk

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

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 46. Financial Risk Management-Objectives and Policies (contd.)

Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

#### Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of assets and liabilities.

₹ in Lac

Change in Foreign currency rates	Effect on Profit before Tax		
	31st March, 2017	31st March, 2016	1st April, 2015
+5%	(1,268.65)	(931.39)	(927.86)
-5%	1,268.65	931.39	927.86

#### b. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

#### Interest Rate Sensitivity

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

₹ in Lac

	Increase/ decrease in basis points	Effect on profit before tax
31st March, 2017	+50	(133.67)
	-50	133.67
31st March, 2016	+50	(121.64)
	-50	121.64

#### (ii) Credit Risks

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

#### Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 12 as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

#### (iii) Liquidity Risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 46. Financial Risk Management-Objectives and Policies (contd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in Lac

Particulars	Less than 1 Year	1-2 Years	2-3 Years	3-5 Years	> 5 years	Total
<b>Year ended 31st March, 2017</b>						
Borrowings	41,033.90	3,358.12	3,083.41	4,936.64	3,296.69	55,708.76
Other financial liabilities	9,109.70	-	-	-	-	9,109.70
Trade payables	14,109.72	-	-	-	-	14,109.72
	<b>64,253.32</b>	<b>3,358.12</b>	<b>3,083.41</b>	<b>4,936.64</b>	<b>3,296.69</b>	<b>78,928.18</b>
<b>Year ended 31st March, 2016</b>						
Borrowings	34,096.50	3,139.76	1,185.46	1,328.38	742.90	40,493.00
Other financial liabilities	8,726.30	-	-	-	-	8,726.30
Trade payables	8,432.58	-	-	-	-	8,432.58
	<b>51,255.38</b>	<b>3,139.76</b>	<b>1,185.46</b>	<b>1,328.38</b>	<b>742.90</b>	<b>57,651.88</b>
<b>As at 1st April, 2015</b>						
Borrowings	37,439.94	4,512.90	2,422.52	1,197.46	-	45,572.82
Other financial liabilities	7,403.45	-	-	-	-	7,403.45
Trade payables	6,480.56	-	-	-	-	6,480.56
	<b>51,323.95</b>	<b>4,512.90</b>	<b>2,422.52</b>	<b>1,197.46</b>	<b>-</b>	<b>59,456.83</b>

47. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 required as per MCA notification in the official Gazette vide notification number G.S.R. 308 (E) dated 30.03.2017 is provided in the table below:-

₹ in Lac

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	85.35	32.90	118.25
(+) Permitted receipts	NIL	*259.60	259.60
(-) Permitted payments	1.33	216.96	218.29
(-) Amount deposited in Banks	84.02	11.04	95.06
Closing cash in hand as on 30.12.2016	NIL	64.50	64.50

\* Includes cash withdrawal from bank amounting to ₹114.21 Lac

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 48. The Company's Segment Information as at and for the year ended 31st March, 2017 are as below:

₹ in Lac

SI	Plywood	Laminate	MDF	Plain Particle Board	CFS Services	Others	Total
<b>a</b>	<b>Revenue (Gross)</b>						
External Sales	1,35,606.51 (1,26,146.71)	41,227.79 (36,227.11)	336.51 (712.57)	1,854.21 -	8,800.71 (8,490.46)	4,207.43 (5,444.43)	1,92,033.16 (1,77,021.28)
Inter-segment Sales	- -	- -	- -	665.02 -	40.65 (111.47)	170.25 (195.89)	875.92 (307.36)
Total Revenue (Gross)	1,35,606.51 (1,26,146.71)	41,227.79 (36,227.11)	336.51 (712.57)	2,519.23 -	8,841.36 (8,601.93)	4,377.68 (5,640.32)	1,92,909.08 (1,77,328.64)
<b>b</b>	<b>Result</b>						
Segment Results	21,439.53 (18,301.87)	5,194.65 (4,420.52)	(15.54) (42.98)	(694.35) -	2,353.84 (2,782.88)	(767.89) 168.37	27,510.24 (25,379.88)
Unallocated Income/(Expenses) (Net of unallocated expenses / income)							(1,277.05) 752.89
Operating Profit							26,233.19 (24,626.99)
Finance Cost							2,864.23 (4,645.85)
Taxation Expense							4,813.15 (3,000.06)
Net Profit							18,555.81 16,981.08
<b>Other Information</b>							
<b>a</b>	<b>Total Assets</b>						
Segment Assets *	69,229.46 (61,905.23)	20,154.77 (18,347.78)	28,865.68 (4,281.44)	5,858.57 (5,279.58)	5,791.62 (6,327.70)	1,213.83 (1,539.12)	1,31,113.93 (97,680.85)
**							
***	(64,686.58)	(19,033.16)	-	-	(6,346.84)	(800.11)	(90,866.69)
Unallocated Corporate / Other Assets *							24,358.32
**							(16,514.98)
***							(13,783.39)
*							1,55,472.25
**							(1,14,195.83)
***							(1,04,650.08)
<b>b</b>	<b>Total Liabilities</b>						
Segment Liabilities *	15,258.64 (11,989.31)	4,122.84 (2,669.77)	2,414.86 (2.74)	184.19 (174.86)	839.70 (562.90)	657.37 (362.08)	23,477.60 (15,761.66)
**							
***	(8,911.54)	(2,024.64)	-	-	(500.59)	(487.84)	(11,924.61)
Unallocated /Other Liabilities *							61,131.95
**							(45,928.33)
***							(50,997.61)
							84,609.55 (61,689.99) (62,922.22)

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 48. The Company's Segment Information as at and for the year ended 31st March, 2017 are as below: (contd.)

								₹ in Lac
Sl		Plywood	Laminate	MDF	Plain Particle Board	CFS Services	Others	Total
c	Capital Expenditure *	2,703.21	983.70	22,579.02	1,503.42	643.52	0.29	28,413.16
	**	(3,040.94)	(866.78)	(1,916.25)	(4,426.79)	(920.67)	(0.59)	(11,172.02)
	***	(2,837.98)	(685.89)	-	-	(539.78)	(2.21)	(4,065.86)
	Unallocated Capital Expenditure *							1,307.57
	**							(29.24)
	***							(805.75)
d	Depreciation/Amortisation	1,894.98	1,020.82	-	1,209.54	1,087.24	24.99	5,237.57
		(2,213.80)	(1,096.04)	-	-	(1,007.07)	(56.14)	(4,373.04)
e	<b>Geographical Segment</b>							
	i. Revenue (Gross)							
	India*							1,83,057.06
	**							(1,67,528.07)
	Overseas*							8,976.10
	**							(9,493.21)
	ii. Carrying amount of Segment Assets							
	India *							1,29,012.16
**							(95,234.57)	
***							(89,405.15)	
Overseas *							2,101.77	
**							(2,446.28)	
***							(1,461.54)	

\* Indicates figures for 2016-17

\*\* Indicates figures for 2015-16

\*\*\* Indicates figures as on 1st April, 2015

#### Notes:

(a) Business Segments: The business segments have been identified on the basis of the products of the Company. Operating Segment disclosed are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM). Accordingly, the Company has identified following business segments:

Plywood	-	Plywood, Block-Board, Veneer & Timber
Laminate	-	Decorative Laminates & Pre-laminated Boards
MDF	-	Medium Density Fibre Boards
Plain Particle Board	-	Plain Particle Board
CFS Services	-	Container Freight Stations services
Others	-	Mainly Trading of Chemicals, Minerals, Readymade Furniture and Equipment's

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

(c) Company's Property Plant and Equipment (PPE) are located only in India. Hence separate figures for same have not been furnished.

## Notes to Financial Statements as at and for the year ended 31st March, 2017

### 49. Events occurring after the Balance Sheet date

Dividend		₹ in Lac	
Particulars	2016-17	2015-16	
Final Dividend for the year 2014-15 (₹1.25 per share)	-	2,777.16	
Tax on final dividend for the year 2014-15	-	565.46	
Payment of Interim dividend (₹1 per share)	-	2,221.73	
Tax on interim dividend	-	452.29	
Tax on proposed equity dividend written back	-	(0.09)	
<b>Total</b>	-	<b>6,016.55</b>	

### Proposed Dividend

The Board of Directors at its meeting held on 23rd May, 2017 have recommended a payment of final dividend of ₹1 per equity share of face value of ₹1 each for the financial year ended 31st March, 2017. The same amounts to ₹2,674.02 Lac (including dividend distribution tax of ₹452.29 Lac).

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

### 50. Earning Per Share (EPS)

In terms of Ind AS- 33 on "Earning Per Share" the calculation of EPS is given below: -

Particulars	2016-17	2015-16
Profit as per the Statement of Profit & Loss (₹ In Lac)	18,555.81	16,981.08
Profit available for Equity Shareholders (₹ In Lac)	18,555.81	16,981.08
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) (₹)	8.35	7.64

**51** Charity and Donations includes ₹500 Lac (₹ 'Nil') paid to the Bharatiya Janata Party (a political party)

**52** The financial statements are approved by the audit committee at its meeting held on 23rd May, 2017 and by the Board of Directors on the same date.

For Singhi & Co.  
Firm Registration No- 302049E  
Chartered Accountants

Anurag Singhi  
Partner  
Membership No. 066274

Place: Kolkata  
Date: 23rd May, 2017

For and on behalf of the Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Arun Kumar Julasaria  
Chief Financial Officer

Sanjay Agarwal  
Managing Director  
DIN:00246132

Sundeep Jhunjhunwala  
Company Secretary



# Consolidated Financial Statements

## Independent Auditor's Report

To,  
THE MEMBERS OF  
CENTURY PLYBOARDS (INDIA) LIMITED

### Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Century Plyboards (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used

for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

5. We believe that the audit evidence obtained by us and other auditors in term of their reports, referred to in paragraph 7 on "Other Matter" is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matters

7. We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of ₹3,017.10 Lac and net assets of ₹628.02 Lac as at 31st March, 2017, total revenue of ₹4,140.60 Lac and net cash outflows amounting to ₹644.00 Lac for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

8. The comparative financial information of the group for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of ten subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

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

### Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our

audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the "Other Matter" paragraph, we report to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and report of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's and Subsidiary Companies', incorporated in India, internal financial control over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 36 (ii) of the consolidated Ind AS financial statements.
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and
  - iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in

Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the Management of the respective Group entities.

**For Singhi & Co.,**  
*Chartered Accountants*  
Firm's Registration No. 302049E

Place: Kolkata  
Date: 23rd day of May, 2017

**Anurag Singhi**  
*Partner*  
Membership No. 066274

## Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 9 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Century Plyboards (India) Limited for the year ended 31st March, 2017)

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Century Plyboards (India) Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in paragraph 7 below on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on company's internal financial control system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

6. In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the

internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

7. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of above matters.

**For Singhi & Co.,**  
*Chartered Accountants*  
Firm's Registration No. 302049E

Place: Kolkata  
Date: 23rd day of May, 2017

**Anurag Singhi**  
*Partner*  
Membership No. 066274

## Consolidated Balance Sheet as at 31st March, 2017

₹ in Lac

	Notes	31st March, 2017	31st March, 2016	1st April, 2015
<b>A ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	3	30,412.64	24,805.71	23,079.71
Capital Work-in-Progress		5,448.29	3,883.62	3,243.38
Investment Property	5A	610.16	609.42	609.42
Goodwill on consolidation	4	28.09	28.09	21.81
Intangible Assets	4	155.11	191.30	137.39
Intangible Assets under development		24.57	15.52	-
Expenditure on New/Expansion Projects	5B	24,435.01	6,318.74	-
<b>Financial Assets</b>				
Investments	6	0.05	1.78	52.16
Loans and Advances	7	1,026.08	763.29	671.16
Other financial assets	8	-	28.59	20.46
Deferred Tax Assets	9	6,886.91	6,596.57	5,227.45
Other Non-Current assets	10	2,435.61	3,157.27	1,968.77
<b>Current Assets</b>				
Inventories	11	30,062.48	29,749.67	33,221.19
<b>Financial Assets</b>				
Investments	6	-	15.11	-
Trade Receivables	12	34,217.52	28,423.76	26,215.65
Cash and cash equivalents	13	6,637.07	3,619.45	3,723.92
Bank Balances other than above	13	85.14	266.49	17.60
Loans and Advances	7	389.28	402.30	1,363.06
Other financial assets	8	7,662.28	1,677.97	3,788.15
Other Current assets	10	7,973.06	6,963.95	3,058.81
<b>TOTAL ASSETS</b>		<b>1,58,489.35</b>	<b>1,17,518.60</b>	<b>1,06,420.09</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	14	2,225.27	2,225.27	2,225.27
Other Equity	15	69,265.45	50,658.34	39,683.06
Non Controlling Interest		1,199.24	902.08	551.88
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	14,674.86	6,396.48	8,132.85
Other financial liabilities	17	9.00	12.50	25.50
Other non-current liabilities	18	52.91	56.90	71.36
Deferred Tax Liability	9	138.01	65.80	76.62
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	19	41,955.61	35,533.90	38,632.21
Trade Payables	20			
Dues to micro and small enterprises		138.76	50.18	3.23
Dues to others		13,959.43	8,590.57	6,170.68
Other Financial Liabilities	21	9,111.79	8,719.80	7,401.08
Other Current Liabilities	22	3,887.52	3,394.77	2,523.34
Provisions	23	1,152.71	677.79	322.62
Current tax liabilities (Net)	24	718.79	234.22	600.39
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,58,489.35</b>	<b>1,17,518.60</b>	<b>1,06,420.09</b>
Significant Accounting Policies and Key Estimates and Judgements	2			

The accompanying notes form an integral part of the consolidated financial statements

As per our Report of even date

For Singhi & Co.

Firm Registration No- 302049E

Chartered Accountants

For and on behalf of the Board of Directors

Anurag Singhi

Partner

Membership No. 066274

Sajjan Bhajanka

Chairman & Managing Director

DIN:00246043

Sanjay Agarwal

Managing Director

DIN:00246132

Place: Kolkata

Date: 23rd May, 2017

Arun Kumar Julasaria

Chief Financial Officer

Sundeep Jhunjunwala

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Lac

	Notes	2016-2017	2015 - 2016
<b>INCOME</b>			
Revenue from Operations	25	1,96,186.23	1,77,545.60
Other Income	26	2,255.25	599.88
<b>Total Income</b>		<b>1,98,441.48</b>	<b>1,78,145.48</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	70,373.08	68,551.52
Purchase of Stock-in-Trade		20,438.66	14,405.96
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(1,303.10)	(1,042.70)
Employee Benefits Expense	29	27,300.58	23,622.79
Finance Cost	30	3,021.45	4,788.11
Depreciation and Amortisation Expense	31	5,933.95	4,745.84
Excise Duty	32	14,313.15	13,452.48
Other Expenses	33	33,865.92	29,608.73
<b>Total Expenses</b>		<b>1,73,943.69</b>	<b>1,58,132.73</b>
<b>Profit before Taxation</b>		<b>24,497.79</b>	<b>20,012.75</b>
<b>Tax Expenses</b>	9		
Current Tax		5,271.78	4,308.76
Less: MAT credit entitlement		158.52	637.16
Net Current Tax Expense		5,113.26	3,671.60
Deferred Tax		36.61	(634.01)
<b>Total Tax Expenses</b>		<b>5,149.87</b>	<b>3,037.59</b>
<b>Profit for the year</b>		<b>19,347.92</b>	<b>16,975.16</b>
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-Measurement gains/(losses) on defined benefit plans		(348.75)	(282.61)
Income tax effect on above	9	105.28	96.06
<b>Total Other Comprehensive Income</b>		<b>(243.47)</b>	<b>(186.55)</b>
<b>Total Comprehensive Income for the year</b>		<b>19,104.45</b>	<b>16,788.62</b>
<b>Profit for the year</b>			
Attributable to:			
Equity holders of the parent		19,046.06	16,894.34
Non-controlling interests		301.86	80.82
<b>Total Comprehensive Income for the year</b>			
Attributable to:			
Equity holders of the parent		18,824.42	16,707.80
Non-controlling interests		280.03	80.82
<b>Earnings per equity share (nominal value of share ₹1/-(Previous Year ₹1/-))</b>			
<b>Basic and Diluted (₹)</b>	51	8.57	7.60
Significant Accounting Policies and Key Estimates and Judgements	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our Report of even date

For Singh & Co.  
Firm Registration No- 302049E  
Chartered Accountants

For and on behalf of the Board of Directors

Anurag Singhi  
Partner  
Membership No. 066274

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Sanjay Agarwal  
Managing Director  
DIN:00246132

Place: Kolkata  
Date: 23rd May, 2017

Arun Kumar Julasaria  
Chief Financial Officer

Sundeep Jhunjhunwala  
Company Secretary



## Consolidated Cash Flow Statement for the year ended 31st March, 2017

₹ in Lac

	2016-2017	2015 - 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	24,497.79	20,012.75
Adjustments for :		
Depreciation/Amortisation	5,933.95	4,745.84
Finance Cost	3,021.45	4,788.11
(Profit) / Loss on disposal of Property, Plant and Equipment	(59.84)	16.59
(Profit) on Sale of Current Investments	(0.98)	(0.11)
Irrecoverable Debts Written Off	9.45	131.83
Provision for Doubtful Debts provided / (written back)	(106.92)	275.83
Unspent Liabilities Written Back	(0.32)	(17.15)
Unrealised Foreign Exchange Fluctuations Loss / (gain)	(1,586.49)	630.58
Dividend Income on investment carried at FVTPL	-	(0.11)
Interest Income from financial assets at amortised cost	(11.94)	(60.39)
<b>Operating Profit before Working Capital Changes</b>	<b>31,696.15</b>	<b>30,523.77</b>
Adjustments for :		
(Increase) in Trade Receivables	(5,550.14)	(2,183.09)
(Increase) / Decrease in Inventories	(312.80)	3,471.52
(Increase) / Decrease in Financial Assets	(7,247.28)	(1,029.55)
(Increase) / Decrease in Other Assets	604.88	(1,193.24)
Increase in Short Term Provisions	126.17	72.56
Increase in Financial Liabilities	876.19	216.39
Increase in Other Liabilities	492.75	1,676.09
Increase / (Decrease) in Trade Payables	5,652.48	2,405.34
	<b>(5,357.75)</b>	<b>3,436.02</b>
<b>Cash Generated from Operations</b>	<b>26,338.40</b>	<b>33,959.79</b>
Direct Taxes paid (Net)	(4,288.30)	(4,675.22)
<b>Net Cash Flow from Operating Activities</b>	<b>22,050.10</b>	<b>29,284.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(30,702.08)	(15,329.63)
Sale of Property, Plant and Equipment	234.71	350.12
Purchase of Current Investments	(1,000.00)	(15.00)
Purchase of Non Current Investments	-	2.88
Sale of Non Current Investments	17.82	49.81
Sale of Current Investments	1,001.50	
Loans (Given) / Refunds (Net)	-	1,030.00
Dividend Received	-	0.11
Interest Received	13.26	22.64
<b>Net Cash Flow used in Investing Activities</b>	<b>(30,434.79)</b>	<b>(13,889.07)</b>

**Consolidated Cash Flow Statement** for the year ended 31st March, 2017

₹ in Lac

	2016-2017	2015 - 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	13,091.58	3,264.32
Repayment of Long Term Borrowings	(5,069.10)	(4,778.00)
Proceeds from Short Term Borrowings	15,942.22	2,810.79
Repayment of Short Term Borrowings	(9,871.30)	(5,909.11)
Issue of Shares by Subsidiary	150.00	204.95
Interest Paid (Including Interest Capitalized)	(2,505.36)	(2,723.19)
Other Borrowing Cost Paid	(515.87)	(2,111.96)
Dividend Paid	(1.21)	(4,991.22)
Tax on Dividend	-	(1,017.66)
<b>Net Cash Flow from Financing Activities</b>	<b>11,220.96</b>	<b>(15,251.08)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>2,836.27</b>	<b>144.42</b>
Cash & Cash Equivalents - Opening Balance	3,885.94	3,741.52
Cash & Cash Equivalents - Closing Balance	6,722.21	3,885.94

The accompanying notes form an integral part of the consolidated financial statements

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on 'Statement of Cash Flow'.
- Cash and Cash Equivalents include ₹85.14 Lac (Previous Year ₹266.49 Lac) available for restricted use (Refer Note 13). The restrictions are mainly on account of cash and bank balances held as margin money deposit against bank guarantees and unclaimed dividends.

As per our Report of even date

**For Singhi & Co.**  
Firm Registration No- 302049E  
Chartered Accountants

**Anurag Singhi**  
Partner  
Membership No. 066274

Place: Kolkata  
Date: 23rd May, 2017

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

**Arun Kumar Julasaria**  
Chief Financial Officer

**Sanjay Agarwal**  
Managing Director  
DIN:00246132

**Sundeep Jhunjhunwala**  
Company Secretary

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2017

### A) Equity Share Capital

Equity Shares of ₹1 each issued, subscribed and fully paid	Number of shares	₹ in Lac
On April 1, 2015*	22,21,72,990	2,225.27
Balance at March 31, 2016*	22,21,72,990	2,225.27
Balance at March 31, 2017*	22,21,72,990	2,225.27

\* includes amount received on forfeited shares (FY 2001-02)

### B) Other Equity

₹ in Lac

Particulars	Attributable to equity holders of the parent								Non Controlling Interest	Total
	Reserves and Surplus							Total attributable to equity holders of the parent		
	Securities Premium Reserve	Amalgamation Reserve	Retained Earnings	Capital Redemption Reserve	General Reserve	Capital Reserve	Foreign Currency Translation Reserve			
<b>Balance at 1st April, 2015</b>	1,892.77	317.40	36,157.14	50.00	990.19	-	275.56	39,683.06	551.88	40,234.94
Profit for the year	-	-	16,894.34	-	-	-	-	16,894.34	80.82	16,975.16
Other Comprehensive Income for the year, net of tax										
Remeasurement gain / (loss) on Defined Benefit Plans	-	-	(186.55)	-	-	-	-	(186.55)	-	(186.55)
	1,892.77	317.40	52,864.93	50.00	990.19	-	275.56	56,390.85	632.70	57,023.55
<b>Adjustments</b>										
Final Dividend for the year 2014-15 (₹1.25 per share)	-	-	(2,777.16)	-	-	-	-	(2,777.16)	-	(2,777.16)
Tax on final dividend for the year 2014-15	-	-	(565.46)	-	-	-	-	(565.46)	-	(565.46)
Payment of Interim dividend (₹1 per share)	-	-	(2,221.73)	-	-	-	-	(2,221.73)	-	(2,221.73)
Tax on interim dividend	-	-	(452.29)	-	-	-	-	(452.29)	-	(452.29)
Tax on proposed equity dividend written back	-	-	(0.09)	-	-	-	-	(0.09)	-	(0.09)
Foreign Currency translation adjustment	-	-	-	-	-	-	281.33	281.33	-	281.33
Acquisition of subsidiary	-	-	-	-	-	2.89	-	2.89	269.38	272.27
<b>Balance at 31st March, 2016</b>	1,892.77	317.40	46,848.20	50.00	990.19	2.89	556.89	50,658.34	902.08	51,560.42
Profit for the year	-	-	19,046.06	-	-	-	-	19,046.06	301.86	19,347.92
Other Comprehensive Income for the year, net of tax										
Remeasurement gain/(loss) on Defined Benefit Plans	-	-	(243.47)	-	-	-	-	(243.47)	-	(243.47)
	1,892.77	317.40	65,650.79	50.00	990.19	2.89	556.89	69,460.93	1,203.94	70,664.87
<b>Adjustments</b>										
On acquisition of subsidiary during the year	-	-	-	-	-	55.51	-	55.51	-	55.51
Foreign Currency translation adjustment	-	-	-	-	-	-	(191.62)	(191.62)	-	(191.62)
Adjustment on cession of subsidiaries	-	-	(55.02)	-	-	(2.89)	(1.46)	(59.37)	(106.80)	(166.17)
Changes in Non Controlling Interest for further issue of capital	-	-	-	-	-	-	-	-	102.10	102.10
<b>Balance at 31st March, 2017</b>	1,892.77	317.40	65,595.77	50.00	990.19	55.51	363.81	69,265.45	1,199.24	70,464.69

The accompanying notes are an integral part of the consolidated financial statements .

As per our Report of even date

For Singh & Co.

Firm Registration No- 302049E  
Chartered Accountants

For and on behalf of the Board of Directors

Anurag Singhi  
Partner  
Membership No. 066274

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Sanjay Agarwal  
Managing Director  
DIN:00246132

Place: Kolkata  
Date: 23rd May, 2017

Arun Kumar Julasaria  
Chief Financial Officer

Sundeep Jhunjhunwala  
Company Secretary

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 1. Corporate Information

The consolidated financial statements comprise financial statements of Century Plyboards (India) Ltd. (the Company) and its subsidiaries (collectively, the Group) for the year ended 31st March, 2017. 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. The Company is primarily engaged in manufacturing and sale of Plywood, Laminates, Decorative Veneers, Pre-laminated boards, Particle Board and Flush Doors and providing Container Freight Station services. The Company presently has manufacturing facilities near Kolkata, Karnal, Guwahati, Kandla and Chennai. Container Freight station is located near Kolkata port.

### 2. Significant Accounting Policies and Key Estimates and Judgements

#### 2.1 Basis of Preparation

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued by the Ministry of Corporate Affairs ("MCA").

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 [Indian GAAP].

These consolidated financial statements for the year ended 31st March, 2017 are the first financial statements, the Company has prepared in accordance with Indian Accounting Standards ("Ind AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Further, in accordance with the Rules, the Company has restated its Balance Sheet as at 1st April, 2015 and financial statements for the year ended and as at 31st March, 2016 also as per Ind AS. For preparation of opening balance sheet under Ind AS as at 1st April, 2015, the Company has availed exemptions and first time adoption policies in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards", the details of which have been explained in Note 34.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value as described in accounting policies regarding financial instruments.

#### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as on the same date as the

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

### Consolidation Procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill or capital reserve.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including any goodwill) and liabilities of the subsidiary.
- De-recognises the carrying amount of any non-controlling interests.
- De-recognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### Estimates

The estimates at 1st April, 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). Consequent to Company's transition to Ind AS

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

as explained in Basis of Preparation paragraph above, following are accounted for the first time in these financial statements and hence estimates for these items are based on conditions existing on the respective Balance Sheet dates:

- (a) Impairment of financial assets based on expected credit loss model
- (b) Fair value of certain financial assets and liabilities through Profit and Loss (FVTPL)

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2015, the date of transition to Ind AS and as of 31st March, 2016.

### 2.2 Summary of Significant Accounting Policies

#### a) Business Combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1st April, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

#### b) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate subsequently reports profits,

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### c) Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Group normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in Group's normal operating cycle.
- held primarily for the purpose of trading.
- due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Group considers that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. Accordingly, it is

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

considered for valuation of finished goods stock lying in the factories and branches as on the Balance Sheet date.

However, Sales tax/ value added tax (VAT) is not received by the Group on its own account. These are collected on behalf of the government and accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

### Sale of Goods

Revenue from the sale of goods is recognised on transfer of significant risks and rewards of ownership to customers based on the contract with the customers for delivery. Revenue from the sale of goods is net of returns and allowances, trade discounts and volume rebates.

### Rendering of Services

Revenue from services are 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.

### Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

### Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### Insurance Claims

Insurance and other claims are accounted for as and when accepted.

### e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

### f) Taxes

Tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current tax & deferred tax.

#### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (MAT Credit Entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### g) Property, Plant and Equipment

Property, Plant and Equipment (PPE) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Expenditure directly attributable to expansion projects are capitalised. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are neither related to the project nor are incidental thereto, are charged to Statement of Profit and Loss.

Depreciation on PPE is provided under Written Down Value method or Straight Line method, as appropriate, at the rates determined based on useful lives of the respective assets and residual values in accordance with Schedule II of the Companies Act, 2013.

The estimated useful life of the Property Plant and Equipment is given below:-

Asset Group	Useful life (in years)
Factory Building	30
Non-factory Building	60
Plant & Equipment	8-15
Electrical Installation	10
Furniture & Fixtures	10
Office Equipment and Vehicle	5-8
Computers	3

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### h) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

The Group has intangible assets with finite useful lives.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets (Computer Software) are amortised on a Written Down value method over a period of 5 years.

### i) Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

### j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Group as a lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

Operating lease payments as per terms of the agreement are recognised as an expense in the statement of profit and loss.

### l) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- (i) Raw materials, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.
- (iii) Traded goods: These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

### m) Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### n) Retirement and Other Employee Benefits

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 expenditure when an employee renders the related service.

The Group has no obligations other than the contribution payable to the respective funds.

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.

Short term compensated absences are provided for based on estimates.

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 does not have an unconditional right to defer the settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to the statement of profit or loss in subsequent periods.

### o) Foreign Currency Translation

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method. Transactions in foreign currencies are initially recorded in reporting currency by the Group at spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit and loss, respectively).

On consolidation of subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

### p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

##### (i) Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the asset is delivered to or by the Group which generally coincides with the trade date.

##### (ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (a) Debt Instruments at Amortised Cost
- (b) Equity instruments at fair value through profit or loss (FVTPL)

##### (a) Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### (b) Equity instruments at fair value through profit or loss (FVTPL)

All equity investments in scope of Ind AS 109 are measured at fair value except equity investments in subsidiaries which are measured at cost as per Ind AS 27. For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### (iii) De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when the rights to receive cash flows from the asset have expired.

### (iv) Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

## Financial Liabilities

### (i) Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### (ii) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### (iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### (iv) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Derivative Financial Instruments

#### Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments, such as forward contracts, interest rate swaps, etc. to hedge its foreign currency risks and interest rate risks and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### q) Fair Value Measurement

The Group measures financial instruments, such as, quoted investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### r) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### s) Cash Dividend to Equity Holders

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### t) Earning per Share

An earning per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### u) Segment Reporting

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

### v) Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

### w) 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. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

### x) Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

#### • Ind AS 7 - Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind AS's. The amendment will come into force from accounting period commencing on or after 1st April, 2017. The Company is in the process of assessing the possible impact of Ind AS 7: Statement of Cash Flows and will adopt the amendments on the required effective date.

## 2.3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

### (i) Judgements

The management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Liability towards decommissioning cost for land lease not recognized based on management's decision that the Company will leave the leased property in as if condition at the expiry of the term of lease. As per the terms of the agreement, in such case the Company is not obligated for any decommissioning or site restoration activity.

### (ii) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) Defined Benefit Plans

The cost of the employment benefits such as gratuity, leave and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of Government bonds.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 35.

### (b) Taxes

Deferred tax assets are recognised for unused tax credits (MAT Credit Entitlement) to the extent that it is probable that taxable profit will be available against which the losses and tax credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has ₹5,204.95 Lac (31st March, 2016: ₹5,076.90 Lac, 1st April, 2015: ₹4,439.14 Lac) of tax credits carried forward.

### (c) Expected Credit Loss Model

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 3. Property, Plant and Equipment

₹ in Lac

Cost or Deemed Cost	Freehold Land	Factory Buildings	Non-Factory Buildings on Freehold Land	Non-Factory Buildings on Leasehold Land	Storage Yard on Leasehold Land	Plant & Equipment	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles (a)	Total
At 1st April, 2015	2,616.96	4,675.24	2,977.41	512.43	2,241.43	7,370.52	735.25	462.88	235.64	226.77	1,025.18	23,079.71
Adjustments on account of transition to Ind AS	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	0.78	0.70	2.17	-	3.65
Additions	21.96	871.09	273.31	3.58	-	3,926.13	56.76	87.65	115.49	202.79	981.03	6,539.79
Foreign Currency Translation Adjustment	-	37.97	-	-	-	112.00	10.97	0.95	0.59	0.27	0.83	163.58
Disposals / deductions / adjustment	27.54	2.43	-	-	-	276.41	-	50.80	4.95	5.33	21.82	389.28
At 31st March, 2016	2,611.38	5,581.87	3,250.72	516.01	2,241.43	11,132.24	802.98	501.46	347.47	426.67	1,985.22	29,397.45
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Additions	299.53	1,361.57	608.20	12.21	156.83	8,308.25	418.68	124.83	122.46	81.51	268.49	11,762.56
Foreign Currency Translation Adjustment	-	(15.19)	-	-	-	(86.22)	(4.37)	(0.53)	(0.32)	(0.15)	(0.41)	(107.19)
Disposals / deductions / adjustment	17.87	-	-	-	-	70.92	8.71	120.85	12.60	13.46	22.84	267.25
Adjustment on cessation of subsidiaries	-	0.01	-	-	-	1.43	-	-	-	-	-	1.44
At 31st March, 2017	2,893.04	6,928.24	3,858.92	528.22	2,398.26	19,281.92	1,208.58	504.91	457.01	494.57	2,230.46	40,784.13
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
As at 1st April, 2015	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments on account of transition to Ind AS	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the Year	-	517.36	222.11	73.15	459.29	2,221.13	180.21	133.82	135.53	180.58	462.68	4,585.86
Foreign Currency Translation Adjustment	-	2.37	-	-	-	24.13	1.52	0.15	0.16	0.07	0.07	28.47
Disposals / deductions	-	0.22	-	-	-	3.20	-	13.60	1.18	1.10	3.29	22.59
At 31st March, 2016	-	519.51	222.11	73.15	459.29	2,242.06	181.73	120.37	134.51	179.55	459.46	4,591.74
Charge for the Year	-	519.50	230.25	63.49	470.49	3,495.55	188.03	108.85	117.32	153.12	520.09	5,866.69
Foreign Currency Translation Adjustment	-	(1.68)	-	-	-	8.67	(1.04)	(0.16)	(0.11)	(0.06)	(0.11)	5.51
Disposals / deductions	-	-	-	-	-	8.76	3.77	50.35	7.82	9.01	12.67	92.38
Adjustment on cessation of subsidiaries	-	0.01	-	-	-	0.06	-	-	-	-	-	0.07
As at 31st March, 2017	-	1,037.32	452.36	136.64	929.78	5,737.46	364.95	178.71	243.90	323.60	966.76	10,371.49
Carrying Values	-	-	-	-	-	-	-	-	-	-	-	-
At 1st April, 2015	2,616.96	4,675.24	2,977.41	512.43	2,241.43	7,370.52	735.25	462.88	235.64	226.77	1,025.18	23,079.71
As at 31st March, 2016	2,611.38	5,062.36	3,028.61	442.86	1,782.14	8,890.18	621.25	381.09	212.96	247.12	1,525.76	24,805.71
As at 31st March, 2017	2,893.04	5,890.92	3,406.56	391.58	1,468.48	13,544.46	843.63	326.20	213.11	170.97	1,263.69	30,412.64

#### Notes :

- Vehicles Includes taken on finance lease having written down Value ₹1,239.31 Lac (31.3.2016 ₹1,377.53 Lac, 1.4.2015 ₹862.83 Lac) [Refer Note 38(b)].
- For Property, plant and equipment existing as on April 1, 2015, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost. (Refer Note 34(E)/(ii) under Ind AS 101 Exemption Applied)
- Contractual commitments for acquisition of Property, Plant & Equipments is disclosed in Note 36(i)

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 4. Intangible Assets

₹ in Lac

Cost or Deemed Cost	Computer Software	Goodwill	Total
At 1st April, 2015	137.39	21.81	159.20
Acquisition of subsidiary	21.43	6.28	27.71
Addition	195.77	-	195.77
Written Off / Disposed	0.01	-	0.01
<b>At 31st March, 2016</b>	<b>354.58</b>	<b>28.09</b>	<b>382.67</b>
Acquisition of subsidiary	-	-	-
Addition	51.35	-	51.35
Foreign Currency Translation Adjustment	-	-	-
Written Off / Disposed	9.08	-	9.08
<b>As at 31st March, 2017</b>	<b>396.85</b>	<b>28.09</b>	<b>424.94</b>
Amortisation			
As at 1st April, 2015	-	-	-
Adjustments on account of transition to Ind AS	-	-	-
Charge for the Year	163.28	-	163.28
Foreign Currency Translation Adjustment	-	-	-
Written Off / Disposed	-	-	-
<b>At 31st March, 2016</b>	<b>163.28</b>	<b>-</b>	<b>163.28</b>
charge for the Year	87.01	-	87.01
Foreign Currency Translation Adjustment	-	-	-
Written Off / Disposed	8.55	-	8.55
<b>As at 31st March, 2017</b>	<b>241.74</b>	<b>-</b>	<b>241.74</b>
<b>Net Block</b>			
At 1st April, 2015	137.39	21.81	159.20
As at 31st March, 2016	191.30	28.09	219.39
As at 31st March, 2017	155.11	28.09	183.20

### 5A. Investment Property

₹ in Lac

Particulars	Amount
Opening balance at 1st April, 2015	609.42
Addition	-
Closing balance at 31st March, 2016	609.42
Addition	0.74
<b>Closing balance at 31st March, 2017</b>	<b>610.16</b>

These amounts are based on valuations performed by D. R. Bhaumik, an accredited independent valuer holding recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

₹ in Lac

Reconciliation of fair value:	Amount
Opening balance at 1st April, 2015	618.00
Fair value difference	-
<b>Closing balance at 31st March, 2016</b>	<b>618.00</b>
Fair value difference	-
Add:- Development cost	0.74
<b>Closing balance at 31st March, 2017</b>	<b>618.74</b>

Description of valuation techniques used and key inputs to valuation on investment properties:.

Valuation technique	Significant unobservable Inputs (Level 3)
Land & Building Method	Considering the shape, size, vista & position of the land & enclosed Govt Value, the present market value of the lands at its vicinity is assessed by extensive local enquiry

### 5B. Capital Expenditure on New / Expansion Projects

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>A. Property, Plant &amp; Equipments :</b>			
Balance Brought forward from previous year	6,073.18		
Freehold Land	768.68	1,941.88	-
Factory Building	134.70	50.29	-
Plant & Equipment	93.90	52.25	-
Electrical Installations	33.08	113.47	-
Furniture & Fixtures	20.88	-	-
Office Equipments	27.07	2.96	-
Vehicles	176.05	61.27	-
Computer Software	2.84	-	-
Computers	21.94	4.52	-
Less : Depreciation (Charged to Pre-Operative expenses)	(47.63)	(9.07)	-
<b>Property, Plant &amp; Equipments - Under Erection</b>			
Land & Site Development	0.76	-	-
Factory Building	3,009.53	152.01	-
Non-Factory Building	218.61	2.03	-
Plant & Equipment	14,411.40	3,606.88	-
Furniture & Fixtures	0.98	-	-
Electrical Installations	978.09	94.69	-
(I)	19,850.88	6,073.18	-
	25,924.06	6,073.18	-
Less: Transferred to Property, Plant & Equipments during the year	5,295.87	-	-
	<b>20,628.19</b>	<b>6,073.18</b>	<b>-</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 5B. Capital Expenditure on New / Expansion Projects (contd.)

₹ in Lac

	31st March, 2017		31st March, 2016		1st April, 2015	
<b>B. Incidental Expenditure pending allocation to Property, Plant &amp; Equipments :</b>						
Balance Brought forward from previous year		245.56				
Finance Cost	590.45		68.62			
Power and Fuel	111.07		44.95			
Rent	15.08		3.08			
Salary, Wages, Bonus, etc.	307.91		55.60			
Travelling & Conveyance	77.32		29.13			
Consultancy Charges	230.42		10.30			
Telephone & Internet	8.28		0.62			
Miscellaneous Expenses	2,366.80		24.19			
Depreciation Expense	47.63		9.07			
<b>(II)</b>		3,754.96	245.56			
		<b>4,000.52</b>	<b>245.56</b>			-
Less : Allocated to Property Plant & Equipments during the year		193.70	-			
		<b>3,806.82</b>	<b>245.56</b>			-
<b>Total I+II</b>		<b>24,435.01</b>	<b>6,318.74</b>			-

The capitalisation rate used for general borrowing during the year is 5.62% (for FY 2015-16 6.13 %)

### 6. Investments

₹ in Lac

	Face Value per share (₹)	No of Shares / Units @	31st March, 2017	31st March, 2016	1st April, 2015
<b>Non-Current Investments at fair value through profit or loss (FVTPL)</b>					
<b>Quoted Equity Instruments</b>					
<b>Investments in Others</b>					
Bharat Commerce & Industries Ltd.	10	- (19000)	-	0.73	0.73
Corporation Bank	2	- (3000)	-	-	1.64
Kitply Industries Ltd.	10	- (100)	-	-	-
Pidilite Industries Ltd.	1	- (2000)	-	-	12.00
Tech Mahindra Ltd.	5	- (44)	-	-	0.27
<b>Sub Total</b>			-	<b>0.73</b>	<b>14.64</b>
<b>Unquoted Equity Instruments</b>					
<b>(i) Investments in Associates (at cost)</b>					
Century Infotech Ltd.	10	(500000)	-	-	36.47
<b>Sub Total</b>			-	-	<b>36.47</b>
<b>(ii) Investments In Others (at FVTPL)</b>					
Manmao Plywood Pvt. Ltd.	100	(1000)	-	1.00	1.00
<b>Sub Total</b>			-	<b>1.00</b>	<b>1.00</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 6. Investments (contd.)

₹ in Lac

	Face Value per share (₹)	No of Shares / Units @	31st March, 2017	31st March, 2016	1st April, 2015
<b>Investment in government Securities (at amortised cost)</b>					
National Savings Certificate (VII Issue)*			0.05	0.05	0.05
<b>TOTAL</b>			<b>0.05</b>	<b>1.78</b>	<b>52.16</b>
<b>Current Investments</b>					
<b>Investments at fair value through profit or loss</b>					
Investments In Mutual Fund					
HDFC Cash Management Fund - Treasury Advantage Plan	31.5111	47602.273	-	15.11	-
			-	15.11	-
<b>6.1 Aggregate amount of quoted investment</b>			-	15.84	14.64
<b>6.2 Market value of quoted investment</b>			-	15.84	14.64
<b>6.3 Aggregate amount of unquoted investment</b>			0.05	1.05	37.52

\* Lodged with Government Departments as Security Deposit.

@ Figures in bracket represent previous year figures as at 1st April, 2015 & as at 31st March, 2016

### 7. Loans and Advances (At amortised cost)

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured considered good</b>						
Security Deposits	1,026.08	763.29	671.16	389.28	402.30	333.06
Loans:						
- To an Associate Company (refer Note 43(b))	-	-	-	-	-	30.00
- To a Body corporate	-	-	-	-	-	1,000.00
	<b>1,026.08</b>	<b>763.29</b>	<b>671.16</b>	<b>389.28</b>	<b>402.30</b>	<b>1,363.06</b>
Due from officers of the company	5.00	-	-	-	-	-

### 8. Other Financial Assets (At Amortised Cost)

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
<b>Unsecured considered good</b>						
Advances and other receivables	-	28.59	20.46	7,662.28	1,674.52	3,766.48
Interest accrued on Loans, Deposits etc.	-	-	-	-	1.32	0.08
Insurance Claim Receivable	-	-	-	-	2.13	21.59
	<b>-</b>	<b>28.59</b>	<b>20.46</b>	<b>7,662.28</b>	<b>1,677.97</b>	<b>3,788.15</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 9. Income Tax

₹ in Lac

	31st March, 2017	31st March, 2016
<b>Current income tax</b>	5,271.78	4,308.76
MAT credit entitlement	158.52	637.16
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	36.61	(634.01)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>5,466.91</b>	<b>4,311.91</b>
<b>OCI section</b>		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	105.28	96.06
<b>Income tax charged to OCI</b>	<b>105.28</b>	<b>96.06</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2016 and 31st March, 2017:

₹ in Lac

	31st March, 2017	31st March, 2016
Accounting profit before income tax	24,497.79	20,012.75
At India's statutory income tax rate of 34.61% (1st April, 2015: 34.61%)	8,478.69	6,926.41
<b>Income tax expense reported in the statement of profit and loss</b>	<b>5,149.87</b>	<b>3,037.59</b>

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Deferred Tax Assets</b>			
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	678.02	444.81	216.04
Plant Property and Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	740.03	718.56	354.88
Provision for doubtful debts and advances	263.91	356.30	217.39
	<b>1,681.96</b>	<b>1,519.67</b>	<b>788.31</b>
Minimum Alternate Tax Credit Entitlement *	5,204.95	5,076.90	4,439.14
	<b>6,886.91</b>	<b>6,596.57</b>	<b>5,227.45</b>
<b>Deferred Tax Liability</b>			
Plant Property and Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	138.01	65.80	76.62
	<b>138.01</b>	<b>65.80</b>	<b>76.62</b>
<b>Net Deferred Tax Asset</b>	<b>6,748.90</b>	<b>6,530.77</b>	<b>5,150.83</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 9. Income Tax (contd.)

₹ in Lac

	31st March, 2017	31st March, 2016
Deferred Tax Assets (Net) (Statement of Profit and Loss)		
a) Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	233.21	228.77
b) Plant Property and Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	21.47	363.68
c) Provision for doubtful debts and advances	(92.39)	138.91
d) Minimum Alternate Tax Credit Entitlement*	162.29	637.76
	<b>324.58</b>	<b>1,369.12</b>

\*The Company enjoys tax holiday benefit in respect of its certain units under section 80IA and 80IE of the Income Tax Act, 1961 (Act) and accordingly at present is paying Minimum Alternative Tax (MAT) under Section 115JB of the Act. Utilisation of such MAT credit would commence immediately upon completion of the Tax holiday period and the management is certain that there will be sufficient taxable profit to utilise the MAT credit recognised in the books of accounts.

The tax rate used for above is the corporate tax rate of 34.61% payable by corporate entities in India on taxable profits under Indian tax law.

### 10. Other Assets

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
Advance recoverable in cash or kind	-	-	-	728.17	2,796.70	35.91
Anti Dumping Duty Receivable (Refer Note 42)	-	-	-	176.66	176.66	176.66
Capital Advances Against Plant Property and Equipment	1,688.61	2,333.46	852.91	-	-	-
Deposits against Demand under Disputes	-	-	-	111.30	187.78	182.96
Balance with Statutory/Government Authorities	-	-	-	4,983.75	1,208.72	1,353.81
Central/State Government Subsidies Receivable	-	-	231.95	1,340.32	1,943.07	881.74
Prepaid Expenses	747.00	823.81	883.91	632.86	651.02	427.73
	<b>2,435.61</b>	<b>3,157.27</b>	<b>1,968.77</b>	<b>7,973.06</b>	<b>6,963.95</b>	<b>3,058.81</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 11. Inventories

₹ in Lac

	Notes	31st March, 2017	31st March, 2016	1st April, 2015
<b>(At Lower of Cost and Net Realisable Value)</b>				
Raw Materials	27	14,377.79	15,463.47	20,052.40
Work-in-Progress	28	2,544.48	2,897.00	3,040.00
Stock in Trade	28	3,837.31	4,296.54	2,326.86
Finished Goods	28	8,247.33	6,132.48	6,916.46
Stores & Spares Parts, etc.		1,055.57	960.18	885.47
<b>Total</b>		<b>30,062.48</b>	<b>29,749.67</b>	<b>33,221.19</b>
<b>Note:-</b>				
The above includes Stock-in-Transit				
Raw Materials		1,554.52	1,998.27	1,211.54
Stock in Trade		1,174.68	440.33	906.58
Finished Goods		-	152.35	76.83

Inventories are pledged against the cash credit limit obtained by the Company.

### 12. Trade Receivables

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Trade Receivables (Unsecured)</b>			
Considered Good	34,217.52	28,423.76	26,215.65
Considered Doubtful	762.58	843.89	602.81
	<b>34,980.10</b>	<b>29,267.66</b>	<b>26,818.46</b>
Less: Provision for doubtful trade receivables	762.58	843.89	602.81
<b>Total</b>	<b>34,217.52</b>	<b>28,423.76</b>	<b>26,215.65</b>
(Refer Note 43 for Related Party disclosure)			
Trade receivables are pledged against the cash credit limit obtained by the Company.			
Trade receivables are non-interest bearing and are generally on terms of 45 days.			
	<b>34,217.52</b>	<b>28,423.76</b>	<b>26,215.65</b>

No debts are due from directors or other officers of the company.



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 13. Cash and Bank Balances

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Cash and Cash Equivalents</b>			
Cash in hand	150.65	185.51	155.69
<b>Balances with Banks</b>			
On Current accounts	2,940.19	3,392.66	3,479.63
Deposits with Original Maturity of less than three months	3,068.62	2.08	5.11
Cheques / Drafts in hand	477.61	39.20	83.49
	<b>6,637.07</b>	<b>3,619.45</b>	<b>3,723.92</b>
<b>Bank Balances other than above</b>			
Margin Money Deposits with Original Maturity of more than 3 months but less than 12 months	63.74	243.88	2.66
Unpaid Dividend Account	21.40	22.61	14.94
	<b>85.14</b>	<b>266.49</b>	<b>17.60</b>
<b>Total</b>	<b>6,722.21</b>	<b>3,885.94</b>	<b>3,741.52</b>

### 14. Equity Share Capital

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Authorised</b>			
65,05,00,000 (65,05,00,000) Equity Shares of ₹1/- each	6,505.00	6,505.00	6,505.00
15,00,00,000 (15,00,000) Preference Shares of ₹10/- each	150.00	150.00	150.00
50,000 (50,000) Preference Shares of ₹100/- each	50.00	50.00	50.00
<b>Total</b>	<b>6,705.00</b>	<b>6,705.00</b>	<b>6,705.00</b>
<b>Issued</b>			
<b>Issued and fully paid equity shares of ₹1 each</b>			
At 1st April, 2015 (22,35,52,990 Equity Shares of ₹1/- each)	2,235.53	2,235.53	2,235.53
Changes during the period	-	-	-
At 31st March, 2016 (22,35,52,990 Equity Shares of ₹1/- each)	2,235.53	2,235.53	2,235.53
Changes during the period	-	-	-
At 31st March, 2017	2,235.53	2,235.53	2,235.53
<b>Total</b>	<b>2,235.53</b>	<b>2,235.53</b>	<b>2,235.53</b>
<b>Subscribed and Paid up</b>			
22,21,72,990 (31.3.2016 - 22,21,72,990, 1.4.2015 - 22,21,72,990) Equity Shares of ₹1/- each	2,221.73	2,221.73	2,221.73
Add: Amount received on forfeited shares(FY 2001-02)	3.54	3.54	3.54
<b>Total</b>	<b>2,225.27</b>	<b>2,225.27</b>	<b>2,225.27</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 14. Equity Share Capital (contd.)

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

Equity Shares	31st March, 2017		31st March, 2016		1st April, 2015	
	No of Shares	₹ in Lac	No of Shares	₹ in Lac	No of Shares	₹ in Lac
At the Beginning of the year	22,21,72,990	2,221.73	22,21,72,990	2,221.73	22,21,72,990	2,221.73
Issued during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>22,21,72,990</b>	<b>2,221.73</b>

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 dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in case of interim dividend.

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 in proportion to their shareholdings.

c) The Company does not have any Holding/ Ultimate Holding Company. As such, no shares are held by them or their Subsidiaries/ Associates.

d) Details of Shareholders holding more than 5% shares in the Company

	31st March, 2017		31st March, 2016		1st April, 2015	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Sri Sajjan Bhajanka	2,52,32,954	11.36%	2,63,57,954	11.86%	2,63,57,954	11.86%
Sri Sanjay Agarwal	2,42,00,124	10.89%	2,53,25,124	11.40%	2,53,25,124	11.40%
Smt. Divya Agarwal	1,67,49,750	7.54%	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%	1,56,49,500	7.04%
Sri Vishnu Khemani	1,26,07,857	5.67%	1,26,07,857	5.67%	1,26,07,857	5.67%

As per records of the Company, including its register of members as at 31st March, 2017, the above shareholding represents legal ownerships of shares.

e) There are NIL (Previous year NIL) shares reserved for issue under option and contracts/commitment for the sale of shares/ disinvestment.

f) During the period of five years immediately preceding the reporting date:

- i. No shares were issued for consideration other than cash
- ii. No bonus shares were issued
- iii. No shares were bought back

g) There are NIL (Previous year NIL) securities convertible into Equity/ Preference Shares.

h) There are NIL (Previous year NIL) calls unpaid including calls unpaid by Directors and Officers as on the balance sheet date.

i) No shares were forfeited during the year or during the previous year. 138000 equity shares of ₹10/-each (post split 1380000 equity shares of ₹1 each) on which ₹3.54 Lac had been paid up, were forfeited in the year 2001-2002

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 15. Other Equity

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Capital Reserve	55.51	2.88	-
Amalgamation Reserve	317.40	317.40	317.40
Securities Premium Reserve	1,892.77	1,892.77	1,892.77
Foreign Currency Translation Reserve	363.81	556.89	275.56
General Reserve	990.19	990.19	990.19
Capital Redemption Reserve	50.00	50.00	50.00
<b>Retained Earnings</b>			
<b>Balance at the beginning of the year</b>	46,848.20	36,157.14	36,157.14
Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)	(243.47)	(186.55)	-
Add: Profit for the year	19,046.06	16,894.34	-
<b>Less: Appropriations</b>			
Payment of Final Dividend for the year 2014-15 (refer note 50)	-	2,777.16	-
Tax on final dividend for the year 2014-15	-	565.46	-
Interim Equity Dividend ₹1 (₹0.75) per share (refer note 50)	-	2,221.73	-
Tax on Interim Equity Dividend	-	452.29	-
Tax on Proposed Equity Dividend written back	-	0.09	-
Less : Adjustment on cession of subsidiaries	55.02	-	-
Total Appropriations	55.02	6,016.73	-
<b>Balance at the end of the year</b>	<b>65,595.77</b>	<b>46,848.20</b>	<b>36,157.14</b>
<b>Total</b>	<b>69,265.45</b>	<b>50,658.34</b>	<b>39,683.06</b>

**Amalgamation Reserve:-** This reserve was created on amalgamation of Shyam Century Ferrous Limited with the company during the financial year 2005-2006.

**Securities Premium Reserve:-** This reserve had been created on issue of shares by way of public issue and right issue.

**Foreign Currency Translation Reserve:-** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognized directly in the other comprehensive income and accumulated in foreign currency translation reserve.

**General Reserve:-** General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purpose. General reserve is created by a transfer from one component to equity to another and is not an item of other comprehensive income.

**Capital Redemption Reserve:-** This reserve was created for redemption of preference shares by company in FY 2012-2013.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 16. Borrowings (At Amortised Cost)

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
<b>Term Loans (Secured)</b>						
Indian Rupee Loan from Banks	6,315.30	1,682.49	3,925.39	1,945.73	2,242.93	2,341.03
Foreign Currency Loan from Banks	7,873.83	3,860.99	3,567.63	1,892.71	2,229.01	2,018.53
<b>Other Loans and Advances (Secured)</b>						
Financial Lease obligations :-						
- From banks	469.45	802.13	532.20	639.18	500.71	182.28
- From Bodies Corporate	16.28	50.87	107.63	34.61	56.62	51.39
	<b>14,674.86</b>	<b>6,396.48</b>	<b>8,132.85</b>	<b>4,512.23</b>	<b>5,029.27</b>	<b>4,593.23</b>
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 7)	-	-	-	(4,512.23)	(5,029.27)	(4,593.23)
<b>Total</b>	<b>14,674.86</b>	<b>6,396.48</b>	<b>8,132.85</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Notes:-

- Term Loan of ₹1,680.49 Lac (31st March, 2016: ₹3,925.42 Lac, 1st April, 2015: ₹6,163.62 Lac) from a bank carries interest @ MCLR plus 0.50 % p.a. presently 9.60%p.a (31st March, 2016: 9.80% p.a., 1st April, 2015: 10.50% p.a.). The loan is repayable in 3 equal quarterly instalments of ₹562.50 Lac each by 31st December, 2017 and is secured by first charge over all fixed assets of plywood units at Mirza, Assam ; Bishnupur, West Bengal; Taraori, Haryana; and Chinnappolapuram, Gummidipoondi, Tamil Nadu ; and by way of a second charge on entire current assets (both present and future) of the Plywood Divisions of the Company. The above loan is further secured by personal guarantees of three directors of the Company.
- Foreign currency term loan of ₹ NIL (31st March, 2016: ₹1,591.92 Lac, 1st April, 2015: ₹3,004.32 Lac) carries interest (31st March, 2016: 4.07% p.a., 1st April, 2015: 4.07% p.a.) .The loan has been fully repaid during the year.
- Foreign currency term loan of ₹1,604.79 Lac (31st March, 2016, 2,188.89 Lac, 1st April, 2015, 2,581.84 Lac carries interest @6 months LIBOR + 2.00% (31st March, 2016 2.00% p.a., 1st April, 2015 3.50%p.a) p.a. The loan is repayable in 12 equal quarterly instalments by 31st March, 2020 and is secured /to be secured by first charge on all the Plant Property and Equipment pertaining to the Plywood Unit at Bhachau, Gujarat and second charge on all the current assets of the Plywood Divisions of the company on pari passu basis with other term lenders.
- Foreign currency term loan of ₹3,503.36 Lac (31st March, 2016: ₹2,309.19 Lac, 1st April, 2015: ₹ NIL) carries interest @ 6 months LIBOR + 2.00 % p.a. The loan is repayable in 25 equal quarterly instalments commencing from 31st March,2017 by 31st March, 2023 and is secured/to be secured by first charge on all the fixed assets pertaining to the Particle Board Unit at village Chinnappolapuram, Gummidipoondi, Tamil Nadu and by second charge on all the current assets of the Plywood Divisions of the Company on pari passu basis with other term lenders.
- Foreign currency term loan of ₹4,658.39 Lac (31st March, 2016: ₹ NIL, 1st April, 2015: ₹ NIL) carries interest @ 6 months LIBOR + 2.00 % p.a. (31st March, 2016: 2.00% p.a.) The Loan is repayable in 25 equal quarterly instalments commencing from 31st March, 2017 by 31st March, 2023 and is secured by 1st charge on proposed Corporate House at Taratalla, Kolkata, West Bengal and by 2nd charge on all the current assets of the plywood division of the Company on pari passu basis with other term lenders.
- Term loan of ₹6,580.53 Lac (31st March, 2016: ₹ NIL, 1st April, 2015: ₹ NIL) carries interest @MCLR presently 8.30% p.a. The Loan is repayable in 24 equal quarterly instalments commencing from 31st March, 2018 by 31st December 2023 and is secured/to be secured by 1st charge overall fixed assets of MDF Unit at Hoshiarpur, Punjab and by 2nd charge on all the current assets of the said unit.
- Finance lease obligations are secured by hypothecation of the assets purchased there against and carrying interest between 9.64% p.a. to 11.% p.a. (31st March, 2016: 9.64% to 11.25% p.a., 1st April, 2015: 9.64% to 11.25% p.a.).

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 17. Other Financial Liabilities

₹ in Lac

	Non Current			Current		
	31st March, 2017	31st March, 2016	1st April, 2015	31st March, 2017	31st March, 2016	1st April, 2015
Trade Deposits	9.00	12.50	25.50	707.28	464.48	255.92
Amount disclosed under the head Other Financial Liabilities	-			(707.28)	(464.48)	(255.92)
<b>Total</b>	<b>9.00</b>	<b>12.50</b>	<b>25.50</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 18. Other Non Current Liabilities

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Deferred Revenue</b>			
At the beginning of the year	56.90	71.36	71.36
Released to the statement of profit and loss	3.99	14.46	-
At the end of the year	<b>52.91</b>	<b>56.90</b>	<b>71.36</b>
Current (Amount Disclosed under the head Other Current Liabilities refer Note 22)	14.44	14.44	14.44
Non-current	52.91	56.90	71.36

### 19. Short Term Borrowings (At Amortised Cost)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Loans repayable on demand</b>			
Cash Credit from banks (Secured)	8,707.22	14,341.97	17,251.08
Others			
- From Bodies Corporate (Unsecured)	500.00	-	-
<b>Other Loans and advances (Secured)</b>			
Short Term Loan from Bank	921.28	3,000.00	6,000.00
Buyers Credit from banks			
- For Capital Expenditure	9,236.88	1,943.85	877.65
- For Raw Materials	14,090.23	16,248.08	14,503.48
Commercial Paper (Unsecured)	5,000.00	-	-
Packing Credit (Unsecured)	3,500.00	-	-
<b>Total</b>	<b>41,955.61</b>	<b>35,533.90</b>	<b>38,632.21</b>

#### Notes:-

- Cash Credit, Short Term Loan and Buyer's Credit from banks amounting to ₹32,955.18 Lac (31.3.2016 ₹35,533.9 Lac, 1.4.15 ₹38,632.21 Lac) 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 Plant Property and Equipment of the plywood units at Mirza, Assam; Bishnupur, West Bengal; Taraori, Haryana; Chinnapploapuram, Gummidipoondi, Tamil Nadu and Bhachau, Gujarat. The cash credits, short term loan and buyer's credits are also secured by personal guarantees of three directors of the Company.
- The cash credit is repayable on demand and carries interest @ 9.85% to 12.00% (31.3.2016 9.85% to 10.95% 1.4.2015 11% to 11.50%) p.a.
- Buyers credit carries interest @ LIBOR plus 0.34% (2015-16 0.34%, 1.4.2015 0.34%) to 1.20% (2015-16 1.20%, 1.4.2015 1.25%) and is repayable in 90-180 days.
- Rate of Interest for Body Corporate Loan is 9.25% p.a.
- Rate of Interest for Commercial Paper is 6.75% p.a.
- Rate of Interest for Packing Credit is 6.00% to 6.05% p.a.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 20. Trade Payables (At Amortised Cost)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
- Dues to Micro and Small Enterprises (Refer Note 37)	138.76	50.18	3.23
- Dues to Others	13,959.43	8,590.57	6,170.68
	<b>14,098.19</b>	<b>8,640.75</b>	<b>6,173.91</b>

### 21. Other Financial Liabilities (At amortised cost)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Current Maturities of Long Term Debts (Refer Note 16)	3,838.44	4,471.94	4,359.56
Current Maturities of Finance Lease Obligation (Refer Note 16)	673.79	557.33	233.67
Trade Deposits	2.10	-	-
Interest accrued but not due on Borrowings	133.25	133.47	153.68
Unpaid Dividend (To be deposited in Investor Education and Protection Fund as and when due)	21.40	22.61	14.94
Capital Creditors	101.84	71.07	54.11
Liability on Interest Rate Swap (At FVTPL)	-	7.59	33.87
Current Maturities of Other Long Term Liabilities	707.28	464.48	255.92
Employee Related Liabilities	3,633.69	2,991.31	2,295.33
	<b>9,111.79</b>	<b>8,719.80</b>	<b>7,401.08</b>

### 22. Other Current Liabilities

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Advances from Customers	642.12	668.35	659.42
Statutory Dues Payable*	3,230.96	2,711.98	1,849.48
Deferred Revenue (Refer Note 18)	14.44	14.44	14.44
	<b>3,887.52</b>	<b>3,394.77</b>	<b>2,523.34</b>

\* Includes ₹1323.21 Lac (₹1,003.08 Lac as at 31.3.2016, as at 1.4.2015 ₹716.56 Lac) net of payments pertaining to Entry tax on entry of certain goods into a local area of the state of West Bengal. The Company has challenged the legal validity of levy of the entry tax in the Hon'ble Calcutta High court.

### 23. Provisions

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Employee Benefits			
Gratuity	646.96	351.16	64.05
Leave Encashment	505.75	326.63	258.57
	<b>1,152.71</b>	<b>677.79</b>	<b>322.62</b>

### 24. Current Tax Liabilities (net)

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
Provision for Taxation (Net of Advance Tax)	718.79	234.22	600.39
	<b>718.79</b>	<b>234.22</b>	<b>600.39</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 25. Revenue from Operations

	H in Lac	
	2016-2017	2015-2016
<b>Revenue from Operations</b>		
Sale of Products	1,86,242.67	1,67,831.69
Income from Services	8,978.21	8,374.95
<b>Other Operating revenue</b>		
Scrap Sales	123.58	316.24
Export Incentives	470.41	589.26
Sales Tax Subsidy	261.84	304.73
Miscellaneous Income	109.52	128.73
<b>Revenue from Operations (Gross)</b>	<b>1,96,186.23</b>	<b>1,77,545.60</b>

	H in Lac	
	2016-2017	2015-2016
<b>Details of Products Sold</b>		
Plywood & Block Board	1,15,477.61	1,08,916.89
Laminates	36,801.77	32,543.38
Pre-Laminated Particle Boards	3,710.94	3,289.56
Veneer	23,944.28	16,879.42
Particle Board	1,854.21	-
Medium Density Fibre Board	336.51	855.70
Agri Products	528.86	683.69
Phenol	1,382.03	1,138.01
Furniture	469.37	1,382.44
Others	1,737.09	2,142.60
	<b>1,86,242.67</b>	<b>1,67,831.69</b>
<b>Details of Income from Services</b>		
Container Freight Station Services	8,761.18	8,373.23
Other Services	217.03	1.72
	<b>8,978.21</b>	<b>8,374.95</b>

### 26. Other Income

	H in Lac	
	2016-2017	2015-2016
Interest Income from financial assets at amortised cost	11.94	60.39
Dividend Income on Investments carried at FVTPL	-	0.11
Provision for Doubtful Debts Written Back	106.92	-
Insurance and Other Claims	63.35	55.29
Unspent/Unclaimed liabilities written back	0.32	17.15
Profit on Plant Property and Equipment Sold /Discarded	59.84	-
Bad Debts Recovered	0.90	1.34
Foreign Exchange Fluctuations (Net)	2,008.76	465.47
Net gain on sale of Investments carried at FVTPL	0.98	0.11
Miscellaneous Receipts	2.24	0.02
<b>Total</b>	<b>2,255.25</b>	<b>599.88</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 27. Cost of Materials Consumed

₹ in Lac

	2016-2017	2015-2016
Inventories at the beginning of the year	15,463.47	20,052.40
Add : Purchases	69,287.40	63,962.59
	84,750.87	84,014.99
Less : Inventories at the end of the year	14,377.79	15,463.47
<b>Cost of Materials Consumed</b>	<b>70,373.08</b>	<b>68,551.52</b>
<b>Details of Material Consumed</b>		
Timber Logs	11,787.32	30,865.53
Veneer	32,436.69	14,625.08
Chemicals	11,223.47	10,530.41
Paper	12,498.69	10,809.52
Waste Wood	542.45	-
Particle Board	1,884.46	1,720.98
	<b>70,373.08</b>	<b>68,551.52</b>
<b>Details of Closing Stock of Materials</b>		
Timber Logs	2,846.12	5,192.77
Veneer	6,959.90	6,098.58
Chemicals	1,065.53	801.82
Paper	3,005.65	3,130.93
Particle Board	500.59	239.37
	<b>14,377.79</b>	<b>15,463.47</b>

### 28. Purchase of Stock-in-Trade and Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Lac

	2016-2017	2015-2016
Inventories at the beginning of the year		
Stock in Trade	4,296.54	2,326.86
Finished Goods	6,132.48	6,916.46
Work-in-Progress	2,897.00	3,040.00
	<b>13,326.02</b>	<b>12,283.32</b>
Inventories at the end of the year		
Stock in Trade	3,837.31	4,296.54
Finished Goods	8,247.33	6,132.48
Work-in-Progress	2,544.48	2,897.00
	<b>14,629.12</b>	<b>13,326.02</b>
<b>Total</b>	<b>(1,303.10)</b>	<b>(1,042.70)</b>
<b>Details of Purchase of Stock in Trade</b>		
Plywood and Block Boards	7,692.61	3,940.02
Veneer	9,087.99	4,910.68
Medium Density Fibre Board / Plain Particle Boards	80.50	534.77
Chemicals	522.45	654.82
Pest Control Kits	15.61	72.38
Phenol	1,354.22	1,115.37
Furniture	148.40	661.66
Others	1,536.88	2,516.26
	<b>20,438.66</b>	<b>14,405.96</b>



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 28. Purchase of Stock-in-Trade and Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (contd.)

₹ in Lac

	2016-2017	2015-2016
<b>Details of Inventories at the year end</b>		
<b>Stock in Trade</b>		
Plywood and Block Board	1,100.97	782.51
Medium Density Fibre Board / Plain Particle Boards	71.05	223.09
Chemicals	89.14	118.25
Pest Control Kits	60.96	94.13
Furniture	-	373.62
Veneer	2,118.69	2,427.89
Others	396.50	277.05
	<b>3,837.31</b>	<b>4,296.54</b>
<b>Finished Goods at the year end</b>		
Plywood and Block Board	2,741.18	2,650.78
Laminates	2,327.01	2,192.00
Pre-Laminated Particle Boards	24.85	12.85
Particle Board	1.34	1,276.85
Veneer	3,152.95	-
	<b>8,247.33</b>	<b>6,132.48</b>
<b>Work-in-Progress at the year end</b>		
Plywood and Block Board	1,600.60	2,234.59
Laminates	940.03	659.44
Pre-Laminated Particle Boards	3.85	2.97
	<b>2,544.48</b>	<b>2,897.00</b>

### 29. Employee Benefits Expense

₹ in Lac

	2016-2017	2015-2016
Salaries, Wages, Bonus etc.	25,091.38	21,651.87
Contribution to Provident, Gratuity and other Funds	1,649.60	1,380.95
Employees Welfare Expenses	559.60	589.97
<b>Total</b>	<b>27,300.58</b>	<b>23,622.79</b>

### 30. Finance Cost

₹ in Lac

	2016-2017	2015-2016
Interest Expenses	2,505.58	2,702.43
Exchange difference to the extent considered as an adjustment to borrowing costs	193.02	1,779.07
Other Borrowing cost	322.85	306.61
<b>Total</b>	<b>3,021.45</b>	<b>4,788.11</b>

### 31. Depreciation and Amortisation Expense

₹ in Lac

	2016-2017	2015-2016
Depreciation on Tangible Assets (Refer Note 3)	5,866.69	4,585.86
Amortisation of Intangible Assets (Refer Note 4)	87.01	163.29
	5,953.70	4,749.15
Less: Transferred to Capital Work in Progress	19.75	3.31
<b>Total</b>	<b>5,933.95</b>	<b>4,745.84</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 32. Excise Duty

₹ in Lac

	2016-2017	2015-2016
Excise Duty on sales	14,313.15	13,452.48
	<b>14,313.15</b>	<b>13,452.48</b>

#### Notes:

(a) Excise duty debited to Statement of Profit and Loss is net of subsidy of ₹1,743.27 Lac (₹1,327.40 Lac).

### 33. Other Expenses

₹ in Lac

	2016-2017	2015-2016
Stores & Spare parts consumed	2,127.80	1,960.77
Power and Fuel	4,267.92	3,449.25
(Increase)/decrease of excise duty on inventory	41.54	(140.91)
Insurance	280.05	270.52
Rent	1,910.26	1,725.33
Rates & Taxes	261.76	132.18
Repairs & Maintenance		
-Property	144.63	156.11
-Plant and Equipment	745.49	741.52
-Others	563.36	711.94
Transport & Freight	7,202.42	6,447.21
Commission on Sales	1,189.59	1,159.28
Advertisement, Publicity and Sales Promotion	7,598.43	6,290.92
Communication Expenses	389.01	386.55
Directors' Sitting Fees and Commission	29.85	20.25
Auditors' Remuneration	40.42	34.66
Corporate Social Responsibility Activities (Refer Note 41)	310.46	215.86
Charity and Donations	580.80	61.13
Octroi	367.02	376.56
Loss on sale of Subsidiary	55.47	-
Foreign Exchange Fluctuations (Net)	50.45	-
Loss on Plant Property and Equipment Sold /Discarded	-	16.59
Loss on sale of investments carried at FVTPL	-	0.51
Irrecoverable Debts, Advances written off	9.45	131.83
Provision for Doubtful Debts	-	275.83
Miscellaneous Expenses	5,699.74	5,184.85
<b>Total</b>	<b>33,865.92</b>	<b>29,608.73</b>
<b>Payment to Auditors</b>		
As Auditor		
Audit Fees	26.66	23.16
For Other Services	12.86	11.33
Reimbursement of Expenses	0.90	0.17
	<b>40.42</b>	<b>34.66</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS

#### A) Effect of Ind AS adoption on the Balance Sheet as on 31st March, 2016 and 1st April, 2015

₹ in Lac

Particulars	Footnote Reference	31st March, 2016 (End of Last Period presented under previous GAAP)			1st April, 2015 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	31st March, 2016	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	d(ii)	25,437.04	(631.33)	24,805.71	23,790.27	(710.56)	23,079.71
Capital work-in-progress	d(ii)	3,922.56	(38.94)	3,883.62	3,286.47	(43.09)	3,243.38
Investment Property		609.42	-	609.42	609.42	-	609.42
Goodwill		28.09	-	28.09	21.81	-	21.81
Intangible assets		191.28	0.02	191.30	137.39	-	137.39
Intangible assets under development		15.52	-	15.52	-	-	-
Expenditure on New/Expansion Projects		6,318.74	-	6,318.74	-	-	-
<b>Financial assets</b>							
Investments	a	1.80	(0.02)	1.78	39.12	13.04	52.16
Loans	f	1,027.82	(264.53)	763.29	935.42	(264.26)	671.16
Other non-current financial assets		28.59	-	28.59	20.46	-	20.46
Deferred tax assets (net)	b,d(vii)	1,370.22	5,226.35	6,596.57	739.75	4,487.70	5,227.45
Other non-current assets	d(i),d(ii),d(vii)	7,416.81	(4,259.54)	3,157.27	5,490.37	(3,521.60)	1,968.77
		<b>46,367.89</b>	<b>32.01</b>	<b>46,399.90</b>	<b>35,070.48</b>	<b>(38.77)</b>	<b>35,031.71</b>
<b>Current assets</b>							
Inventories		29,749.67	-	29,749.67	33,221.19	-	33,221.19
<b>Financial assets</b>							
Investments	a	15.00	0.11	15.11	-	-	-
Trade receivable	g	28,725.70	(301.94)	28,423.76	26,457.80	(242.15)	26,215.65
Cash and cash equivalents	d(iv)	3,885.94	(266.49)	3,619.45	3,741.52	(17.60)	3,723.92
Other Bank Balances	d(iv)	-	266.49	266.49	-	17.60	17.60
Loans	f	434.01	(31.71)	402.30	1,363.06	-	1,363.06
Other current financial assets		1,863.60	(185.63)	1,677.97	3,939.03	(150.88)	3,788.15
Other current assets	d(ii),f	6,882.96	80.99	6,963.95	2,959.35	99.46	3,058.81
		<b>71,556.88</b>	<b>(438.18)</b>	<b>71,118.70</b>	<b>71,681.95</b>	<b>(293.57)</b>	<b>71,388.38</b>
<b>Total assets</b>		<b>1,17,924.77</b>	<b>(406.17)</b>	<b>1,17,518.60</b>	<b>1,06,752.43</b>	<b>(332.34)</b>	<b>1,06,420.09</b>
<b>Equity and Liabilities</b>							
<b>Equity</b>							
Equity Share capital		2,225.27	-	2,225.27	2,225.27	-	2,225.27
Other Equity	a,b,c,d,e,f,g,h,i	51,040.95	(382.61)	50,658.34	36,713.24	2,969.82	39,683.06
<b>Total equity</b>		<b>53,266.22</b>	<b>(382.61)</b>	<b>52,883.61</b>	<b>38,938.51</b>	<b>2,969.82</b>	<b>41,908.33</b>
Non Controlling Interest		902.08	-	902.08	551.88	-	551.88
<b>Total Equity</b>		<b>54,168.30</b>	<b>(382.61)</b>	<b>53,785.69</b>	<b>39,490.39</b>	<b>2,969.82</b>	<b>42,460.21</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings	e	6,407.86	(11.38)	6,396.48	8,141.96	(9.11)	8,132.85
Other non-current financial liabilities	d(vi)	470.98	(458.48)	12.50	281.42	(255.92)	25.50
Deferred revenue	h	-	56.90	56.90	-	71.36	71.36

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

#### A) Effect of Ind AS adoption on the Balance Sheet as on 31st March, 2016 and 1st April, 2015

₹ in Lac

Particulars	Footnote Reference	31st March, 2016 (End of Last Period presented under previous GAAP)			1st April, 2015 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	31st March, 2016	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
Deferred tax liability (net)		65.80	-	65.80	76.62	-	76.62
		<b>6,944.64</b>	<b>(412.96)</b>	<b>6,531.68</b>	<b>8,500.00</b>	<b>(193.67)</b>	<b>8,306.33</b>
<b>Current liabilities</b>							
Financial liabilities							
Borrowings		35,533.90	-	35,533.90	38,632.21	-	38,632.21
Trade payables							
• Dues to micro enterprises and small enterprises		50.19	(0.01)	50.18	3.23	-	3.23
• Dues to creditors other than micro enterprises and small enterprises	f	8,637.98	(47.41)	8,590.57	6,211.95	(41.27)	6,170.68
Other current financial liabilities	d(vi)	8,263.79	456.01	8,719.80	7,123.01	278.07	7,401.08
Other current liabilities		3,380.32	14.45	3,394.77	2,508.90	14.44	2,523.34
Provisions	c	677.79	-	677.79	3,665.24	(3,342.62)	322.62
Current tax liabilities		267.86	(33.64)	234.22	617.50	(17.11)	600.39
Deferred revenue	h	-	-	-	-	-	-
		<b>56,811.83</b>	<b>389.40</b>	<b>57,201.23</b>	<b>58,762.04</b>	<b>(3,108.49)</b>	<b>55,653.55</b>
<b>Total liabilities</b>		<b>63,756.47</b>	<b>(23.56)</b>	<b>63,732.91</b>	<b>67,262.04</b>	<b>(3,302.16)</b>	<b>63,959.88</b>
<b>Total equity and liabilities</b>		<b>1,17,924.77</b>	<b>(406.17)</b>	<b>1,17,518.60</b>	<b>1,06,752.43</b>	<b>(332.34)</b>	<b>1,06,420.09</b>

#### B) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

₹ in Lac

Particulars	Footnote Reference	Previous GAAP	Effect of Transition to Ind AS	2015-16
<b>Income</b>				
Revenue from Operations	d(v)	1,66,369.92	11,175.68	1,77,545.60
Other Income		577.51	22.37	599.88
<b>Total Income</b>		<b>1,66,947.43</b>	<b>11,198.05</b>	<b>1,78,145.48</b>
<b>Expenses</b>				
Cost of Materials Consumed		68,551.52	-	68,551.52
Purchase of Stock-in-Trade		14,405.96	-	14,405.96
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		(1,042.70)	-	(1,042.70)
Employee Benefits Expense	i	23,905.40	(282.61)	23,622.79
Depreciation and Amortisation Expense	d(ii)	4,836.92	(91.08)	4,745.84
Finance Cost	e	4,814.94	(26.83)	4,788.11
Excise duty on sale of goods		-	13,452.48	13,452.48
Other Expenses	d(v),f	31,668.53	(2,059.80)	29,608.73
<b>Total Expenses</b>		<b>1,47,140.57</b>	<b>10,992.16</b>	<b>1,58,132.73</b>
<b>Profit before Taxation (I-II)</b>		<b>19,806.86</b>	<b>205.89</b>	<b>20,012.75</b>
<b>Tax Expenses</b>				
Current Tax		4,308.76	-	4,308.76

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

#### B) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

₹ in Lac

Particulars	Footnote Reference	Previous GAAP	Effect of Transition to Ind AS	2015-16
Less: MAT credit entitlement		643.70	(6.54)	637.16
(Add) / Less: MAT credit entitlement / (reversal) in respect of earlier years		(6.54)	6.54	-
Net Current Tax Expense		3,671.60	-	3,671.60
Deferred Tax	b	(665.65)	31.64	(634.01)
<b>Total Tax Expenses</b>		<b>3,005.95</b>	<b>31.64</b>	<b>3,037.59</b>
<b>Profit for the year before minority interest</b>		<b>16,800.91</b>	<b>174.25</b>	<b>16,975.16</b>
Non Controlling Interest		80.82	-	80.82
<b>Profit for the Year</b>		<b>16,720.09</b>	<b>174.26</b>	<b>16,894.34</b>
<b>Other Comprehensive Income</b>				
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>				
Re-Measurement gains / (losses) on defined benefit plans	d(iii)	-	(282.61)	(282.61)
Income tax effect		-	96.06	96.06
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>(186.55)</b>	<b>(186.55)</b>
<b>Total Comprehensive Income for the year</b>		<b>16,720.09</b>	<b>(12.30)</b>	<b>16,707.79</b>

#### C) Reconciliation of Total Equity as on 31st March, 2016 and 1st April, 2015

₹ in Lac

Particulars	Footnote Reference	31st March, 2016 (End of Last Period presented under previous GAAP)	1st April, 2015 (Date of Transition)
Total Equity (Shareholders' funds) under Indian GAAP		54,168.30	39,490.39
Gain / (Loss) on fair valuation of Investments	a	0.09	12.98
Provision for expected credit loss	g	(487.57)	(393.03)
Adjustment for Asset related from Government Grants	i	(41.36)	(55.81)
Other Adjustments	c,d(ii),e,f	(3.21)	3320.75
Tax Impact of Ind AS adjustments	b	149.44	84.94
<b>Total Adjustment to Equity</b>		<b>(382.61)</b>	<b>2,969.83</b>
<b>Total Equity under Ind AS</b>		<b>53,785.69</b>	<b>42,460.22</b>

#### D) Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2016

₹ in Lac

Particulars	Footnote Reference	Previous GAAP	Effect of Transition to Ind AS	2015-16
Net cash flows from operating activities		29,284.57	-	29,284.57
Net cash flows from investing activities		(13,889.07)	-	(13,889.07)
Net cash flows from financing activities		(15,251.08)	-	(15,251.08)
Net Increase in Cash and Cash Equivalents		144.42	-	144.42
Cash & Cash Equivalents - Opening Balance		3,741.52	-	3,741.52
Cash & Cash Equivalents - Closing Balance		3,885.94	-	3,885.94

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

#### E) Footnotes to the above reconciliation

##### a. Investments at Fair Value (FVTPL financial assets)

Under Indian GAAP, the Group accounted for investments in unquoted and quoted equity shares and mutual funds as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS and as on 31st March, 2016, difference between the instrument's fair value and Indian GAAP carrying amount has been recognised in the Retained earning and Statement of Profit and Loss net of related deferred taxes.

##### b. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

##### c. Dividend

Under Indian GAAP, proposed dividends including Dividend Distribution Taxes (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In case of the Group, the declaration of dividend occurs after period end. Therefore, the liability recorded for dividend has been derecognised against retained earnings on 1st April, 2015 and recognised in the year ended 31st March, 2016.

##### d. Re-Classifications

The Group has done the following reclassifications as per the requirements of Ind AS:

- i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- ii) The Group has re-classified leasehold land in JJP and Sonai from Property Plant & Equipment to prepayments and leasehold land in Taratala transferred from Capital work in progress to prepayments.
- iii) Re-Measurement gain /loss on employee defined benefit plans are re-classified from statement of profit and loss to OCI.
- iv) The Group has re-classified unpaid dividend balance from cash and cash equivalents to other bank balances.
- v) Excise duty on sales was earlier netted off with Sales, has now been re-classified to other expenses.
- vi) Trade deposits where there is no unconditional right to defer the payment has been disclosed under current financial liability.
- vii) MAT credit entitlement has been transferred to deferred tax asset.

##### e. Long Term Borrowings

Under Indian GAAP, the Group accounted for long term borrowings measured at transaction value. Under Ind AS, the Company has to recognise the long term borrowings at amortised cost using effective interest.

##### f. Leases

Under Ind AS, where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, straight lining of lease is not required. The same was required under AS-19.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 34. First Time Adoption of Ind AS (contd.)

Group has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

#### g. Expected Credit Loss Model

Ind AS 109 requires to recognise loss allowances on trade receivable and other financial assets of the Group, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

#### h. Deferred Revenue

Under Indian GAAP, the Group credited capital investment subsidy in capital reserve. Under Ind AS, the Group has to recognise the capital subsidy as deferred revenue.

#### i. Other Comprehensive Income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

#### j. Ind AS 101 Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Exemptions applied by Company are detailed here under:

- (i) The Company has applied exemptions for Ind AS 103 Business Combinations and consequently none of the business combinations prior to date of transition i.e. 1st April, 2015 has been reinstated.
- (ii) With regard to Property Plant and Equipment the Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements as deemed cost at the transition date, viz., 1st April, 2015.
- (iii) The Company has elected to continue with the carrying value of investment in subsidiaries as recognised in its Indian GAAP financial statement as deemed cost at the transition date, viz., 1st April, 2015.

### 35. Gratuity and Other Post Employment Benefit Plans

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 favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Group also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans.

#### I. Expenses Recognised in the Statement of Profit & Loss

	₹ in Lac	
	31st March, 2017	31st March, 2016
1. Current / Past Service Cost	299.06	251.86
2. Net Interest expense	36.12	3.73
Components of defined benefit cost recognised in P/L	<b>335.18</b>	<b>255.59</b>
3. Re-measurement - Due to Financial Assumptions	114.79	196.44
4. Re-measurement - Due to Experience Adjustments	109.76	86.42
5. Return on Plan Assets (Excluding Interest Income)	(10.56)	1.14
Components of defined benefit cost recognised in OCI	<b>213.99</b>	<b>284.00</b>
<b>Total Expense</b>	<b>549.17</b>	<b>539.59</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 35 Gratuity and Other Post Employment Benefit Plans (contd.)

#### II. Net Asset/(Liability) recognised in the Balance Sheet

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
1. Present Value of Defined Benefit Obligation	2,522.08	1,957.24	1,416.46
2. Fair Value of Plan Assets	1,875.12	1,606.08	1,352.41
3. Net Asset / (Liability)	(646.96)	(351.16)	(64.05)

#### III. Change in Obligation during the Year

₹ in Lac

	31st March, 2017	31st March, 2016
1. Present Value of Defined Benefit Obligation at the beginning of the year	1,957.24	1,416.45
2. Current Service Cost / Plan amendments	299.06	251.86
3. Interest Cost	156.58	113.32
4. Benefits Paid	(115.35)	(107.25)
5. Re-measurements - Due to Financial Assumptions	114.79	196.44
6. Re-measurements - Due to Experience Adjustments	109.76	86.42
7. Present Value of Defined Benefit Obligation at the end of the year	2,522.08	1,957.24

#### IV. Change in the Fair Value of Plan Assets during the year

₹ in Lac

	31st March, 2017	31st March, 2016
1. Plan assets at the beginning of the year	1,606.08	1,352.41
2. Interest Income	120.45	109.58
3. Contribution by employer	253.38	252.48
4. Actual Benefit Paid	(115.35)	(107.25)
5. Re-measurement - Return on Assets (Excluding Interest Income)	10.56	(1.14)
6. Closing Fair Value of Plan Assets	1,875.12	1,606.08

V. In 2017-18 the Company expects to contribute ₹564.22 Lac (2016-17: ₹468 Lac) to gratuity.

#### VI. The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets

	31st March, 2017	31st March, 2016	1st April, 2015
Investments with insurer	100%	100%	100%

#### VII. Actuarial Assumptions

	31st March, 2017	31st March, 2016	1st April, 2015
1. Discount Rate	7.5%	8%	8%
2. Expected rate of return on plan assets	7.5%	8%	8%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.		
4. Salary increase	6%	6%	5%
5. Withdrawal rates	1% - 8%	1% - 8%	1% - 8%



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 35. Gratuity and Other Post Employment Benefit Plans (contd.)

VIII. 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.

IX. Contribution to Provident and Other Funds includes ₹883.00 Lac (2015-16 - ₹789.85 Lac) paid towards Defined Contribution Plans

X. A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	31st March, 2017		31st March, 2016	
	Discount Rate		Discount Rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
	₹ in Lac	₹ in Lac	₹ in Lac	₹ in Lac
Impact on Gratuity	(199.04)	229.80	(198.30)	229.65

Assumptions	31st March, 2017		31st March, 2016	
	Future Salary Increase		Future Salary Increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
	₹ in Lac	₹ in Lac	₹ in Lac	₹ in Lac
Impact on Gratuity	230.38	(203.75)	222.80	(196.40)

Assumptions	31st March, 2017		31st March, 2016	
	Withdrawal Rates		Withdrawal Rates	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
	₹ in Lac	₹ in Lac	₹ in Lac	₹ in Lac
Impact on Gratuity	21.41	(24.58)	22.49	(26.24)

Sensitivities due to mortality are not material and hence impact of change is not calculated.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### XI. Maturity Profile of Defined Benefit Obligations

	₹ in Lac	
	As at 31st March, 2017	As at 31st March, 2016
Year 1	132.80	105.79
Year 2	286.80	44.81
Year 3	203.08	54.66
Year 4	210.57	58.17
Year 5	220.70	66.34
Next 5 Years	1,164.10	1,627.46

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 36. Commitments and Contingencies

₹ in Lac

	31st March, 2017	31st March, 2016	1st April, 2015
<b>(i) Capital and Other Commitments</b>			
Commitment for Acquisition of Property, Plant & Equipments	8,505.39	15,028.01	7,023.38
Letter of Credit issued by Banks	6,256.24	4,141.64	3,876.08
Export Commitment	2,909.18	1,168.55	1,717.68
For Commitment relating to Lease Arrangements (Refer Note 38)			
For Commitment relating to Derivative Contracts (Refer Note 40)			
<b>(ii) Contingent Liabilities</b>			
Demands / Claims by various Government Authorities and Others not acknowledged as Debt:			
Excise Duty / Service Tax	958.57	824.46	861.70
Sales Tax / VAT	845.24	1,094.60	764.71
Income Tax	1,227.84	79.82	109.65
Guarantees in favour of a Bank against Facilities granted to others (outstanding amount at the year end)	630.37	571.14	421.69
Un-redeemed Bank Guarantees	953.84	834.59	819.54
Bills Discounted with Banks	78.23	56.79	40.07
Export obligation under EPCG Scheme	321.18	393.28	316.16

Note: Based on discussion with the Solicitors / Favourable Decisions in similar Cases / Legal opinion taken by the company, the management believes that the outflow of resources is not probable and hence, no provision there against is considered necessary.

### 37. Based on the information/documents available with the Group, information as per the requirements of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in Lac

	2016-17	2015-16	2014-15
Principal Amount due	138.76	50.18	3.23
Interest due on above	-	-	-
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006	-	-	-
Amount of interest due and payable for the period of delay	-	-	-
Amount of interest accrued and remaining unpaid as at year end	-	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-	-

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 38. Leases

#### (a) Operating Lease:

Certain office premises, depots, showrooms, 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 Group. There is no escalation clause in the lease agreement. There are neither any restrictions imposed nor any escalation clause in lease arrangements. There are no subleases. The leases are cancellable.

₹ in Lac

Particulars	2016-17	2015-16
Lease Payments made for the year	1,515.51	1,408.00

The Minimum Rentals Payable under Operating Leases for non-cancellable arrangements are as follows:

₹ in Lac

Particulars	2016-17	2015-16	2014-15
Within one year	721.71	699.43	612.52
After one Year but not more than Five Years	3,390.06	3,448.93	3,384.15
More than Five Years	559.80	1,209.44	1,929.94

#### (b) Finance Lease:

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 ₹1,268.74 Lac (31st March, 2016: ₹1,598.65 Lac, 1st April, 2015: ₹1,038.71 Lac) consisting of present value of lease payments of ₹1,159.53 Lac (31st March, 2016: ₹1,410.33 Lac, 1st April, 2015: ₹873.49 Lac) and financial charges ₹109.21 Lac (31st March, 2016: ₹188.31 Lac, 1st April, 2015: ₹165.22 Lac) under the respective agreements as on 31st March, 2017, is given below:

₹ in Lac

	31st March, 2017		31st March, 2016		1st April, 2015	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
Within one year	757.15	673.79	673.25	557.34	310.14	233.67
After One Year but not more than Five Years	511.59	485.74	925.40	853.00	728.57	639.82
Total Minimum Lease Payments	1,268.74	1,159.53	1,598.65	1,410.34	1,038.71	873.49
Less:-Amounts Representing Finance Charges	109.21	-	188.31	-	165.22	-
Present Value of minimum Lease payments	1,159.53	1,159.53	1,410.34	1,410.34	873.49	873.49

### 39. Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group is not subject to any externally imposed capital requirements.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 40. 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 'NIL' Lac (31st March, 2016: USD 24 Lac, 1st April, 2015: USD 48 Lac). [Equivalent to ₹ 'NIL' Lac (31st March, 2016: ₹1,591.92 Lac, 1st April, 2015: ₹3,004.32 Lac)]	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 forward contracts entered against foreign currency exposures as on the balance sheet date are as follows:

Nature of Item	₹ in Lac		
	31st March, 2017	31st March, 2016	1st April, 2015
Foreign Currency Term Loans	474.69	-	-
Buyer's Credit	1,989.23	-	-

- c) The particulars of Unhedged Foreign Currency Exposures as on the balance sheet date are as follows:

Nature of Item	₹ in Lac		
	31st March, 2017	31st March, 2016	1st April, 2015
Foreign Currency Term Loans	9,313.01	6,102.36	5,586.16
Buyer's Credit	21,337.88	18,191.93	15,381.13
Trade Receivables	1,993.65	2,348.00	1,478.56
Trade Payables (Net)	3,647.28	2,191.21	1,983.43
Trade Advances	6,930.42	5,508.23	2,915.00
Bank Balance	1.09	1.52	-

41. A CSR committee has been formed by the company as per provisions of Section 135 of the Companies Act, 2013. The areas for CSR activities are promoting education, healthcare, animal welfare and projects ensuring environment sustainability. Disclosures of Corporate Social Responsibility expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"

Particulars	₹ in Lac	
	2016-17	2015-16
Amount of CSR expenditure to be incurred during the year	303.36	203.79
CSR expenditure (Revenue Nature) incurred during the year	310.46	215.86

42. The Company has paid anti-dumping duty amounting to ₹176.77 Lac (31st March, 2016: ₹176.77 Lac, 1st April, 2015: ₹176.77 Lac) 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 "Other Assets" in Note 10.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 43. Related Party Disclosure:

#### a) Name of the Related Parties and Related Party Relationship:

##### Related Parties where Control Exists:

Key Management Personnel	Sri Sajjan Bhajanka (Chairman & Managing Director)
	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)
	Sri Sundeep Jhunjhunwala (Company Secretary)
	Sri Keshav Bhajanka (Executive Director w.e.f 28.01.2016)
	Sri Anil Kumar Choudhary
	Sri Ashok Kumar Choudhary
	Smt. Sunita Devi Choudhary
	Sri Harsh Jain
	Sri Ajay Bhagat
	Smt. Pham Ngoc Mai (w.e.f. 21.05.2015)
Smt. Kavitha Pandian (w.e.f. 22.02.2016)	
Mr. Akhmarruza (w.e.f. 02.07.2015)	
Do Thi Yen (w.e.f. 19.01.2016)	
Associates	Century Infotech Ltd. (up to 18.05.2015)
Enterprises Owned / Influenced by Key Managerial Person or their Relatives	Brijdham Merchants Pvt. Ltd.
	Cement Manufacturing Company Ltd.
	Sri Ram Merchants Pvt. Ltd.
	Sri Ram Vanijya Pvt. Ltd.
	Sumangal Business Pvt. Ltd.
	Sumangal International Pvt. Ltd.
	Aegis Business Ltd.
	Pacific Plywoods Pvt. Ltd.
	Shyam Century Multiprojects Pvt. Ltd.
	Century Led Ltd.
	Landmark Veneers Pvt. Ltd.
Purbanchal Timber Industries (Firm dissolved on 31.03.2016)	
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 Bala Bhajanka (Wife of Sri Prem Kumar Bhajanka)
	Smt. Sudha Khemani (Wife of Sri Vishnu Prasad Khemani)
	Smt. Shraddha Agarwal (Daughter of Sri Sajjan Bhajanka)
	Smt. Payal Agrawal (Daughter of Sri Sajjan Bhajanka)
Smt. Sonu Kajaria (Daughter of Sri Sajjan Bhajanka)	

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 43. Related Party Disclosure: (contd.)

Smt. Bhawna Agarwal (Daughter-in-law of Sri Hari Prasad Agarwal)
Sri Rajesh Kumar Agarwal (Son of Sri Hari Prasad Agarwal)
Smt. Nancy Chowdhary (Daughter of Sri Prem Kumar Bhajanka)
Sri Keshav Bhajanka (Son of Sri Sajjan Bhajanka)
Smt. Nikita Bansal (Daughter of Sri Sanjay Agarwal)
Smt. Bindu Choudhary (Wife of Sri Ashok Kumar Choudhary)
Sri Shivam Choudhary (Son of Sri Anil Kumar Choudhary)
Sri Sundram Choudhary (Son of Sri Anil Kumar Choudhary)
Smt. Priti Bhartia (Sister of Sri Harsh Jain)

### (b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2017

₹ in Lac

Sl.	Type of Transactions	Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	<b>Purchase of Raw Materials / Stores</b>								
	Star Cement Ltd.	59.54	9.09	-	-	-	-	59.54	9.09
	Landmark Veneers Pvt. Ltd.	197.95	18.03	-	-	-	-	197.95	18.03
	Century Led Ltd.	52.89	-	-	-	-	-	52.89	-
2	<b>Sale of Products</b>								
	Auro Sundram International Pvt. Ltd.	0.05	-	-	-	-	-	0.05	-
	Century Led Ltd.	2.40	1.47	-	-	-	-	2.40	1.47
3	<b>Sale of Asset</b>								
	Pacific Plywoods Pvt. Ltd.	95.45	30.10	-	-	-	-	95.45	30.10
4	<b>Services Availed / (Provided)</b>								
	Smt. Yash Bala Bhajanka	-	-	-	-	14.99	14.17	14.99	14.17
	Century Led Ltd.	(6.39)	(3.18)	-	-	-	-	(6.39)	(3.18)
	Star Cement Ltd.	(4.13)	-	-	-	-	-	(4.13)	-
	Smt. Priti Bhartia	-	-	-	-	-	(0.32)	-	(0.32)
	Aegis Business Ltd.	1,000.82	1,056.29	-	-	-	-	1,000.82	1,056.29
5	<b>Loan Taken</b>								
	Brijdham Merchants Pvt. Ltd.	948.00	871.00	-	-	-	-	948.00	871.00
	Sri Ram Merchants Pvt. Ltd.	366.00	151.00	-	-	-	-	366.00	151.00
	Sri Ram Vanijya Pvt. Ltd.	2,007.00	2,631.00	-	-	-	-	2,007.00	2,631.00
	Sumangal Business Pvt. Ltd.	122.50	441.00	-	-	-	-	122.50	441.00
	Sumangal International Pvt. Ltd.	370.50	408.00	-	-	-	-	370.50	408.00
	Sri Sajjan Bhajanka	-	-	5,650.00	4,276.00	-	-	5,650.00	4,276.00
	Sri Sanjay Agarwal	-	-	6,682.00	2,775.00	-	-	6,682.00	2,775.00
	Sri Keshav Bhajanka	-	-	30.00	-	-	-	30.00	-
	Sri Harsh Jain	-	-	1.68	-	-	-	1.68	-

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 43. Related Party Disclosure: (contd.)

₹ in Lac

Sl.	Type of Transactions	Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
6	<b>Loan Repaid</b>								
	Brijdham Merchants Pvt. Ltd.	948.00	871.00	-	-	-	-	948.00	871.00
	Sri Ram Merchants Pvt. Ltd.	366.00	151.00	-	-	-	-	366.00	151.00
	Sri Ram Vanijya Pvt. Ltd.	2,007.00	2,631.00	-	-	-	-	2,007.00	2,631.00
	Sumangal Business Pvt. Ltd.	122.50	441.00	-	-	-	-	122.50	441.00
	Sumangal International Pvt. Ltd.	370.50	408.00	-	-	-	-	370.50	408.00
	Sri Sajjan Bhajanka	-	-	5,650.00	4,276.00	-	-	5,650.00	4,276.00
	Sri Sanjay Agarwal	-	-	6,682.00	2,775.00	-	-	6,682.00	2,775.00
	Sri Keshav Bhajanka	-	-	30.00	-	-	-	30.00	-
	Sri Harsh Jain	-	-	1.25	-	-	-	1.25	-
7	<b>Loan Given</b>								
	Auro Sundram International Pvt. Ltd.	56.83	198.00	-	-	-	-	56.83	198.00
8	<b>Loan Received Back</b>								
	Auro Sundram International Pvt. Ltd.	26.80	198.00	-	-	-	-	26.80	198.00
9	<b>Reimbursement Paid / (Received)</b>								
	Brijdham Merchants Pvt. Ltd.	1.02	1.01	-	-	-	-	1.02	1.01
	Shyam Century Multi Projects Pvt. Ltd.	(9.66)	(4.07)	-	-	-	-	(9.66)	(4.07)
	Star Cement Ltd.	0.46	2.44	-	-	-	-	0.46	2.44
	Sri Harsh Jain	-	-	0.41	0.32	-	-	0.41	0.32
10	<b>Investment Received</b>								
	Sri Harsh Jain	-	-	149.50	-	-	-	149.50	-
11	<b>Interest Paid</b>								
	Brijdham Merchants Pvt. Ltd.	40.80	9.90	-	-	-	-	40.80	9.90
	Sri Ram Merchants Pvt. Ltd.	3.57	8.86	-	-	-	-	3.57	8.86
	Sri Ram Vanijya Pvt. Ltd.	51.36	64.77	-	-	-	-	51.36	64.77
	Sumangal International Pvt. Ltd.	11.68	4.39	-	-	-	-	11.68	4.39
	Sumangal Business Pvt. Ltd.	6.02	7.84	-	-	-	-	6.02	7.84
	Sri Sajjan Bhajanka	-	-	255.45	151.37	-	-	255.45	151.37
	Sri Sanjay Agarwal	-	-	290.72	138.62	-	-	290.72	138.62
	Sri Keshav Bhajanka	-	-	0.28	-	-	-	0.28	-
12	<b>Director's Remuneration Paid</b>								
	Sri Sajjan Bhajanka	-	-	120.00	60.00	-	-	120.00	60.00
	Sri Sanjay Agarwal	-	-	120.00	60.00	-	-	120.00	60.00
	Sri Prem Kumar Bhajanka	-	-	120.00	36.00	-	-	120.00	36.00
	Sri Vishnu Khemani	-	-	120.00	60.00	-	-	120.00	60.00
	Sri Ajay Baldawa	-	-	92.50	50.00	-	-	92.50	50.00
	Sri Hari Prasad Agarwal	-	-	60.00	30.00	-	-	60.00	30.00
	Sri Keshav Bhajanka	-	-	50.00	4.00	-	-	50.00	4.00
	Smt. Nikita Bansal	-	-	4.00	-	-	-	4.00	-
	Others	-	-	233.40	81.51	-	-	233.40	81.51

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 43. Related Party Disclosure: (contd.)

₹ in Lac

Sl.	Type of Transactions	Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
13	<b>Dividend Paid</b>								
	Sri Sajjan Bhajanka	-	-	-	593.05	-	-	-	593.05
	Sri Sanjay Agarwal	-	-	-	569.82	-	-	-	569.82
	Smt. Divya Agarwal	-	-	-	-	-	376.87	-	376.87
	Sri Vishnu Khemani	-	-	-	283.68	-	-	-	283.68
	Smt. Santosh Bhajanka	-	-	-	-	-	352.11	-	352.11
	Others	-	884.90	-	172.64	-	436.33	(0.01)	1,493.88
14	<b>Advance Taken</b>								
	Sri Ajay Bhagat	-	-	-	7.16	-	-	-	7.16
	Mr Akhmarruza	-	-	64.84	1.91	-	-	64.84	1.91
	Smt. Priti Bhartia	-	-	-	-	1.25	1.25	1.25	1.25
15	<b>Salary Paid</b>								
	Sri Arun Kumar Julasaria	-	-	102.29	52.48	-	-	102.29	52.48
	Sri Sundeep Jhunjunwala	-	-	27.19	24.39	-	-	27.19	24.39
	Sri Keshav Bhajanka	-	-	-	-	-	20.00	-	20.00
	Smt. Nikita Bansal	-	-	-	-	20.00	12.00	20.00	12.00
	Others	-	-	-	-	79.14	65.10	79.14	65.10
16	<b>Advance Given</b>								
	Sri Abhishek Rathi	-	-	-	-	5.64	-	5.64	-
	Sri Sundeep Jhunjunwala	-	-	6.00	-	-	-	6.00	-
17	<b>Advance Received Back/(Refunded)</b>								
	Sri Abhishek Rathi	-	-	-	-	2.35	-	2.35	-
	Sri Sundeep Jhunjunwala	-	-	1.00	-	-	-	1.00	-
	Smt. Priti Bhartia	-	-	-	-	-	(0.93)	-	(0.93)
18	<b>Lease Rent Paid</b>								
	Sri Anil Kumar Choudhary	-	-	4.50	-	-	-	4.50	-



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 43. Related Party Disclosure: (contd.)

₹ in Lac

Sl.	Type of Transactions	Enterprises owned/influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel			Total	
		2016-17	2015-16	01.04.2015	2016-17	2015-16	01.04.2015	2016-17	2015-16	01.04.2015	2015-16	01.04.2015
19	Balance Outstanding on account of											
A	Receivable/(Payable)											
	Do Thi Yen	-	-	-	0.05	-	-	-	-	-	0.05	-
	Sri Ajay Bhagat	-	-	-	1.89	(7.16)	-	-	-	-	1.89	(7.16)
	Mr Akhmaruza	-	-	-	64.84	(1.91)	-	-	-	-	64.84	(1.91)
	Century LED Ltd.	(19.36)	3.25	-	-	-	-	-	-	-	(19.36)	3.25
	Aegis Business Ltd.	129.59	(81.22)	-	-	-	-	-	-	-	129.59	(81.22)
	Brijdham Merchants Pvt. Ltd.	(1.02)	-	-	-	-	-	-	-	-	(1.02)	-
	Sri Abhishek Rathi	-	-	-	-	-	3.29	-	-	-	3.29	-
	Sri Arun Kumar Julasaria	-	-	-	-	-	3.50	-	-	-	3.50	-
	Sri Sundeep Jhunjhunwala	-	-	-	5.00	-	-	-	-	-	5.00	-
	Star Cement Ltd.	(4.03)	-	-	-	-	-	-	-	-	(4.03)	-
	Landmark Veneers Pvt. Ltd.	(138.62)	-	-	-	-	-	-	-	-	(138.62)	-
	Shyam Century Multi Projects Pvt. Ltd.	-	9.66	5.59	-	-	-	-	-	-	-	9.66
B	Loans Receivable/(Payable) (Incl. interest)											
	Auro Sundram International Pvt. Ltd.	30.02	-	-	-	-	-	-	-	-	30.02	-
	Sri Harsh Jain	-	-	-	(0.43)	-	-	-	-	-	(0.43)	-
C	Guarantee Obtained											
	Sri Sajjan Bhajanka	-	-	-	1,02,146.00	98,336.00	-	-	-	-	1,02,146.00	98,336.00
	Sri Sanjay Agarwal	-	-	-	1,02,146.00	98,336.00	-	-	-	-	1,02,146.00	98,336.00
	Sri Hari Prasad Agarwal	-	-	-	1,02,146.00	98,336.00	-	-	-	-	1,02,146.00	98,336.00
	Sri Anil Kumar Choudhary	-	-	-	694.50	694.50	-	-	-	-	694.50	694.50
	Sri Ashok Kumar Choudhary	-	-	-	694.50	694.50	-	-	-	-	694.50	694.50
	Smt. Sunita Choudhary	-	-	-	694.50	694.50	-	-	-	-	694.50	694.50
D	Director's Remuneration Payable											
	Sri Sajjan Bhajanka	-	-	-	-	-	3.61	-	-	-	-	3.61
	Sri Sanjay Agarwal	-	-	-	-	-	3.61	-	-	-	-	3.61
	Sri Hari Prasad Agarwal	-	-	-	-	-	1.93	-	-	-	-	1.93
	Sri Ajay Baldawa	-	-	-	6.56	3.01	2.65	-	-	-	6.56	3.01
	Sri Prem Kumar Bhajanka	-	-	-	4.75	1.20	-	-	-	-	4.75	1.20

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 43. Related Party Disclosure: (contd.)

₹ in Lac

Sl.	Type of Transactions	Enterprises owned/influenced by Key Management Personnel or their relatives			Key Management Personnel			Relatives of Key Management Personnel			Total		
		2016-17	2015-16	01.04.2015	2016-17	2015-16	01.04.2015	2016-17	2015-16	01.04.2015	2016-17	2015-16	01.04.2015
	Sri Keshav Bhajanka	-	-	-	2.96	1.13	-	-	-	-	2.96	1.13	-
	Sri Ajay Bhagat	-	-	-	-	14.45	-	-	-	-	-	14.45	-
	Others	-	-	-	59.81	-	-	-	-	-	59.81	-	-
<b>E</b>	<b>Salary Payable</b>												
	Sri Arun Kumar Julasaria	-	-	-	19.41	0.06	0.65	-	-	-	19.41	0.06	0.65
	Sri Sundeeep Jhunjhumwala	-	-	-	1.26	1.31	-	-	-	-	1.26	1.31	-
	Smt. Nikita Bansal	-	-	-	-	0.86	-	-	-	0.89	-	0.86	0.89
	Sri Keshav Bhajanka	-	-	-	-	-	-	-	-	1.04	-	-	1.04
	Others	-	-	-	-	-	-	4.16	4.21	3.37	4.16	4.21	3.37

#### (c) Terms and conditions of transactions with related parties

1. The sales to/ purchases from/ services availed from / and services provided to related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Outstanding balances at the year-end from related parties are unsecured, interest free and will be settled in cash.
3. Employee related recoverable balances are unsecured, interest free and will be settled in cash.
4. The Group has taken loan from Enterprises owned / influenced by Key Management Personnel (KMP) or their relatives as well as from KMP's. The loan was unsecured and was repayable on demand. The loan carried an interest @9.25% p.a.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 44. Fair values measurements

#### (i) Financial instruments by category:

₹ in Lac

	31st March, 2017		31st March, 2016		1st April, 2015	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Non-current financial assets</b>						
(i) Investments	-	0.05	1.73	0.05	52.11	0.05
(ii) Loans and advances		1,026.08		763.29		671.16
(iii) Other non-current financial assets		-		28.59		20.46
<b>Current financial assets</b>						
(i) Trade receivable		34,217.52		28,423.76		26,215.65
(ii) Cash and cash equivalents		6,637.07		3,619.45		3,723.92
(iii) Bank balances other than above		85.14		266.49		17.60
(iv) Loans and advances		389.28		402.30		1,363.06
(v) Other current financial assets		7,662.28		1,677.97		3,788.15
<b>Total Financial assets</b>	-	<b>50,017.42</b>	<b>1.73</b>	<b>35,181.90</b>	<b>52.11</b>	<b>35,800.05</b>
<b>Non-current financial liabilities</b>						
(i) Borrowings		14,674.86		6,396.48		8,132.85
(ii) Other non-current financial liabilities		9.00		12.50		25.50
<b>Current financial liabilities</b>						
(i) Borrowings		41,955.61		35,533.90		38,632.21
(ii) Trade payables		14,098.19		8,640.75		6,173.91
(iii) Other current financial liabilities	-	9,111.79	7.59	8,712.21	33.87	7,367.21
<b>Total Financial liabilities</b>	-	<b>79,849.45</b>	<b>7.59</b>	<b>59,295.84</b>	<b>33.87</b>	<b>60,331.68</b>

#### Notes:-

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 44. Fair values measurements (contd.)

#### (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

₹ in Lac

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2017:</b>				
Assets measured at fair value:				
Investments	31st March, 2017	-	-	-
Liability measured at fair value:				
Interest rate swap	31st March, 2017	-	-	-
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2016:</b>				
Assets measured at fair value:				
Investments	31st March, 2016	1.73	-	-
Liability measured at fair value:				
Interest rate swap	31st March, 2016	-	7.59	-
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2015:</b>				
Assets measured at fair value:				
Investments	1st April, 2015	52.11	-	-
Liability measured at fair value:				
Interest rate swap	1st April, 2015	-	33.87	-

### 45. Financial Risk Management Objectives and Policies

The Group's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents and deposits.

The Group is exposed to market risk and credit risk. The Group has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Group. The audit committee provides assurance to the Group's management that the Group's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (i) Market Risk

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

##### a. Foreign Currency Risk

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

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 45. Financial Risk Management Objectives and Policies (contd.)

has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

#### Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of assets and liabilities.

₹ in Lac

Change in Foreign currency rates	Effect on Profit before Tax		
	31st March, 2017	31st March, 2016	1st April, 2015
+5%	(1,268.46)	(928.69)	(927.86)
-5%	1,268.46	928.69	927.86

#### b. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

#### Interest Rate Sensitivity

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

₹ in Lac

	Increase/ decrease in basis points	Effect on profit before tax
31st March, 2017	+50	(133.67)
	-50	133.67
31st March, 2016	+50	(125.27)
	-50	125.27

#### (ii) Credit Risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

#### Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 12 as the Group does not hold collateral as security. The Group has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

#### (iii) Liquidity Risk

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 45. Financial Risk Management Objectives and Policies (contd.)

₹ in Lac

Particulars	Less than 1 Year	1-2 Years	2-3 Years	3-5 Years	> 5 years	Total
<b>Year ended 31st March, 2017</b>						
Borrowings	41,955.61	3,358.12	3,083.41	4,936.64	3,296.69	56,630.47
Other financial liabilities	9,111.79	-	-	-	-	9,111.79
Trade payables	14,098.19	-	-	-	-	14,098.19
	<b>65,165.59</b>	<b>3,358.12</b>	<b>3,083.41</b>	<b>4,936.64</b>	<b>3,296.69</b>	<b>79,840.45</b>
<b>Year ended 31st March, 2016</b>						
Borrowings	35,533.90	3,139.74	1,185.46	1,328.38	742.90	41,930.38
Other financial liabilities	8,719.80	-	-	-	-	8,719.80
Trade payables	8,640.75	-	-	-	-	8,640.75
	<b>52,894.45</b>	<b>3,139.74</b>	<b>1,185.46</b>	<b>1,328.38</b>	<b>742.90</b>	<b>59,290.93</b>
<b>As at 1st April, 2015</b>						
Borrowings	38,632.21	4,512.87	2,422.52	1,197.46	-	46,765.06
Other financial liabilities	7,401.07	-	-	-	-	7,401.07
Trade payables	6,173.91	-	-	-	-	6,173.91
	<b>52,207.19</b>	<b>4,512.87</b>	<b>2,422.52</b>	<b>1,197.46</b>	<b>-</b>	<b>60,340.04</b>

### 46. a) The contribution of the subsidiaries acquired during the year is as under:

₹ in Lac

Name of the Subsidiary	Revenue (post acquisition)	Net Profit/ (Loss) (post acquisition)	Net Assets
Vietnam Innovation Pacific JSC*	0.02	(6.41)	17.67

\*Step down subsidiary of Innovation Pacific Singapore Pte. Ltd.

### b) The Contribution by subsidiaries which ceases to be subsidiary during the year is as under:

₹ in Lac

Name of the Subsidiary	Revenue**	Net Profit/ (Loss)**	Net Assets**
Innovation Pacific Singapore Pte. Ltd.	3,037.53	115.20	519.69
Vietnam Innovation Pacific JSC*	0.02	(6.41)	17.67

\*Step down subsidiary of Innovation Pacific Singapore Pte. Ltd.

\*\* Till the date of Cessation

### c) Due to inclusion/cessation of subsidiaries as stated above, previous year figures of Consolidated Statement of Profit and Loss are not comparable with the current year to the extent of addition/cessation of subsidiaries.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 47. The Company's Segment Information as at and for the year ended 31st March, 2017 are as below:

₹ in Lac

SI	Plywood	Laminate	MDF	Plain Particle Board	CFS Services	Others	Total
<b>a</b>	<b>Revenue (Gross)</b>						
External Sales	1,39,529.58 (1,26,640.28)	41,227.79 (36,227.11)	336.51 (712.57)	1,854.21 -	8,800.71 (8,490.46)	4,437.43 (5,475.18)	1,96,186.23 (1,77,545.60)
Inter-segment Sales	- -	- -	- -	665.02 -	40.65 (111.47)	170.25 (195.89)	875.92 (307.36)
Total Revenue (Gross)	1,39,529.58 (1,26,640.28)	41,227.79 (36,227.11)	336.51 (712.57)	2,519.23 -	8,841.36 (8,601.93)	4,607.68 (5,671.07)	1,97,062.15 (1,77,852.96)
<b>b</b>	<b>Result</b>						
<b>Segment Results</b>	22,968.62 (18,720.62)	5,194.65 (4,420.52)	(15.54) (42.98)	(694.35) -	2,353.84 (2,782.88)	(980.86) 376.61	28,826.36 (25,590.39)
Unallocated Income/Expenses (-) (Net of unallocated expenses / income)							(1,307.12) 789.53
Operating Profit							27,519.24 (24,800.86)
Finance Cost							3,021.45 (4,788.11)
Taxation Expense							5,149.87 (3,037.59)
<b>Net Profit (before non controlling interest)</b>							19,347.92 (16,975.16)
<b>Other Information</b>							
<b>a</b>	<b>Total Assets</b>						
Segment Assets *	82,009.81 (71,992.56)	20,154.77 (18,347.78)	28,895.68 (4,311.44)	5,858.57 (5,279.58)	5,791.62 (6,327.70)	2,026.35 (2,291.10)	1,44,736.80 (1,08,550.16)
**							(98,739.87)
***	(71,922.29)	(19,033.16)	-	-	(6,346.84)	(1,437.58)	13,752.57
Unallocated Corporate/Other Assets *							
**							(8,968.44)
***							(7,680.21)
*							1,58,489.37
**							(1,17,518.60)
***							(1,06,420.08)
<b>b</b>	<b>Total Liabilities</b>						
Segment Liabilities *	15,228.56 (12,469.44)	4,122.84 (2,669.77)	2,414.86 (2.74)	184.19 (174.86)	839.70 (562.90)	727.71 (383.25)	23,517.86 (16,262.96)
**							(11,654.97)
***	(8,641.68)	(2,024.64)	-	-	(500.59)	(488.06)	62,281.53
Unallocated Corporate/Other Liabilities *							
**							(47,469.95)
***							(52,304.90)
*							85,799.39
**							(63,732.91)
***							(63,959.87)

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 47. The Company's Segment Information as at and for the year ended 31st March, 2017 are as below: (contd.)

₹ in Lac

SI		Plywood	Laminate	MDF	Plain Particle Board	CFS Services	Others	Total
c	Capital Expenditure *	4,360.03	983.70	22,579.02	1,503.42	643.52	0.29	30,069.98
	**	(5,548.56)	(866.78)	(1,916.26)	(4,426.79)	(920.67)	(0.59)	(13,679.65)
	***	(5,817.45)	(685.89)	-	-	(539.78)	(2.21)	(7,045.33)
	Unallocated Capital Expenditure *							1,307.57
	**							(29.24)
	***							(805.75)
d	Depreciation/Amortisation	2,570.20	1,020.82	-	1,209.54	1,087.24	46.15	5,933.95
		(2,571.42)	(1,096.04)	-	-	(1,007.07)	(71.31)	(4,745.84)
e	<b>Geographical Segment</b>							
	i. Revenue (Gross)							
	India*							1,82,765.62
	**							(1,68,750.60)
	Overseas*							13,420.61
	**							(8,795.00)
	ii. Carrying amount of Segment Assets							
	India *							1,32,277.42
	**							(98,717.94)
***							(86,587.06)	
Overseas *							12,459.38	
**							(9,832.22)	
***							(12,152.81)	

\* Indicates figures for 2016-17

\*\* Indicates figures for 2015-16

\*\*\* Indicates figures as on 1st April, 2015

#### Notes:

(a) Business Segments: The business segments have been identified on the basis of the products of the Group. Operating Segment disclosed are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM). Accordingly, the Group has identified following business segments:

Plywood	-	Plywood, Block-Board, Veneer & Timber
Laminate	-	Decorative Laminates & Pre-laminated Boards
MDF	-	Medium Density Fibre Boards
Plain Particle Board	-	Plain Particle Board
CFS Services	-	Container Freight Stations services
Others	-	Mainly Trading of Chemicals, Minerals, Readymade Furniture and Equipment's

(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's Property Plant and Equipment (PPE) are located only in India. Hence separate figures for same have not been furnished.



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 48. The Subsidiary Companies considered in the Financial Statements are as follows:

Name	Country of Incorporation	% Voting Power as on 31st March, 2017	% Voting Power as on 31st March, 2016	% Voting Power as on 1st April, 2015
Auro Sundram Ply & Door Pvt. Ltd.	India	51.00	51.00	51.00
Centuryply Myanmar Pvt. Ltd.	Myanmar	100.00	100.00	100.00
Century MDF Ltd.	India	100.00	100.00	100.00
Ara Suppliers Pvt. Ltd.	India	80.00	80.00	80.00
Arham Sales Pvt. Ltd.	India	80.00	80.00	80.00
Adonis Vyaper Pvt. Ltd.	India	80.00	80.00	80.00
Apnapan Viniyog Pvt. Ltd.	India	80.00	80.00	80.00
Innovation Pacific Singapore Pte Ltd. (Upto 24.08.2016)	Singapore	-	51.00	-
Century Infotech Ltd.	India	60.06	85.71	50.00
Century Ply (Singapore) Pte Ltd.	Singapore	97.26	51.00	100.00
PT Century Ply Indonesia	Indonesia	95.00	95.00	-
Century Ply Laos Co. Ltd.	Laos	90.00	90.00	-

\*Vietnam Innovation Pacific JSC was incorporated on 19th May, 2016 as a subsidiary of Innovation Pacific Singapore Pte. Ltd. (IPSPL), thereby becoming a step-down subsidiary of our Company. However, with the disinvestment of our entire shareholding in the subsidiary IPSPL, both IPSPL and step-down subsidiary Vietnam Innovation Pacific JSC ceased to be subsidiaries of the Company with effect from 24th August, 2016.

### 49. Events occurring after the Balance Sheet date

Particulars	₹ in Lac	
	2016-17	2015-16
Final Dividend for the year 2014-15 (₹1.25 per share)	-	2,777.16
Tax on final dividend for the year 2014-15	-	565.46
Payment of Interim dividend (₹1 per share)	-	2,221.73
Tax on interim dividend	-	452.29
Tax on proposed equity dividend written back	-	(0.09)
<b>Total</b>	<b>-</b>	<b>6,016.55</b>

#### Proposed Dividend

The Board of Directors at its meeting held on 23rd May, 2017 have recommended a payment of final dividend of ₹1 per equity share of face value of ₹1 each for the financial year ended 31st March, 2017. The same amounts to ₹2,674.02 Lac (including dividend distribution tax of ₹452.29 Lac).

The above is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

50. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 required as per MCA notification in the official Gazette vide notification number G.S.R. 308 (E) dated 30.03.2017.

₹ in Lac

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	85.35	41.35	126.70
(+) Permitted receipts	NIL	*274.45	274.45
(-) Permitted payments	1.33	230.64	231.97
(-) Amount deposited in Banks	84.02	11.04	95.06
Closing cash in hand as on 30.12.2016	NIL	74.12	74.12

\* Includes cash withdrawal from bank amounting to ₹128.21 Lac

### 51. Earning per Share (EPS)

In terms of Ind AS- 33 on "Earning Per Share" the calculation of EPS is given below: -

Particulars	2016-17	2015-16
Profit as per the Statement of Profit & Loss (₹In Lac)	19,046.07	16,894.34
Profit available for Equity Shareholders(₹In Lac)	19,046.07	16,894.34
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) (₹)	8.57	7.60

### 52. Additional Information pursuant to Schedule III of the Companies Act, 2013.

Name of the company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		OCI		TCI	
	2016-17		2016-17		2016-17		2016-17	
	As % of consolidated Net assets	Net Assets (₹ in Lac)	As % of consolidated Profit or Loss	Profit/(Loss) (₹ in Lac)	As % of consolidated OCI	OCI (₹ in Lac)	As % of consolidated TCI	TCI (₹ in Lac)
<b>Parent Company</b>								
Century Plyboards (India) Limited	85.72%	61,282.19	97.43%	18,555.81	81.71%	(198.93)	97.52%	18,356.88
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Adonis Vyaper Pvt. Ltd.	0.24%	169.15	-	(0.32)	-	-	-	(0.32)
Apnapan Viniyog Pvt. Ltd.	0.24%	169.21	-	(0.30)	-	-	-	(0.30)
Ara Suppliers Pvt. Ltd.	0.24%	168.25	-	(0.37)	-	-	-	(0.37)
Arham Sales Pvt. Ltd.	0.24%	169.23	-	(0.28)	-	-	-	(0.28)
Century Infotech Ltd.	0.05%	36.60	(1.21%)	(230.37)	-	-	(1.22%)	(230.37)
Century MDF Ltd.	0.04%	29.90	-	(0.10)	-	-	-	(0.10)
Auro Sundram Ply & Door Pvt. Ltd.	2.33%	1,665.41	3.82%	727.10	18.29%	(44.54)	3.63%	682.56
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Centuryply Myanmar Pvt. Ltd.	7.51%	5,366.37	0.48%	92.28	-	-	0.49%	92.28
Century Ply (Singapore) Pte. Ltd.	5.06%	3,616.30	0.79%	151.16	-	-	0.80%	151.16

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

### 52. Additional Information pursuant to Schedule III of the Companies Act, 2013. (contd.)

Name of the company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		OCI		TCI	
	2016-17		2016-17		2016-17		2016-17	
	As % of consolidated Net assets	Net Assets (₹ in Lac)	As % of consolidated Profit or Loss	Profit/(Loss) (₹ in Lac)	As % of consolidated OCI	OCI (₹ in Lac)	As % of consolidated TCI	TCI (₹ in Lac)
Innovation Pacific Singapore Pte. Ltd.	-	-	0.28%	53.31	-	-	0.28%	53.31
Indirect Subsidiaries								
PT Century Ply Indonesia	-	(0.73)	-	-	-	-	-	-
Century Ply Laos Co. Ltd.	0.03%	18.06	-	-	-	-	-	-
Non-Controlling Interest	(1.68%)	(1,199.23)	(1.58%)	(301.86)	-	-	(1.49%)	(280.03)
<b>Total</b>	<b>100.00%</b>	<b>71,490.71</b>	<b>100.00%</b>	<b>19,046.06</b>	<b>100.00%</b>	<b>(243.47)</b>	<b>100.00%</b>	<b>18,824.42</b>

53. Charity and Donations includes ₹500 Lac (₹'NIL') paid to the Bharatiya Janata Party (a political party)

54. The financial statements are approved by the audit committee at its meeting held on 23rd May, 2017 and by the Board of Directors on the same date.

55. Notes to the Consolidated Financial Statements comprises of Information relevant for the Group

For Singhi & Co.  
Firm Registration No- 302049E  
Chartered Accountants

Anurag Singhi  
Partner  
Membership No. 066274

Place: Kolkata  
Date: 23rd May, 2017

For and on behalf of the Board of Directors

Sajjan Bhajanka  
Chairman & Managing Director  
DIN:00246043

Arun Kumar Julasaria  
Chief Financial Officer

Sanjay Agarwal  
Managing Director  
DIN:00246132

Sundeep Jhunjunwala  
Company Secretary

# Corporate Information

## BOARD OF DIRECTORS

### CHAIRMAN AND MANAGING DIRECTOR

Sajjan Bhajanka

### EXECUTIVE DIRECTORS

Hari Prasad Agarwal  
Sanjay Agarwal  
Prem Kumar Bhajanka  
Vishnu Khemani  
Ajay Baldawa  
Keshav Bhajanka  
Nikita Bansal

### INDEPENDENT DIRECTORS

Asit Pal  
J P Dua  
Mamta Binani  
Mangi Lal Jain  
Manindra Nath Banerjee  
Samarendra Mitra  
Santanu Ray  
Vijay Chhibber

### CHIEF FINANCIAL OFFICER

Arun Kumar Julasaria

### COMPANY SECRETARY

Sundeep Jhunjhunwala

## AUDITORS

Singhi & Co.  
Chartered Accountants  
161, Sarat Bose Road  
Kolkata 700026

## BANKERS

State Bank of India  
HDFC Bank  
Corporation Bank  
Allahabad Bank  
DBS Bank Ltd.  
IDBI Bank Ltd.

## BOARD COMMITTEE

### AUDIT COMMITTEE

Mangi Lal Jain (Chairman)  
Santanu Ray  
Samarendra Mitra  
Hari Prasad Agarwal

### NOMINATION AND REMUNERATION COMMITTEE

Mangi Lal Jain (Chairman)  
Santanu Ray  
Mamta Binani

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sajjan Bhajanka (Chairman)  
Hari Prasad Agarwal  
Mangi Lal Jain  
Mamta Binani

### FINANCE COMMITTEE

Sajjan Bhajanka (Chairman)  
Hari Prasad Agarwal  
Sanjay Agarwal

### SHARE TRANSFER COMMITTEE

Hari Prasad Agarwal (Chairman)  
Keshav Bhajanka  
Ajay Baldawa

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mamta Binani (Chairman)  
Hari Prasad Agarwal

## MAJOR PLANT LOCATIONS

### PLYWOOD AND VENEER UNITS

- Kanchowki, Bishnupur,  
District: 24 Parganas (S), West Bengal
- Chinnappolapuram, Gummidipoondi,  
Tamil Nadu
- Rambha Road, Taraori, Haryana
- Mirza Palasbari Road, Kamrup, Assam
- Village Moti Chirai, Taluka Bhachau-  
Kachchh, Gujarat

### PLYWOOD AND VENEER UNITS

- (Owned by subsidiaries)
- Roorkee, Uttarakhand
  - Yangon, Myanmar
  - Attapeu, Laos

### LAMINATE

Kanchowki, Bishnupur,  
District: 24 Parganas (S)  
West Bengal

### CONTAINER FREIGHT STATION

- Block-B & C, Sonai, Khidderpore,  
Kolkata, West Bengal
- Hide Road, Brace Bridge, Khidderpore,  
Kolkata, West Bengal

### MDF

- Village Doulwal, Tehsil and Dist  
Hoshiarpur, Punjab

## REGISTERED OFFICE

6, Lyons Range, Kolkata 700 001, West Bengal  
Phone : 033-3940 3950  
Fax : 033-2248 3539  
Email: investors@centuryply.com

## REGISTRAR & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata 700001, West Bengal  
Phone: 033-2243 5029  
Email: mdplc@yahoo.com

## WEBSITE

www.centuryply.com

## CIN

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**STARKE**  
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## CENTURY PLYBOARDS (INDIA) LIMITED

(CIN: L20101WB1982PLC034435)

Registered Office: 6, Lyons Range, Kolkata 700 001, Phone: (033) 3940 3950

Fax: (033) 2248 3539; Website: www.centuryply.com; Email: investors@centuryply.com

### NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Members of Century Plyboards (India) Limited will be held on Friday, 1st September, 2017 at 11:00 A.M., at Satyajit Ray Auditorium, Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata- 700071, to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017, the Audited Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Sri Hari Prasad Agarwal (DIN: 00266005) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri Prem Kumar Bhajanka (DIN:00591512) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, appointment of M/s. Singhi & Co., Chartered Accountants [Firm Registration No. 302049E] as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2018 as may be determined by the Audit Committee in consultation with the Statutory Auditors.”

#### SPECIAL BUSINESS

##### 6. Appointment of Sri Vijay Chhibber (DIN: 00396838) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and on recommendation of the Nomination & Remuneration Committee, Sri Vijay Chhibber (DIN: 00396838), appointed as an Additional Director of the Company in the Independent category with effect from 1st February, 2017 and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st January, 2020 and whose office shall not be liable to determination by retirement of Directors by rotation.”

##### 7. Appointment of Sri Debanjan Mandal (DIN: 00469622) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including

any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and on recommendation of the Nomination & Remuneration Committee, Sri Debanjan Mandal (DIN: 00469622), appointed as an Additional Director of the Company in the Independent category with effect from 1st August, 2017 and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st July, 2020 and whose office shall not be liable to determination by retirement of Directors by rotation.”

**8. Appointment of Sri Sunil Mitra (DIN: 00113473) as an Independent Director.**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and on recommendation of the Nomination & Remuneration Committee, Sri Sunil Mitra (DIN: 00113473), appointed as an Additional Director of the Company in the Independent category with effect from 3rd August, 2017 and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st July, 2020 and whose office shall not be liable to determination by retirement of Directors by rotation.”

**9. Appointment of Smt. Nikita Bansal (DIN: 03109710) as a Director.**

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

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company and on recommendation of the Nomination & Remuneration Committee, Smt. Nikita Bansal (DIN: 03109710), appointed as an Additional Director of the Company with effect from 1st February, 2017 and who holds office up to the date of this Annual General Meeting, and being eligible, offers herself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company and whose office shall be liable to determination by retirement of Directors by rotation.”

**10. Appointment of Smt. Nikita Bansal (DIN: 03109710) as an Executive Director of the Company.**

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, approval of Audit Committee and Board and pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V thereof and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Smt. Nikita Bansal, as Executive Director of the Company for a period of five years from 1st February, 2017 to 31st January, 2022, liable to retire by rotation, on terms and conditions including remuneration, as set out in the explanatory statement and agreement entered into by the Company and Smt. Nikita Bansal, a copy whereof duly authenticated by the Chairman and placed before this meeting and which Agreement be and is hereby approved.”

“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 Smt. Nikita Bansal in such manner as may be agreed to between the Board and her, within the limits hereby sanctioned and within the overall ceiling of managerial remuneration provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred

to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

**11. Re-appointment of Hari Prasad Agarwal (DIN: 00266005), as Vice-Chairman and Executive Director of the Company.**

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee and the Board and pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Sri Hari Prasad Agarwal, as Vice-Chairman and Executive Director of the Company for a period of five years from 1st June, 2017 to 31st May, 2022, liable to retire by rotation, on terms and conditions including remuneration, as set out in the explanatory statement and agreement entered into by the Company and Sri Hari Prasad Agarwal, a copy whereof duly authenticated by the Chairman is placed before this meeting and which Agreement be and is hereby approved.”

“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 Hari Prasad Agarwal in such manner as may be agreed to between the Board and him, within the limits hereby sanctioned and within the overall ceiling of managerial remuneration provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

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

By Order of the Board  
**For Century Plyboards (India) Ltd.**

Registered Office  
6, Lyons Range  
Kolkata : 700 001  
1st August, 2017

Sd/-  
**Sundeep Jhunjunwala**  
Company Secretary

---

## NOTES

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- 2 When a member appoints a proxy and subsequently both the member and the proxy attend the meeting, the proxy shall automatically stand revoked.
- 3 During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the same, a member, during business hours of the Company, would be entitled to inspect the proxies lodged, provided that not less than three days of notice in writing is given to the Company.
- 4 In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.
- 5 Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
- 6 The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 3rd August, 2017 to Wednesday, 9th August, 2017 (both days inclusive) for the purpose of payment of final dividend for the



financial year ended 31st March, 2017.

- 7 The Board of Directors at its meeting held on 23rd May, 2017, has recommended payment of final dividend on equity shares @ ₹ 1.00 per equity share for the financial year 2016-17. The dividend so recommended by the Board, if declared 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 2nd August, 2017 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 9th August, 2017, after giving effect to valid transfer requests received on or before 2nd August, 2017.
- 8 Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent (RTA), Maheshwari Datamatics Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
- 9 Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to notify change, if any, in address, bank mandate and bank particulars for printing on the dividend warrants, under their signatures, to Maheshwari Datamatics Private Limited, quoting folio nos.
- 10 Members holding shares in the physical form and desirous of making/changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 or SH-14, as applicable for this purpose to the Company's RTA. These forms can be obtained from the Company's RTA or downloaded from the Company's website [www.centuryply.com](http://www.centuryply.com) under the section 'Investors'. In respect of shares held in Electronic/ Demat form, members may please contact their respective Depository Participants.
- 11 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) 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. Members holding shares in electronic form are requested to update their PAN with the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Maheshwari Datamatics Private Limited.
- 12 Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Maheshwari Datamatics Private Limited for consolidation into a single folio.
- 13 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.
- 14 Relevant documents meant for inspection and referred to in the Annual Report, are open for inspection at the Registered Office of the Company, 6, Lyons Range, Kolkata-700 001, during office hours between 11.00 AM and 1.00 PM on all working days till the date of this Annual General Meeting.
- 15 Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company/ Depository Participant for admission at the entrance to the venue of the meeting.
- 16 The Company has transferred the unpaid/ unclaimed dividend for the years prior to and including the financial year 2008-09 and unclaimed interim dividend for financial year 2009-10, from time to time, on respective due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company has been sending reminders to those members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. The Company has also uploaded the details of unpaid/ unclaimed amounts lying with the Company, on the website of the Company ([www.centuryply.com](http://www.centuryply.com)) as also on the website of the Ministry of Corporate Affairs. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company or its RTA. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the IEPF on due dates.

- 17 As per the requirements of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules 2016'), the Company had sent intimation to all the shareholders who had not claimed/ encashed their dividends consecutively for the last seven years informing them that in the event those shareholders do not claim the same, the Company will be required to transfer the corresponding shares to the IEPF Suspense Account by the due date prescribed under the IEPF Rules, 2016 or such other extended date as maybe notified. The Company had also simultaneously published notice in the leading newspapers in this regard and also uploaded on the "Investors Section" of the Company's website, details of such shareholders and shares which are due for transfer to IEPF Suspense Account.
- 18 Electronic copies of the Annual Report are being sent by email only to those members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report are being sent by permitted mode.
- 19 The Notice of Annual General Meeting, Attendance Slip, Proxy Form and Remote E-voting particulars are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- 20
  - a) Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is pleased to provide facility of remote e-voting to all Members for which the Company has engaged the services of National Securities Depository Limited (NSDL). The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
  - b) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 25th August 2017, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on cut-off date should treat this notice for information purpose only. Members who have acquired shares after the despatch of the Notice of Annual General Meeting and before the cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
  - c) The remote e-voting period will commence at 9.00 a.m. on Monday, 28th August, 2017 and will end at 5.00 p.m. on Thursday, 31st August, 2017. The remote e-voting shall not be allowed beyond 5.00 p.m. on 31st August, 2017.
  - d) At the end of remote e-voting, the facility shall forthwith be blocked.
  - e) At the Annual General Meeting, facility for voting through ballot paper shall be made available and only the members as on the "cut-off date", i.e. Friday, 25th August 2017 who have not cast their vote by remote e-voting, shall be entitled to exercise their right to vote at the Annual General Meeting through ballot paper.
  - f) The Members who have cast their votes through electronic means prior to the meeting may still attend the meeting but shall not be entitled to cast their vote again.
  - g) The Company has appointed Sri Manoj Kumar Banthia, Company Secretary in Practice, as the Scrutinizer to scrutinize and ensure that the voting process is carried out in a fair and transparent manner.
  - h) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than forty eight hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.centuryply.com](http://www.centuryply.com) and that of NSDL <https://www.evoting.nSDL.com>, besides being displayed on the Notice Board of the Company at its Registered Office. The results shall simultaneously be communicated to the Stock Exchanges where the shares of the Company are listed.
  - i) **PROCEDURE FOR E-VOTING**
- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating the casting of votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting"). The procedure with respect to e-voting is provided below:-

**A. In case of Members who receive the Notice in electronic mode:**

- i. Open the PDF file 'Centuryply e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- ii. Open the internet browser and type the following URL: <https://www.evoting.nsd.com>
- iii. Click on Shareholder-Login
- iv. Insert user ID and password as initial password stated in (i) above. Click on 'Login'.
- v. If you are logging in for the first time, Password Change Menu will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential.
- vi. Once the e-Voting home page opens, click on e-Voting > Active Voting Cycles.
- vii. Select the EVEN (E-Voting Event Number) of Century Plyboards (India) Limited. Now you are ready for e-voting as 'Cast Vote' page opens.
- viii. Cast your vote by selecting your favoured option and click 'Submit'. Also click 'Confirm' when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
- ix. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- x. Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board Resolution / appropriate authorisation, together with the attested specimen signature(s) of the authorized signatory(ies) who are authorized to vote, to the Scrutinizer via email at: [scrutinizermkb@gmail.com](mailto:scrutinizermkb@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. In case of Members who receive the Notice in physical mode:**

- i. User ID and initial password is provided in the admission slip for the AGM.
  - ii. Please follow all steps from Sr. Nos. A (ii) to A (x) above to cast your vote.
- II. Members already registered with NSDL for e-voting can use their existing user ID and password for Login.
- III. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and the e-voting user manual for Shareholders available in the 'Downloads' section of NSDL's e-voting website- <https://www.evoting.nsd.com>. You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- IV. The voting rights shall be as per the number of equity shares held by the Member(s) as on 25th August, 2017, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. Voting period shall commence at 9.00 a.m. on Monday, 28th August, 2017 and will end at 5.00 p.m. on Thursday, 31st August, 2017. The e-voting module shall be disabled by NSDL at 5.00 p.m. on the same day.
- VI. In case of any queries or grievances pertaining to voting by electronic means you may contact Mr. Rajiv Ranjan, Assistant Manager, NSDL at the designated e-mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rajivr@nsdl.co.in](mailto:rajivr@nsdl.co.in).
- 21 Members may also note that the Notice of AGM and the Annual Report will be available on the Company's website, [www.centuryply.com](http://www.centuryply.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication may write to us at: [investors@centuryply.com](mailto:investors@centuryply.com)
- 22 Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- 23 As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting; members are requested to bring their copies at the meeting.
- 24 An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of Special Business under item nos. 6 to 11 of the Notice, is annexed hereto.
- 25 Information in terms of Regulation 36(3) of the Listing Regulations, Companies Act, 2013 and 'Secretarial Standards

on General Meetings' in respect of Directors seeking appointment / re-appointment at the AGM, is annexed to this Notice.

- 26 The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the venue of the Annual General Meeting.
- 27 The Route map of the venue of Annual General Meeting is annexed at the end of this Notice. Prominent Landmark is also marked therein for reference.

By Order of the Board  
**For Century Plyboards (India) Ltd.**

Registered Office  
6, Lyons Range  
Kolkata : 700 001  
1st August, 2017

Sd/-  
**Sundeep Jhunjhunwala**  
Company Secretary

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## **EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

### **Item No. 6**

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 31st January, 2017 approved the appointment of Sri Vijay Chhibber as an Additional Director on the Board of the Company in Independent category with effect from 1st February, 2017 for a term upto 31st January, 2020, subject to regularization/ approval by the shareholders of the Company at the ensuing Annual General Meeting.

Sri Chhibber is a retired officer of Indian Administrative Service, 1978 batch, Manipur-Tripura Cadre and holds a Masters degree in History. He has an experience of over 37 years in various capacities in State and Central Government including State/Deputy Commissioner Ukhrul, Secretary to Chief Minister Manipur; Principle Secretary Finance, Election, etc. He has been the Deputy Secretary Commerce and Director Cabinet Secretariat with Government of India besides being Joint Secretary Fertilizer, Additional Secretary Shipping, Road Transport and Highways, Secretary Defence (ex-servicemen) and Secretary Road Transport and Highways. He is presently an Advisor to the International Roads Federation, Geneva and also Chairman-cum-Managing Director of Unibrain Consultants, New Delhi. Other details in respect of him in terms of Regulation 36(3) of the Listing Regulations, Companies Act, 2013 and 'Secretarial Standards on General Meetings' is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013, Sri Vijay Chhibber holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as a Director, not liable to retire by rotation, subject to the approval of the shareholders.

The Company has received a declaration from Sri Vijay Chhibber that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Listing Regulations. Requisite consent, pursuant to Section 152 of the Act has also been submitted by him to act as Director, if appointed.

A notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit has been received from a Member, signifying his intention to propose the appointment of Sri Vijay Chhibber as a Director of the Company. The notice is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

The Board of Directors is of the opinion that Sri Vijay Chhibber, proposed to be appointed as Director, fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Company's management. He also possesses appropriate skills, experience and knowledge required for discharge of his duties as an Independent Director. His vast knowledge and varied experience will be of immense value to the Company and hence the Resolution at item no. 6 of this Notice is recommended for your approval.

Except Sri Vijay Chhibber and his relatives, no other Director, Key Managerial Personnel or their respective relatives is interested or concerned in the Resolution at item no. 6 of the Notice.

**Item No. 7**

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 1st August, 2017 approved the appointment of Sri Debanjan Mandal as an Additional Director on the Board of the Company in Independent category with effect from 1st August, 2017 for a term upto 31st July, 2020, subject to regularization/ approval by the shareholders of the Company at the ensuing Annual General Meeting.

Sri Mandal is a partner in Fox & Mandal, a premier multi-disciplinary law firm in Kolkata and part of Fox Mandal Group of Law Firms in India. His areas of practice are Corporate & Commercial, Banking & Finance, Real Estate, Infrastructure Projects, Succession & Trusts, Dispute Resolution, Mergers & Acquisitions, Projects & Project Finance and Private Equity & Venture Capital. He is a Member of the Incorporated Law Society and the High Court Club, High Court at Calcutta, Supreme Court Bar Association, International Bar Association, U.K. and is also a Consultant at Asian Development Bank. He is also a Member of the Executive Committee of Indian Chamber of Commerce and Chairman of ICC National Expert Committee on Corporate & Legal affairs. He is a prominent speaker and attends various meetings and seminars in India and abroad. Other details in respect of him in terms of Regulation 36(3) of the Listing Regulations, Companies Act, 2013 and 'Secretarial Standards on General Meetings' is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013, Sri Debanjan Mandal holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as a Director, not liable to retire by rotation, subject to the approval of the shareholders.

The Company has received a declaration from Sri Debanjan Mandal that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Listing Regulations. Requisite consent, pursuant to Section 152 of the Act has also been submitted by him to act as Director, if appointed.

A notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit has been received from a Member, signifying his intention to propose the appointment of Sri Debanjan Mandal as a Director of the Company. The notice is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

The Board of Directors is of the opinion that Sri Debanjan Mandal, proposed to be appointed as Director, fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Company's management. He also possesses appropriate skills, experience and knowledge required for discharge of his duties as an Independent Director. His vast knowledge and varied experience in the field of Law will be of immense value to the Company and hence the Resolution at item no. 7 of this Notice is recommended for your approval.

Except Sri Debanjan Mandal and his relatives, no other Director, Key Managerial Personnel or their respective relatives is interested or concerned in the Resolution at item no. 7 of the Notice.

**Item No. 8**

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 1st August, 2017 approved the appointment of Sri Sunil Mitra as an Additional Director on the Board of the Company in Independent category with effect from 3rd August, 2017 for a term upto 31st July, 2020, subject to regularization/ approval by the shareholders of the Company at the ensuing Annual General Meeting.

Sri Sunil Mitra retired in June 2011 from the office of Revenue & Finance Secretary, Government of India. In his public service career spanning over three and a half decades, he successfully spearheaded important policy initiatives in public finance at the national level, including a new disinvestment policy and far-reaching taxation reforms. During his earlier appointments under the West Bengal Government, he is credited with the design and implementation of significant public policy reforms in the State-owned Public Sector Enterprises and in restructuring the State's power sector. After completing his term of public service, Sri Mitra chaired a Committee in the Planning Commission between October 2011 and August 2012.

Till mid-2016, Sri Mitra was engaged in leading a team for a Consortium led by M/s IPE Global Limited, New Delhi that designed and managed a 'Knowledge Partnership Programme' for the Department of International Development of the Government of the United Kingdom. He also served as member of a Technical Advisory Panel set up by the Government of India, to review an Indian Power Sector Diagnostic Study Report undertaken by the World Bank. Sri Sunil Mitra also serves as a Non-official Member of the Eastern Regional Board of the Reserve Bank of India. Other details in respect of him in terms of Regulation 36(3) of the Listing Regulations, Companies Act, 2013 and 'Secretarial Standards on General Meetings' is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013, Sri Sunil Mitra holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as a Director, not liable to retire by rotation, subject to the approval of the shareholders.

The Company has received a declaration from Sri Sunil Mitra that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Listing Regulations. Requisite consent, pursuant to Section 152 of the Act has also been submitted by him to act as Director, if appointed.

A notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit has been received from a Member, signifying his intention to propose the appointment of Sri Sunil Mitra as a Director of the Company. The notice is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

The Board of Directors is of the opinion that Sri Sunil Mitra, proposed to be appointed as Director, fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Company's management. He also possesses appropriate skills, experience and knowledge required for discharge of his duties as an Independent Director. His vast knowledge and varied experience in planning and administration will be of immense value to the Company and hence the Resolution at item no. 8 of this Notice is recommended for your approval.

Except Sri Sunil Mitra and his relatives, no other Director, Key Managerial Personnel or their respective relatives is interested or concerned in the Resolution at item no. 8 of the Notice.

#### **Item No. 9 & 10**

Pursuant to the recommendation of Nomination and Remuneration Committee and approval of Audit Committee, the Board of Directors of the Company has approved the appointment of Smt. Nikita Bansal as Additional Director on the Board of the Company in Executive category for a period of five years from 1st February, 2017 upto 31st January, 2022, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting on the following terms, conditions and remuneration:

#### **I SALARY:**

₹ 2,00,000/- per month subject to such periodical increments as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee subject however that the aggregate remuneration on account of salary shall not exceed ₹ 20,00,000 per month.

#### **II PERQUISITES:**

In addition to salary, the Executive Director shall be entitled to such perquisites, as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject however that the aggregate of such perquisites shall not exceed ₹ 1,00,000/- per month.

The Executive Director shall also be entitled to the following perquisites which shall not be included in the remuneration/perquisites 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.

In addition to above, the following 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 her.
- b) Mobile phone and telephone facilities at the residence for official use. Personal long distance calls shall be billed by the Company to her.
- c) Reimbursement of entertainment and other expenses actually incurred in connection with the business of the Company.

Smt. Nikita Bansal is the daughter of Sri Sanjay Agarwal, Chief Executive Officer and Managing Director and she has already been working with the Company in Executive capacity prior to her appointment as Director on the Board. Smt. Nikita Bansal is a graduate in Economics and is also a Minor in Business and Mathematics from New York University. Smt. Bansal

has been heading the Century door product line and she has also been instrumental in leading change management efforts within the Company like vision and goal setting, internal communication, employee engagement, travel desk, etc. Other details in respect of her in terms of Regulation 36(3) of the Listing Regulations, Companies Act, 2013 and 'Secretarial Standards on General Meetings', is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013, Smt. Nikita Bansal holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as a Director, liable to retire by rotation, subject to the approval of the shareholders. Requisite consent, pursuant to Section 152 of the Act has also been submitted by her to act as Director, if appointed. Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration to her.

A notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit has been received from a Member, signifying his intention to propose the appointment of Smt. Nikita Bansal as a Director of the Company. The notice is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

The Board of Directors is of the opinion that Smt. Nikita Bansal, proposed to be appointed, fulfils the conditions specified in the Act and the rules made thereunder. She also possesses appropriate skills, experience and knowledge required for discharge of her duties as a Director. Her knowledge and experience will be of great value to the Company and hence recommends the Resolutions at items no. 9 and 10 of this Notice for your approval.

Except Smt. Nikita Bansal, Sri Sanjay Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise in these resolutions set out at items no. 9 and 10 of the Notice except to the extent of their respective shareholdings in the Company.

#### **Item No. 11**

Sri Hari Prasad Agarwal was re-appointed as Vice-Chairman and Executive Director of the Company for a period of five years from 1st June, 2012 to 31st May, 2017. Pursuant to the recommendation of Nomination and Remuneration Committee and approval of Audit Committee, the Board of Directors of the Company has approved his re-appointment as Vice-Chairman and Executive Director of the Company for a further period of five years from 1st June, 2017 to 31st May, 2022 subject to approval of the shareholders of the Company at the ensuing Annual General Meeting on the following terms, conditions and remuneration:

#### **I SALARY:**

₹ 5,00,000/- per month subject to such periodical increments as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee subject however that the aggregate remuneration on account of salary shall not exceed ₹ 20,00,000/- per month.

#### **II PERQUISITES:**

In addition to salary, the Executive Director shall be entitled to such perquisites, as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject however that the aggregate of such perquisites shall not exceed ₹ 1,00,000/- per month.

The Executive Director shall also be entitled to the following perquisites which shall not be included in the remuneration/perquisites 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.

In addition to above, the following 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.

Section 196(3) of the Companies Act, 2013, *inter alia*, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a Special Resolution. Part 1 of Schedule V to the Act also contains similar relaxation.

Sri Hari Prasad Agarwal would be attaining the age of 70 on 26th May, 2018. As such, it is recommended that his present re-appointment itself as Vice-Chairman and Executive Director be approved by the members by way of a Special Resolution.

Keeping in view that Sri Agarwal has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Sri Agarwal as Vice-Chairman and Executive Director.

Sri Hari Prasad Agarwal, aged 69 years, is a commerce graduate having more than 44 years of rich experience. He is one of the founder Promoters of the Company and has been actively associated in the day-to-day administration of the Company since 1982. He has also contributed extensively in the diversification and growth of the Company. Sri Agarwal is a well-known figure in the social and cultural circle in Kolkata. He is associated with several social and charitable organisations. Other details in respect of him in terms of Regulation 36(3) of the Listing Regulations, Companies Act, 2013 and 'Secretarial Standards on General Meetings', is annexed to this Notice.

Your Directors believe that continued association of Sri Hari Prasad Agarwal would be immensely beneficial to the Company and hence recommends the Resolution at item no. 11 of this Notice for your approval.

Except Sri Hari Prasad Agarwal and his relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise in this resolution set out at item no. 11 of the Notice except to the extent of their respective shareholdings in the Company.



## ANNEXURE TO THE NOTICE

### Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Companies Act, 2013 and 'Secretarial Standards on General Meetings')

Name	Sri Hari Prasad Agarwal	Sri Prem Kumar Bhajanka	Sri Vijay Chhibber	Sri Debanjan Mandal	Sri Sunil Mitra	Smt Nikita Bansal
	(3 & 11)	(4)	(6)	(7)	(8)	(9 & 10)
Director's Identification Number (DIN)	00266005	00591512	00396838	00469622	00113473	03109710
Age (Years)	69	59	61	44	66	27
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Qualification	Commerce Graduate	Commerce Graduate	1. IAS, 1978 2. Masters in History	Law Graduate	1. IAS, 1975 2. Bachelor in Science	1. Economic Graduate, 2. Minor in Business and Mathematics from New York University
Experience (Years)	44	37	37	27	42	6
Expertise in specific functional area	Management, administration & finance	Production, management & administration	Administration	Legal and Law	Planning & administration	Marketing, Internal communication and administration
Date of first appointment on the Board of the Company	05/01/1982	16/04/2008	01/02/2017	01/08/2017	01/08/2017	01/02/2017
Shareholding in the Company (equity shares of F.V. ₹ 1 each.)	2435760	4636997	Nil	Nil	Nil	50000
Terms and conditions of appointment/reappointment and details of remuneration						
Terms and conditions	Tenure upto 31.05.2022 Liable to retire by Rotation	Tenure upto 31.07.2018 Liable to retire by Rotation	Tenure upto 31.01.2020 Not Liable to retire by Rotation	Tenure upto 31.07.2020 Not Liable to retire by Rotation	Tenure upto 31.07.2020 Not Liable to retire by Rotation	Tenure upto 31.01.2022 Liable to retire by Rotation
Present ceiling of Remuneration (₹) p.a.	2,40,00,000	2,40,00,000	Overall limit of 1% of Net Profit for all Non-Executive Directors	Overall limit of 1% of Net Profit for all Non-Executive Directors	Overall limit of 1% of Net Profit for all Non-Executive Directors	2,40,00,000
Last drawn remuneration (₹) p.a.	60,00,000	1,20,00,000	Nil	Nil	Nil	4,00,000 <sup>#</sup>
Number of Board Meetings attended during the FY 2016-17 (out of 4 held)	4	3	Nil *	Nil ^	Nil <sup>5</sup>	Nil *

Name	Sri Hari Prasad Agarwal	Sri Prem Kumar Bhajanka	Sri Vijay Chhibber	Sri Debanjan Mandal	Sri Sunil Mitra	Smt Nikita Bansal
	(3 & 11)	(4)	(6)	(7)	(8)	(9 & 10)
<b>List of directorships held in other Companies (Excluding Foreign Companies)</b>	<ol style="list-style-type: none"> <li>1. Century Plyboards (Meghalaya) Ltd.</li> <li>2. Landmark Veneers Pvt. Ltd.</li> <li>3. Pushpanjali Abasan Pvt. Ltd.</li> <li>4. Shyam Century Metallic Ltd.</li> <li>5. Amul Boards Pvt. Ltd.</li> <li>6. Century Sumeru Development Ltd.</li> <li>7. Century Sumeru Infrastructure Ltd.</li> <li>8. Century Crop Sciences Pvt. Ltd.</li> <li>9. Century Plantations Ltd.</li> <li>10. Megha Technical and Engineers Pvt. Ltd.</li> <li>11. Shyam Century Cement Industries Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Lal Pahar Tea Estate Pvt. Ltd.</li> <li>2. Auro Sundram Ply And Door Pvt. Ltd.</li> <li>3. Namchic Tea Estate Pvt. Ltd.</li> <li>4. Profound Cement Works Ltd.</li> <li>5. Star Cement Meghalaya Ltd.</li> <li>6. Star Cement Ltd.</li> <li>7. Meghalaya Power Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. EV Motors India Pvt. Ltd.</li> <li>2. Unibrain Consultancy Service Pvt. Ltd.</li> <li>3. International Cargo Terminals and Infrastructure Pvt. Ltd.</li> <li>4. Dilip Buildcon Ltd.</li> <li>5. Scania Commercial Vehicles Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Apeejay Surrendra Park Hotels Ltd.</li> <li>2. Edward Food Research &amp; Analysis Centre Ltd.</li> <li>3. Apeejay Tea Ltd.</li> <li>4. Indian Chamber of Commerce Calcutta</li> <li>5. Fox &amp; Mandal Consultancy Solutions Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Dollar Industries Ltd.</li> <li>2. Texmaco Rail &amp; Engineering Ltd.</li> <li>3. Nicco Parks &amp; Resorts Ltd.</li> <li>4. Edelweiss Financial Services Ltd.®</li> <li>5. Patton International Ltd.</li> <li>6. Calcutta Promotions</li> <li>7. ECL Finance Ltd.®</li> <li>8. Peerless Trust Management Co. Ltd.</li> <li>9. Magma HDI General Insurance Co. Ltd.</li> <li>10. Edelweiss Securities Ltd.®</li> <li>11. IPE Global Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Century Coats Ltd</li> </ol>
<b>Membership/ Chairmanships of Committees of Boards of other Companies**</b>	<b>Membership in Audit Committee:</b> <ol style="list-style-type: none"> <li>1. Megha Technical and Engineers Pvt. Ltd.</li> </ol>	None	None	None	<b>Chairmanship in Audit Committee:</b> <ol style="list-style-type: none"> <li>1. Peerless Trust Management Co. Ltd.</li> <li>2. IPE Global Ltd.</li> </ol> <b>Membership in Audit Committee:</b> <ol style="list-style-type: none"> <li>1. Edelweiss Financial Services Ltd.®</li> <li>2. ECL Finance Ltd.®</li> <li>3. Edelweiss Securities Ltd.®</li> <li>4. Patton International Ltd.</li> <li>5. Magma HDI General Insurance Co. Ltd.</li> </ol> <b>Membership in Stakeholders' Relationship Committee:</b> <ol style="list-style-type: none"> <li>1. NICCO Parks &amp; Resorts Ltd.</li> </ol>	None
<b>Relationship with other Directors and Key Managerial Personnel</b>	None	None	None	None	None	Daughter of Sri Sanjay Agarwal

\* Appointed w.e.f. 01.02.2017

^ Appointed w.e.f. 01.08.2017.

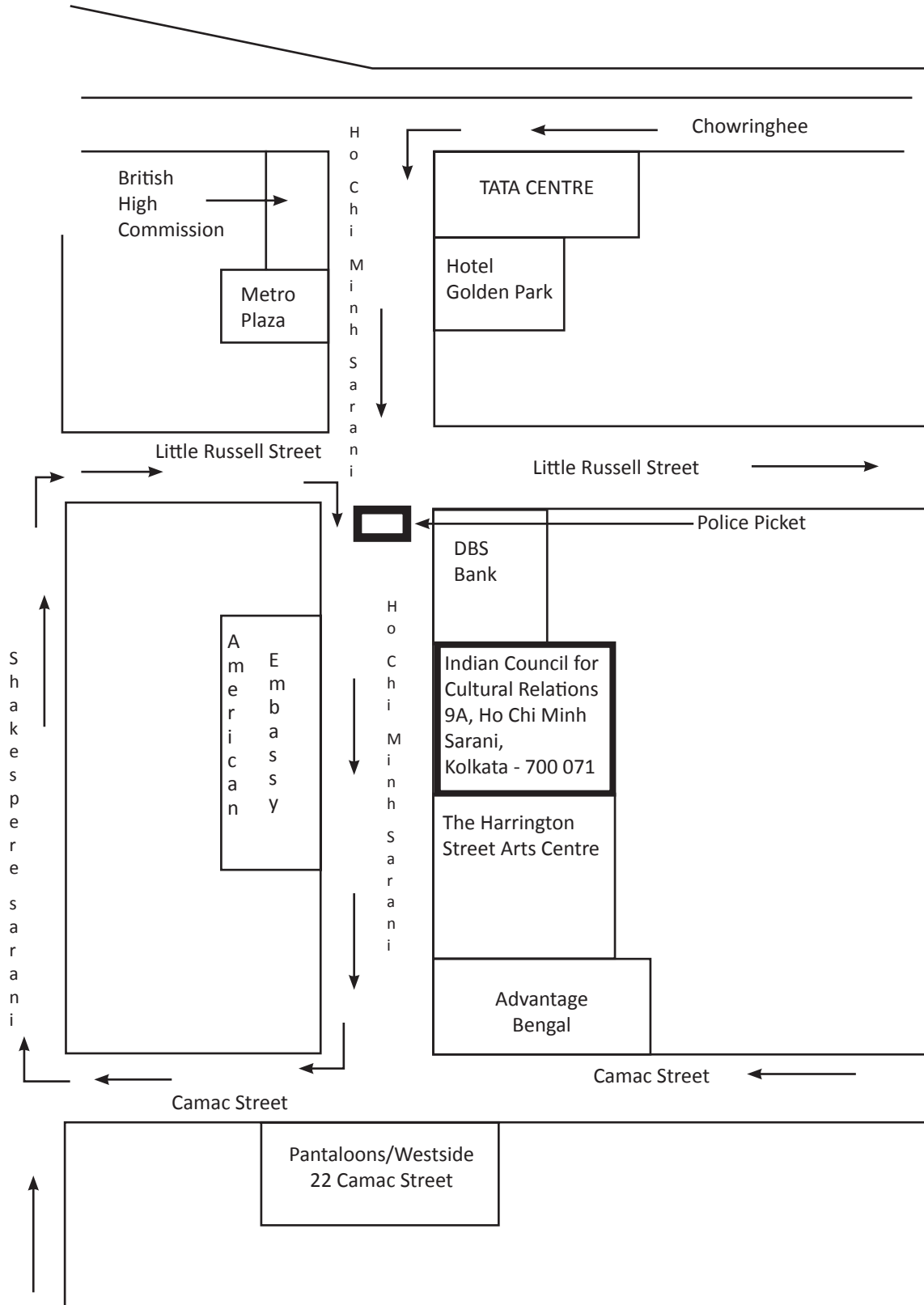
\$ Appointed w.e.f. 03.08.2017.

@ Term expiring on 03.08.2017

# Remuneration for 2 months w.e.f. 1st February, 2017

\*\* Pursuant to Regulation 26 of the Listing Regulations, only two Committee viz. Audit Committee and Stakeholders Committee have been considered.

# ROUTE MAP



**CENTURY PLYBOARDS (INDIA) LIMITED**

(CIN: L20101WB1982PLC034435)

**Registered Office:** 6, Lyons Range, Kolkata - 700 001; **Phone:** (033) 39403950**Fax:** (033) 22483539; **Website:** www.centuryply.com; **Email:** investors@centuryply.com**PROXY FORM – MGT 11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

36th Annual General Meeting held on Friday, 1st September, 2017 at 11.00 A.M. at Satyajit Ray Auditorium, Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata – 700 071	
Serial No.	
Name of the Member(s)	
Registered Address	
Email ID	
Folio No./DP ID & Client ID	

I/We being the member(s) of..... shares of Century Plyboards (India) Limited hereby appoint:

- Name.....Address.....  
Email ID.....Signature.....or failing him;
- Name.....Address.....  
Email ID.....Signature.....or failing him;
- Name.....Address.....  
Email ID.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Friday, 1st September, 2017 at 11.00 A.M. at Satyajit Ray Auditorium, Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata – 700 071 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Optional (✓)*		
		For	Against	Abstain
<b>Ordinary Business</b>				
1	Receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017, the Audited Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors thereon			
2	Declare dividend on Equity Shares for the financial year ended 31st March, 2017			
3	Appoint a Director in place of Sri Hari Prasad Agarwal (DIN: 00266005) who retires by rotation and being eligible, offers himself for re-appointment.			
4	Appoint a Director in place of Sri Prem Kumar Bhajanka (DIN: 00591512) who retires by rotation and being eligible, offers himself for re-appointment			
5	Ratify the appointment of Statutory Auditors of the Company and to fix their remuneration			
<b>Special Business</b>				
6	Appointment of Sri Vijay Chhibber (DIN: 00396838) as an Independent Director			
7	Appointment of Sri Debanjan Mandal (DIN: 00469622) as an Independent Director			
8	Appointment of Sri Sunil Mitra (DIN: 00113473) as an Independent Director			
9	Appointment of Smt. Nikita Bansal (DIN: 03109710) as a Director			
10	Appointment of Smt. Nikita Bansal (DIN: 03109710) as an Executive Director			
11	Re-appointment of Sri Hari Prasad Agarwal (DIN: 00266005) as Vice-Chairman and Executive Director			

Signed this .....day of ..... 2017

Signature of the shareholder(s) .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- \* It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.



**CENTURY PLYBOARDS (INDIA) LIMITED**

(CIN: L20101WB1982PLC034435)

**Registered Office:** 6, Lyons Range, Kolkata - 700 001; **Phone:** (033) 39403950

**Fax:** (033) 22483539; **Website:** www.centuryply.com; **Email:** investors@centuryply.com

**ATTENDANCE SLIP**

**Serial No.**

**Folio No./**

**DP ID & Client ID;**

**Name of the Member(s)**

**Registered Address**

**No. of shares held**

I/We hereby record my/our presence at the 36th Annual General Meeting of the Company, to be held on Friday, 1st September, 2017 at 11.00 A.M. at Satyajit Ray Auditorium, Indian Council for Cultural Relations, 9A, Ho Chi Minh Sarani, Kolkata – 700 071.

.....  
Member's/Proxy's name in Block letters

.....  
Member's/Proxy's signature

**Note:**

1. Please complete and sign this Attendance Slip and handover at the attendance verification counter at the venue of the meeting.
  2. Please bring your copy of Annual Report to the Meeting.
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