

INNOVATION : LEADERSHIP : TEAMWORK

# THE INDIAN WOOD PRODUCTS COMPANY LIMITED



*100* Years of Legacy  
**ANNUAL REPORT & ACCOUNTS  
2019**



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Since 1919



*Swaad bhi swasth bhi*



## Traditional uses of Katha

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



Since 1919

*Swaad bhi swasth bhi*



- ◆ Haldi Powder
- ◆ Dhania Powder
- ◆ Lal Mirch Powder
- ◆ Jeera Powder
- ◆ Mango Powder
- ◆ Jaljeera Powder
- ◆ Kashmiri Mirch Powder
- ◆ Super Garam Masala
- ◆ Garam Masala
- ◆ Paneer Masala
- ◆ Sabzi Masala
- ◆ Chole Masala
- ◆ Kitchen King Masala
- ◆ Raita Masala
- ◆ Chaat Masala
- ◆ Kasoori Methi

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**Single user, Family  
& Economy**  
packs!

ISO 22000:2005 and HACCP Certified Company

The Indian Wood Products Co Ltd.

"Spices Division"- H-229, Sector -2, Bawana, New Delhi - 110039



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

(Rs. In Lacs)

		2014 - 15	2015 - 16	2016 - 17	2017 - 18	2018 - 19
1	Turnover/Revenue	10665.04	12540.95	18835.99	21956.18	<b>20159.40</b>
2	Profit Before Depreciation Interest & Tax	748.02	850.41	2360.08	3491.02	<b>3387.37</b>
3	Interest	202.20	210.94	307.53	549.85	<b>494.26</b>
4	Depriciation	151.86	149.36	223.07	278.01	<b>329.83</b>
5	Profit Before Tax	393.96	490.11	1829.48	2663.16	<b>2563.28</b>
6	Tax	131.38	118.94	684.15	931.63	<b>778.88</b>
7	Net Profit	262.58	371.17	1145.33	1731.53	<b>1784.40</b>
8	Rate of Dividend (%)	12.50	12.50	6.00	12.50	<b>10.00*</b>
9	Equity	137.13	160.23	640.03	640.03	<b>1279.75**</b>
10	Reserve & Surplus	1773.07	30345.43	30921.21	32608.32	<b>33651.07</b>
11	Earning Per Share In Rs. ***	0.41	0.58	1.79	2.71	<b>2.79</b>

\* Proposed on increased equity

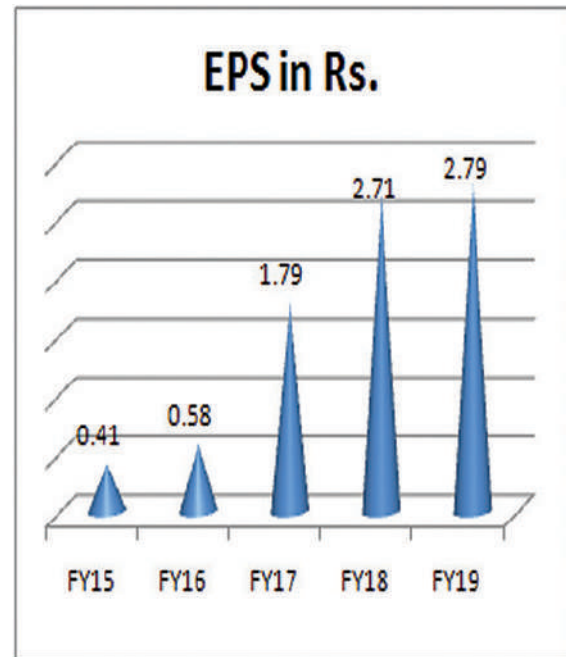
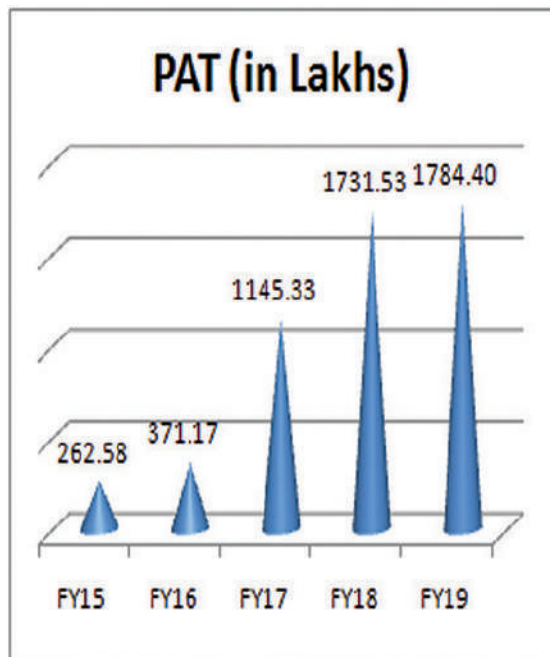
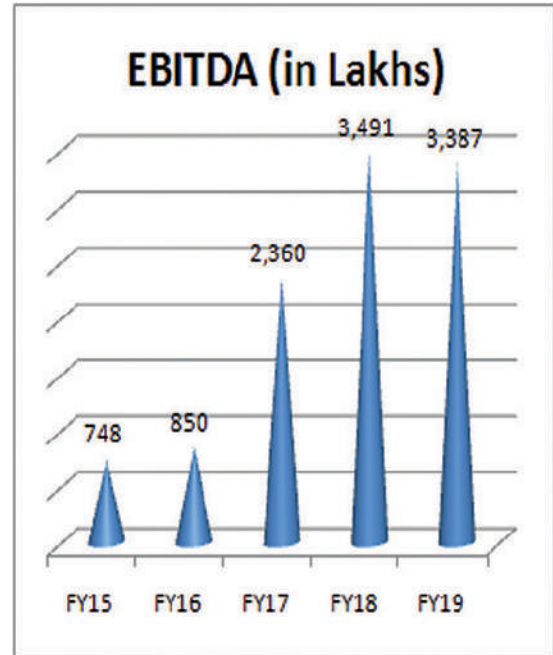
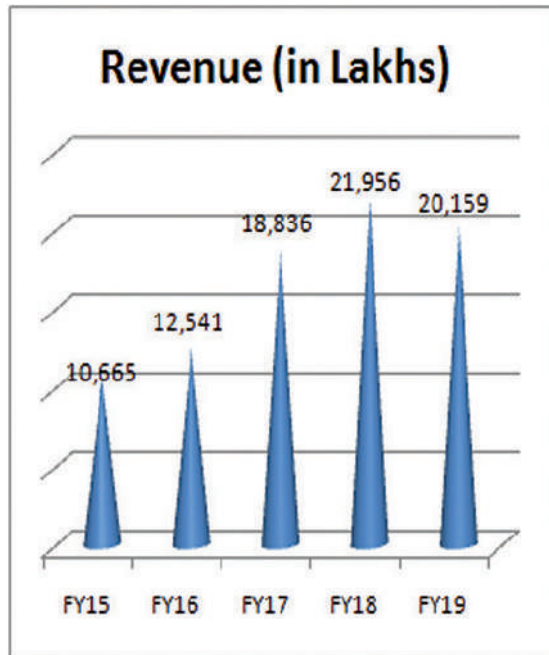
\*\* During the Year Company has issued Bonus Share in the ratio of 1:1

\*\*\* Earning Per Shares in respect of the previous periods has been re-stated considering the allotment of Bonus Shares

Note: Figure has been recasted or regrouped



## THE INDIAN WOOD PRODUCTS COMPANY LIMITED





**Plant at IZZATNAGAR, Barielly**



**Plant at Jammu & Kashmir under Installation**



## *From the desk of Chairman*

*Dear Fellow Shareholders,*

*It is a matter of pride that our Company's KATHA brand is the most known brand in the Katha Industry in India and I would like to present the 99th Annual Report of our Company.*

*The year 2019 so far has been an exceptional year in exceptional times. We have reached another milestone, Our 100th Anniversary, a celebration of a Century of passion for innovation & for quality. It is undoubtedly a moment of immense pride for all of us who have been part of this inspiring journey. As we commemorate this very special occasion, I would like to convey my deepest gratitude to you, our valued shareholders, employees, consumers, customers, partners and associates- who have stood by your Company through this voyage of challenge.*

*Exceptions from IWP are changing substantially as consumers embrace New Brands, Habits & Lifestyle. We see a re-shaping of the competitive environment. We are responding by sharpening our focus and strengthening our efforts to create value.*

*On the surface, global economic growth appears robust. The world economy is projected to expand at a steady pace of 3 per cent in 2019 and 2020. Growth rates in many developed economies have risen near to what is widely considered their potential, while unemployment rates have fallen towards historical lows. However, a closer look below this surface reveals significant shortcomings in the foundations and quality of global economic growth. However, India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19.*



*FY2019 was a challenging year for IWP in terms of the cost of raw material, unfair competition from unorganised segment due to generally lower compliance of GST which is 18% and revenue growth. However, we have been able to provide good results despite of all these challenges. We have witnessed excellent acceptability for our quality products as well as our continued success in putting innovation at the heart of how we serve customers across industries. As a market leader with exceptional quality product, we are adapting to market changes and challenges. I would like to share some of the key business highlights as under:*

*Financial Highlights FY2019*

- ◆ *EBIDTA margin of 16.8% as against the 14.8% in previous year.*
- ◆ *Sales volume at 3844.25 MT as compare to 3403.01 MT in FY 2018.*
- ◆ *Successfully introduction of new product line, i.e. Spices, in the brand name of IWP in the Eastern & Central Uttar Pradesh region and in the State of Assam in phase I.*
- ◆ *Started commercial production at Indonesia in PT Sumatra Resources International, a subsidiary of our JV company Agro and Spice Trading Pte Ltd.*

*Our stock price is a measure of the progress we have made over the years. This progress is a function of continually making important investments, in good times and not-so-good times, to build our capabilities — people, systems and products. We are building a financially sound & prosperous company in the next 5 to 10 years with a long term prospects.*

*In FY2019 we have built a strong foundation for next decade. To this end, we are constantly focused on Research and Development (R&D) initiatives. We propose to launch Katha in the retail segment in several states in the coming months. It is one such benefit from consistent R&D at our end. I am also pleased to share that the construction of our plant at Jammu & Kashmir is in final stage and commercial; production will commence in the first half of FY2020. We would manufacture the finest quality of Katha from this facility.*

*IWP's spices have been well accepted by the customers. We are preparing to the launch IWP Spices in other parts of the country in a phased manner. This vertical would be amongst the major growth drivers for your company over the next 5 years.*

*Personally for me, it is honour to be at the helm at this defining moment in our history. I deem it a special privilege. As I conclude, may I once again thank you, our valued shareholders, for your unstinted support in this shares journey. I, on behalf of the Board and the employees of your Company will look to you as always for your continued support and encouragement.*

*Krishna Kumar Mohta  
Chairman & Managing Director  
(DIN : 00702306)*





## *A Journey of 100 Years*

*Thanking you all for putting your trust in IWP and the management.*

*The Company is in the journey of its 100th year. It is undoubtedly a moment of immense pride for all of us who have been part of this inspiring journey. It is indeed a matter of great satisfaction that together we have reached 100 years milestone with value creation in all respect.*

*At this juncture, we recall the Company was incorporated in the year 1919 by Mr. H N Gladstone and others of London, establishing the Katha Manufacturing Unit at Izzatnagar, Bareilly (U.P) and production commenced from 1920. In 1980, there was a change in management and the present promoters had acquired the control over the Company.*

*During this long journey Company faced challenging times but have come out victorious. Some of the moments which had shaped the Company includes:*

- ▲ *Right Issue in the ratio of 1:1 in the year 1994*
- ▲ *Bonus Shares in the ratio of 1:3 in 2016*
- ▲ *Achieved turnover of Rs.10,000 Lacs in FY2015*
- ▲ *Listing of Shares at BSE on 2018*
- ▲ *Achieved turnover of Rs.20,000 Lacs in FY2018*
- ▲ *Bonus Shares in the ratio of 1:1 in 2019*
- ▲ *Split of Shares from Face Value of Rs. 10/- each to Rs. 2/- per Share in 2019*

*Meeting with the spirit of accountability, the Company performed over these years exceptionally well by achieving the Profit Before Tax of Rs. 2,563.28 Lakhs in FY2019 which was running in losses in 1980's. The Company's Market Capitalisation stands at Rs.52713.52 Lakhs as on March 31, 2019, which was only at Rs.28.80 Lakhs in 1980's.*



During this period, the value of share has increased by **16,300%** based on the closing price of the shares as on March 31, 2019. A detailed comparison chart for the last 38 Years is as under :-

**Financial Highlights FY1980 – FY2019**

(Rs. In Lakhs)

	FY1980	FY2019
Production	610 MT	3,801 MT
Turnover	191	20,050
Profit/ (Loss) After Tax	(25.18)	1,784
Share Capital	36	1,280
Reserve & Surplus	0.63	33,651
Net Worth	34	34931
Market Capitalisation	29	52714
Earnings Per Share (in Rs.)	0.00	2.79

The strategic choices made over the decades, the relentless effort of IWP's dedicated human capital, the support of its shareholders and the trust of our consumers have transformed IWP as a leading Katha manufacturer in India.

At present, the Company have multiple manufacturing units directly or through contractual arrangement at Bareilly, Baroda, Kundli and Daman. Further the Company is also in the process of setting up of a new Katha manufacturing plant at Jammu & Kashmir which is in the final stage and the production is expected to commence in 1st half of the FY2019-20.

With a strategy to diversify product-line, the Company has successfully launched new product, i.e. Spices, in the brand name of IWP and the same have been well accepted in the market.

During this journey the employee's dedication and commitment to the Company was the core resource. Each one of us, i.e. Shareholders, Partners, the management team have contributed in building the company for achieving the extraordinary legacy of 100 years.



## CONTENTS

Management Discussion & Analysis	01
Board's Report	07
Certificate of Non-Disqualification of Directors	21
Corporate Governance Report	38
Certificate of Compliance with respect to Corporate Governance	51
CEO and CFO Compliance Certificate	52
Additional Shareholder's Information	55
Standalone Financial Report	
Independent Auditor's Report	64
Balance Sheet	72
Statement of Profit & Loss	73
Cash Flow Statement	74
Statement of Changes in Equity	76
Notes to the Financial Statement	77
Consolidated Financial Report	
Independent Auditor's Report	107
Balance Sheet	112
Statement of Profit & Loss	113
Cash Flow Statement	114
Statement of Changes in Equity	116
Notes to the Financial Statement	117
Notice	149

**99TH ANNUAL GENERAL MEETING ON TUESDAY 17TH SEPTEMBER, 2019**

**AT**

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



## CORPORATE INFORMATION

### Board of Directors

#### *Chairman & Managing Director*

Krishna Kumar Mohta

#### *Non Executive Non Independent Director*

R. P. Chetani

#### *Whole Time Director & CEO*

Bharat Mohta

#### *Independent Director*

Sanjay Kumar Maheswary

Vinod Kumar Maheshwary

Vinod Mimani

Drisha Poddar

#### *Executive Director*

Krishna Kumar Damani

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

Raj Kumar Agarwal

#### *Company Secretary (CS)*

Anup Gupta

#### *Audit Committee*

Sanjay Kumar Maheswary Chairman

Vinod Kumar Maheshwary Member

Rajendra Prasad Chetani Member

#### *Nomination and Remuneration Committee*

Sanjay Kumar Maheswary Chairman

Vinod Kumar Maheshwary Member

Rajendra Prasad Chetani Member

#### *Stakeholders Relationship Committee*

Rajendra Prasad Chetani Chairman

Bharat Mohta Member

Sanjay Kumar Maheswary Member

Vinod Kumar Maheshwary Member

#### *CSR Committee*

Krishna Kumar Mohta Chairman

Bharat Mohta Member

Krishna Kumar Damani Member

Vinod Mimani Member

#### *Bankers*

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

#### *Statutory Auditor*

Agarwal Tondon & Co.  
(Formerly Known as  
Agrawal Sanjay & Company)  
Room No. 1, 1st Floor  
59, Bentinck Street  
Kolkata- 700 069

#### *Registered Office*

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

#### *Registrar*

M/s. Niche Technologies (P) Ltd  
3A, Auckland Place,  
Room No. 7A & 7B, 7th Floor  
Kolkata - 700 017  
Phone No. 033 2280 6616/ 6617  
Fax No. 033 2280 6619  
Email- nichetechpl@nichetechpl.com



## MANAGEMENT DISCUSSION & ANALYSIS

FY2019 represents fiscal year 2018-19, from 1 April 2018 to 31 March 2019, and analogously for FY2018 and previously such labeled years.

### Global Economic Overview

On the surface, global economic growth appears robust. The world economy is projected to expand at a steady pace of 3 per cent in 2019 and 2020. Growth rates in many developed economies have risen near to what is widely considered their potential, while unemployment rates have fallen towards historical lows. Among the developing economies, the East and South Asia regions remain on a strong growth trajectory, while many commodity-exporting countries are continuing a gradual recovery. However, a closer look below this surface reveals significant shortcomings in the foundations and quality of global economic growth.

Short-term risks are rising, with the potential to severely disrupt economic activity and inflict significant damage on longer-term development prospects. These include escalating trade disputes, financial stress and volatility, and an undercurrent of geopolitical tensions. Amid the significant build-up in global public and private debt, policy space has narrowed considerably across the world, and any negative shock could have severe and long-lasting implications for global growth. Waning support for multilateralism also raises questions around the capacity for collaborative policy action in the event of a widespread global shock.

In 2018, global economic growth remained steady at 3.1 per cent when calculated at market exchange rates, or 3.7 percent when adjusted for purchasing power parities. A fiscally induced acceleration in the United States of America offset slower growth in some other large economies, including Argentina, Canada, China, Japan, Islamic Republic of Iran, Turkey and the European Union (EU). Despite these slowdowns, economic growth accelerated in more than half of the world's economies in both 2017 and 2018.

Leading indicators point to some softening in economic momentum in many countries in 2019. The Organization for Economic Cooperation and Development (OECD) Composite Leading Indicator for the 36 members of the OECD plus 6 large non-member countries (Brazil, China, India, Indonesia, the Russian Federation and South Africa) has drifted down since the end of 2017.

At the global level, growth is expected to moderate slightly to 3 percent in both 2019 and 2020 (table I.1).<sup>3</sup> Slower growth in China and the United States will be largely offset by continued recovery in some developing regions and economies in transition that have been hardest hit by the commodity price collapse of 2014-15.

### Indian Economic Overview

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:



- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.

### Way Forward

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

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30

percent and also have plans to increase its renewable energy capacity to 175 GW by 2022.

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

### Indian Katha Industry

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

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

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

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

### Indian Spice Industry

Indian spices have a rich legacy. They have been in great demand since the 12th century. Even before the



Christian era, the Greek merchants flooded the markets of south India to buy spices, which were considered a luxury item. The Indian spices were the main lure for crusaders during their expeditions to the country.

India, known as the home of spices, boasts a long history of trading with the ancient civilisations of Rome and China. Today, Indian spices are the most sought-after globally, given their exquisite aroma, texture, taste and medicinal value. India has the largest domestic market for spices in the world. Traditionally, spices in India have been grown in small land holdings, with organic farming gaining prominence in recent times. India is the world's largest producer, consumer and exporter of spices; the country produces about 75 of the 109 varieties listed by the International Organization for Standardization (ISO) and accounts for half of the global trading in spices.

India has the largest domestic market of spices in the world. Spices are used for different religious ceremonies and in medicines apart from cooking in India. Spices are the most rapidly growing category in food and demand for spices with high quality, safely packaged and containing natural colors is expanding robustly.

The market is largely unorganized and the branded segment makes up about 15%. The branded market is dominated by players such as MDH, MTR, Badshaah, Catch, Everest, Ramdev etc. Recently, Tata Chemicals has launched its spices brand Tata Sampann Spices. The old culture of buying loose spices and grinding them in old fashioned equipment called "Chakki" is still dominant.

The Indian spices market is projected to reach approximately USD 18 billion by 2020 with growth in the sector is expected to be led by branded spices and spice mixes. The Indian government is aggressively promoting spice exports through various initiatives such as setting up of spice parks. Spice Parks offer common processing facilities to both producers and exporters.

## Operations

### Katha

Our company is a strong player in the organized section of Katha Industry in India with a market share of approx. 35~38%. Subsequent to GST and E-Way bill implementation, the market share of the unorganized sector has come down. We also expect our market share

to further increase in the coming years in view of the new plant coming up in J&K. The EBITDA in the current year has increased and going forward for better EBITDA. Our Company is planning to adopt lean Technology which will result in effective cost saving & improved work culture

During the year, due to adverse market scenario, prices of Raw Material softened resulting in lower price of our finished product, i.e. Katha, which affected the turnover marginally as compared to previous year FY2018.

During the year under review the Company has received the Licence to Establish and Operate in the State of Jammu & Kashmir from the Conservator of Forest, East Circle Jammu. This license is received to setup a Katha Manufacturing Plant in the state of Jammu & Kashmir by the Small Industrial Development Corporation (SIDCO), Government of Jammu & Kashmir. The construction of plant is in the final stage and commercial production will commence in first half of FY2020. The installed capacity of the unit will be at 1200 MT.

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

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

## Spices

The Company has successfully ventured into the packed spices segment with the introduction in East & Central U.P. and Assam in FY2019. The strong brand awareness of IWP Katha amongst the distributors, super stockiest of spices including Kirana, has edged the Company to venture successfully into the Spice segment.

The Company is focused on the mass consumption segment customers with lower disposable income and customers who are moving from buying higher



quantity of raw spices to packed spices on daily basis. The Company's spices have been well accepted by the customers. The Company is also preparing to launch Spices in other parts of the country in a phased manner. This vertical would be amongst the major growth drivers for our company over the next 5 years.

Our Company is using highly advanced technologies and our packaging units maintain the FSSAI standard. For considerable production, the high capacity machines are engaged. The machines are user-friendly and do not affect the production efficacy. One of the equipment is used to produce superior quality spices and is used as colour and size detector. Other than the chosen product's colour and size, all other colours and sizes will be detected and rejected.

#### Opportunities:

- Growing and untapped market can be ventured
- Potential for up-gradation of technologies of production
- Absence of large player in organized Katha Industry
- Largely unorganized market of Spices with only ~15% market share held by branded players
- Strong acceptability of IWP brand amongst the mass consumption segment customers.

#### Threats:

- Growing competition from the other similar manufacturers
- Threat of cheap import from outside countries cannot be ignored
- Changes in Government Policy
- Strong presence of large branded masala players.

#### Future Outlook

- Use of alternative raw material instead of Catechu Plant for manufacturing Katha
- Increasing demand for quality Katha
- Increasing awareness amongst the consumers about the quality of spice leading to growing demand for branded packed spices.
- Launch of IWP Spices in the other parts of India in a phased manner.

#### Financial and Operational Performance:

##### Production Performance:

At present, the Company has two business segments viz. Katha and Spices. Our Company is one of the leading manufacturers of Katha in India. Our company has recorded total revenue from operation of Rs. 19645.22 Lakhs, being 97.98 % of the turnover from the sale of Katha and Rs.404.61 Lakhs being 2.18% of the turnover from Spices.

During FY2019, the Company has produced 3800.759 MT of Katha as compare to 3639.101 MT in FY 2018.

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

##### Operating Results:

Key highlights of financial performance of the Company for FY2019 on standalone basis are tabulated below:

(Rs. in Lacs)

Particulars	FY2019	FY2018	FY2017
Sales and Other Income	20159.40	21956.18	18835.99
Earnings before interest, tax, depreciation and amortisation	3387.37	3491.02	2360.08
Profit before Tax	2563.28	2663.16	1829.48
Profit after Tax	1784.40	1731.53	1145.33
EPS	2.79	2.71	1.79

On consolidated basis, revenue from operations for FY2019 at Rs. 20159.40 Lakhs. Profit after tax ("PAT") for the year was Rs 1693.80 Lakhs.

#### Risks and Concern

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

The architecture: At the heart of the Company's risk





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

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

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

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

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

- Roles and responsibilities of the various entities in relation to risk management have been clearly laid down. A range of responsibilities, from the strategic to the operational, is specified therein. These role definitions, inter alia, are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation, independent monitoring and reporting by internal audit.
- Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with proper risk profiling.

- Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation. Confirmation of compliance with applicable statutory requirements are obtained from the respective unit/divisions and subjected to an elaborate verification process.
- Quarterly reports on statutory compliances, duly certified, are submitted to the Audit Committee as well as the Board of Directors for review.
- Status of Demand/Notices on the Company, under various Acts and Rules, as well as status of litigations are reported to the Board of Directors every quarter.

### Internal Control Systems

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

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

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

### Corporate Social Responsibility

Company's CSR policy covers activities in the field of eradication of extreme hunger and poverty, promotion of education, promotion of gender equality, empowerment of women, improvement of mental health, slum area development and rural development projects, employment enhancing vocational skills, ensuring environmental sustainability, sanitation including contribution to Swachh Bharat Kosh set up by the Central



Government, ensuring animal welfare, contribution to the Prime Ministers National Relief Fund or any other project set up by the Central Government.

During FY2019, in compliance with Section 135 of the Act, an amount of Rs. 32.53 Lakhs is required to be spent by the Company in CSR activities. The Company has spent Rs. 36.10 Lakhs on CSR activities covering donation of Mobile Medical Van, installation of LED Street Light and Swachhalaya under Swatch Bharat Scheme.

### Human Resources and Industrial Relations

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

### Key Ratios:

Particulars	FY 2018	FY 2019
Current Ratio (times)	1.33	1.44
Debtors Turnover(times)	5.92	5.20
Debt-Equity (times)	0.48	0.43
Operating Profit Margin (%)	14.68%	15.25%
Net Profit Margin (%)	7.89%	8.85%
Return on Net Worth	5.21%	5.11%
Interest Coverage Ratio (times)	6.19	5.84

The Inventory Turnover Ratio is not applicable to the Company.

### Cautionary Statement

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



## BOARD'S REPORT

FY2019 represents fiscal year 2018-19, from 1 April 2018 to 31 March 2019, and analogously for FY2018 and previously such labeled years.

### Dear Shareholders,

The Board of Directors (the Board) of the Company immensely pleased to present the 99th Board's Report, along with the Balance Sheet, Profit and Loss Account, Cash Flow Statements and Statement of Changes in Equity for the financial year ended March 31, 2019. The Board also congratulates every stakeholder on the completion of 100 years of journey of IWP.

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

Key highlights of financial performance of the Company for the FY2019 are as under: (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY2019	FY2018	FY2019	FY2018
Revenue from Operations	20159.40	21956.18	20159.40	21956.18
Profit Before Tax (PBT)	2563.28	2663.16	2472.68	2518.62
Tax expenses	778.88	931.63	778.88	931.63
Profit After Tax (PAT)	1784.40	1731.53	1693.80	1586.99
Earnings Per Shares*	2.79	2.71	2.65	2.48
Equity Share Capital	1279.75	640.03	1279.75	640.03
Other Equity / Reserves and Surplus	33651.07	32608.32	33311.10	32461.61

\*Earning Per Shares in respect of the previous periods has been re-stated considering split of equity shares into face value of Rs.2/- each and the allotment of Bonus Shares in the ratio of 1:1.

### 2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 0.20 per equity shares, i.e. 10% on the paid-up value of shares of the Company for FY2019, subject to approval of the shareholders at the ensuing Annual General Meeting (AGM). The dividend, if approved at the ensuing 99th AGM, will be paid to those shareholders whose names appear on the register of members of the Company as on 10/09/2019. The AGM is scheduled to be held on 17/09/2019.

### 3. SHARE CAPITAL

During the FY 2019, the share capital of the Company has been changed as under:

a. Reclassification of Authorised Share Capital: The Authorised Share Capital of the Company was

reclassified from Rs. 15.00 Crores divided into 1.00 Crore Equity Shares of Face Value Rs. 10/- each and 5.00 lakhs Preference Shares of Rs. 100/- each to Rs. 15 Crores divided into 7.50 Crores Equity Shares of Face Value of Rs. 2/- each.

b. Subdivision of Equity Shares: The Face Value of Equity Share of Rs.10/- each in the Authorised Share Capital was sub-divided into Five (5) Equity Shares having Face Value of Rs. 2/- each w.e.f February 15, 2019

c. Issue of Bonus Shares: The Board, at its meeting held on January 02, 2019, approved and recommended the issue of Bonus Shares to celebrate the 100th Year of the Company. The Company has issued Bonus Shares in the ratio of (1) One Shares of Rs. 2/- each on every One (1) existing equity shares of Rs.2/- each, held by



the members of the Company on the record date i.e. February 20, 2019.

As on March 31, 2019, the paid up capital of the Company was Rs. 12,79,45,440 comprises of 6,39,72,720 equity shares of Rs. 2/- each.

#### 4. TRANSFER TO RESERVES

During the FY2019, the Company has not transferred any amount to General Reserve. However, the Company during the FY2019 has capitalized a sum of Rs.6,39,72,720/- from General Reserve Account towards issue Bonus Shares in the ratio of 1:1.

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

The FY 2019 was a crucial cum transforming year for the Company after the listing of the equity shares on BSE Limited. The operational and financial performance of the Company during the FY2019 has witnessed significant challenges in terms of the cost of raw material, production results and revenue growth. However, the Company has exhibited good results despite of these challenges.

During the year under review the Company has received the Licence to Establish and Operate in the State of Jammu & Kashmir. This new unit will add significant growth in terms of revenue earnings because of the two reasons- first is availability of Superior Quality of raw material in the region and another one is value addition of such timber based Katha. The Company has also entered into agreement with two units in Jammu & Kashmir to provide Superior Quality Timber Liquor which will be utilized by all the production units of Company to produce value added Katha

During the year under review, the Company has achieved higher sales volume at 3844.25 MT as compare to 3403.01 MT in FY 2018. Though the prices of Raw Material softened resulting in lower price of our finished product, i.e. Katha, which affected the turnover marginally as compared to previous year FY2018.

Overall the Company has achieved a higher EBIDTA margin of 16.8% as against the 14.8% in previous year.

The Company has successfully introduced a new product line for retails sales i.e. packaged & blended Spices under the brand name of IWP in the Eastern & Central part of Uttar Pradesh region and in the North Eastern State of Assam. The Company is focused on the retail segment

customers with lower disposable income and customers who are shifting from buying raw spices or loose packing to packed spices on daily basis to avoid adulteration. The Company's new packed and blended spices have been consistently accepted by the consumers as "IWP" is already a known and trusted brand in the market. The Company is also preparing to launch its packed and blended Spices in Delhi & Uttarakhand by June 2019 and in other parts of the country in a phased manner. This division would be amongst the major growth drivers in terms of diversification of the Business and earnings growth for the Company over the next 5 to 10 years.

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

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

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

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

For further details on Indirect Tax Cases, please refer Note No. 46 to the notes to the accounts.

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

During the FY2019, by an ordinary resolution passed on February 8, 2019, through Postal Ballot the Authorised Share Capital clause of the Memorandum of Association of the Company has been amended to reclassify the share capital of the Company from Rs. 15.00 Crores divided into 1.00 Crore Equity Shares of Face Value Rs. 10/- each and 5.00 lakhs Preference Shares of Rs. 100/- each to Rs. 15 Crores divided into 7.50 Crores Equity Shares of Face Value of Rs. 2/- each.

There has been no alteration of Articles of Association of the Company.



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

There is no material change or commitment which were affect the financial position of the Company.

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

Your Company has no holding, subsidiary or associates company as on 31 March 2019.

The Company has one overseas joint venture namely Agro Spice & Trading Pte Limited, Singapore, as on 31 March 2019, which is engaged in the business of trading of spices. PT Sumatra Resources International is a subsidiary of the said joint venture Agro Spice & Trading Pte Limited. PT Sumatra Resources International is incorporated and engaged in the business of manufacturing of Catechins from Gambier with the use of innovative technology. Commercial production started from April 17, 2018. The entire production of subsidiary is consumed by the Company.

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

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of joint venture, are available on the website of the Company at [www.iwpkatha.com](http://www.iwpkatha.com) under investors' section. These documents will also be available for inspection till the date of the AGM during the business hours at the Registered Office of the Company.

## 10. INDIAN ACCOUNTING STANDARD

Pursuant to the Companies (Indian Accounting Standard) Rules 2015, the Company has adopted INDAS from April 1, 2017. The Company's Audited Financial Statements for FY2019 are Indian Accounting Standard (INDAS) complied.

## 11. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its

operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

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

The controls comprises of:

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

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

## 12. LISTING STATUS

The Company's equity shares are presently listed on BSE Limited. The Company has paid the Annual Listing Fees for the FY2020.

The equity shares of the Company were also listed on the Calcutta Stock Exchange Limited (CSE). The Company incurred significant cost every year towards listing fee and other statutory compliances with CSE and that there was no trading in the shares of the Company on CSE during the last several years. CSE also does not have any trading platform. Accordingly, in the best interest of the Company, its shareholders and trade associates, the Company has got it equity shares voluntarily delisting from CSE w.e.f. August 14, 2018, as per the Regulation 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009.

## 13. FIXED DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review. Further, the Company does not have any outstanding amount qualified as deposit as on March 31, 2019.



## 14. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

## 15. REPORT ON CORPORATE GOVERNANCE

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

## 16. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to materials departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the Profit of the Company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the annual accounts on a going concern basis;
- v) That the Directors had laid down internal financial controls in the Company that are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure Compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 17. CORPORATE SOCIAL RESPONSIBILITY

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

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

During FY2019, in compliance with Section 135 of the Act, an amount of Rs. 32.53 Lakhs is required to be spent by the Company in CSR activities. The Company has spent Rs. 36.10 Lakhs on CSR activities covering donation of Mobile Medical Van, installation of LED Street Light and Swachhalaya under Swachh Bharat Scheme.

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

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

## 18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sanjay Kumar Maheshwary (DIN: 00497335) and Mr. Vinod Kumar Maheshwary (DIN: 02659320) were appointed as Independent Directors of the Company for a term of 5 years through Postal Ballot held on March 28, 2015. Their present term of appointment is coming to an end on the ensuing AGM.

Based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company recommends the reappointment of Mr. Sanjay Kumar Maheshwary and Mr. Vinod Kumar Maheshwary as an Independent Directors for a Second Term of 5 (Five) years from September 17, 2019 till September 16, 2024, for approval by the shareholders. They shall not be liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and under the Articles of Association of the Company, Mr. Rajendra Prasad Chetani (DIN 00392215), Director of the Company, retire by rotation



and being eligible offer himself for re-appointment.

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

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

Brief profiles of Mr. Sanjay Kumar Maheswary, Mr. Vinod Kumar Maheshwary and Mr. Rajendra Prasad Chetani are given in the Chapter on Corporate Governance and the Notice convening the 99th AGM for reference of the shareholders.

Mr. Anup Gupta, Company Secretary and Mr. R K Agarwal, Chief Financial Officer continued to function as Key Managerial Personnel's during the year under review. There is no change in the KMPs during the year under review.

## 19. DECLARATIONS BY INDEPENDENT DIRECTORS

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

In the opinion of the Board of Directors, all Independent Directors of the Company, fulfills the conditions specified in the Act and Rules made thereunder.

## 20. BOARD EVALUATION

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

communicating inter se board members, the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

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

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

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

## 21. MEETING OF THE BOARD OF DIRECTORS

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

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

## 22. MEETING OF THE INDEPENDENT DIRECTORS

During FY2019, one meeting of Independent Directors was held without the presence of the Executive Directors or Management Personnel on March 30, 2019. At such meeting, the Independent Directors have discussed, among other matters, the performance of the Company, flow of information to the Board, strategy, leadership strengths, compliance, governance, HR related matters and performance of Executive Directors.

## 23. AUDIT COMMITTEE

The Audit Committee of the Board comprises of:

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

During the year under review, there has been no instance where the recommendations of the Audit Committee have not been accepted by the Board. The details of the



Audit Committee meetings are provided in the Report on Corporate Governance, which forms part of this Annual Report.

#### 24. VIGIL MECHANISM

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

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

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

No individual in the Company has been denied access to the Audit Committee or its Chairman during the FY2019.

#### 25. AUDITORS AND AUDITORS' REPORT

M/s. Agarwal Sanjay & Company, Chartered Accountants, (Firm Registration No. 329088E) were appointed as Statutory Auditors of the company by the members at the 97th Annual General Meeting held on 18 September 2017 for a term of 5 consecutive years subject to ratification by the Members at every Annual General Meeting. The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been omitted by the Companies Amendment Act, 2017 w.e.f 7 May 2018. Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive Annual general Meeting and no ratification of appointment of Statutory Auditor is required at the ensuing AGM.

During the year M/s. Agarwal Sanjay & Company informed that they have changed their firm name under the same registration number as M/s. Agarwal Tondon &

Co. Consequently, M/s. Agarwal Tondon & Co., Chartered Accountants, continue to be the statutory auditors of the company till the conclusion of 102nd AGM, as approved by shareholders at 97th AGM held on September 18, 2017

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

#### 26. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed Md. Shahnawaz (Membership No. 21427 CP No. 15076), Practicing Company Secretary, to carry out the secretarial Audit of the Company for the FY2019. The Secretarial Audit Report submitted by him, for FY2019 is annexed herewith marked as **Annexure - 3** to this Report.

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

#### 27. SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

#### 28. NOMINATIONS AND REMUNERATION COMMITTEE

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

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

Disclosures relating to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules,





2014, is annexed herewith as '**Annexure -4**' and forms part of this Board's report.

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

### 30. RISK MANAGEMENT POLICY

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

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

### 31. INSIDER TRADING POLICY

The Company's Insider Trading Policy provides the framework for in dealing with securities of the Company by the insider. A revised Policy was adopted effective from April 1, 2019 in line with SEBI (prohibition of Insider Trading) (Amendment) Regulations, 2018.

### 32. EXTRACT OF ANNUAL RETURN

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

### 33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

### 34. CREDIT RATING

During the year under review, ICRA Limited (ICRA) has affirmed the long-term Credit Rating of [ICRA] BBB+ (pronounced ICRA triple B Plus) and a short term rating

of [ICRA] A2 (pronounced ICRA A two). The outlook of the Long Term Rating is stable.

### 35. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the application provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years, also to be transferred to the demat account of the IEPF Authority.

During the year, the Company has transferred the unclaimed and unpaid dividend of Rs.1,18,375/-. Further, 78,783 corresponding shares on which dividend were unclaimed for seven consecutive years were transferred as per the requirement of the IEPF rules. The details are provided in the Shareholder information section of this Annual Report and also available on our website, at [www.iwpkatha.com](http://www.iwpkatha.com).

### 36. PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES

Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contractual arrangement with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is appended as '**Annexure – 7**' to the Board's Report.

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

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

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and



Redressal) Act, 2013 and the rules framed thereunder. The Company has set up Internal Complaint Committee (ICC) under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with its relevant Rules.

The Committee met once during the FY2019 on February 12, 2019

No complaints have been received by the Committee during the FY2019.

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

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

### **39. HUMAN RESOURCES**

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

### **40. GENERAL**

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

- ▲ Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ▲ Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- ▲ The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

▲ No fraud has been reported by the Auditors to the Audit Committee or the Board.

### **41. ACKNOWLEDGEMENT**

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

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

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

**For and on behalf of the Board**

**Kolkata  
24 May, 2019**

**K K Mohta  
Chairman & Managing Director  
Din No : 00702306**



## Form AOC-1

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

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

#### Part "A": Subsidiaries

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

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of associates/Joint Ventures	M/s Agro and Spice Trading Pte Ltd, Singapore
1	Latest audited Balance Sheet Date	31.03.2019
2.	Date on which the Associates or Joint Venture was associated or acquired	18th April, 2016
3	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	1150050
	Amount of Investment in Associates/Joint Venture	Rs. 8,63,13,353.65
	Extend of Holding%	50%
4	Description of how there is significant influence	Through Shareholding
5	Reason why the associate/joint venture is not consolidated	Consolidated
6	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 5,80,84,766/-
7	Profit/Loss for the year	
	i. Considered in Consolidation	(Rs. 1,93,26,752/-)
	ii. Not Considered in Consolidation	NIL

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

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

**Krishna Kumar Mohta**  
Chairman & Managing Director  
(DIN:00702306)

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

Kolkata  
May 24, 2019

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

**Anup Gupta**  
Company Secretary



## ANNEXURE - 2

**Annual Report on Corporate Social Responsibility (CSR) activities  
for the financial year ended on 31st March 2019**

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 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.	As a Responsible Corporate Citizen Corporate Social Responsibility (CSR) has always been an integral part of IWP's Vision. Though CSR was introduced by the Companies Act, 2013, but was followed by the Company since long to serve society. A CSR policy was framed in accordance with the provisions of the Companies Act, 2013 and Rules framed there under in line with Schedule VII of the said Act. Our CSR Policy covers activities in the field of health, education, environment, conservation, sustainability and social business projects. For the Financial year ended on 31st March 2019 the Company has spent on the Projects / programs as per the policy and is fully described in annexure A given below.  The weblink for CSR Policy is <a href="http://www.iwpkatha.com/csr_policy.pdf">http://www.iwpkatha.com/csr_policy.pdf</a>
2	The Composition of the CSR Committee	The present constitution of CSR Committee includes: 1. Mr. K K Mohta – Chairman and MD 2. Mr. K K Damani – Executive Director 3. Mr. Bharat Mohta – Director and CEO 4. Mr. Vinod Mimani - Independent Director
3.	Average net Profit of the Company for last three financial years	Rs. 1626.27 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 32.53 Lakhs
5	Details of CSR Spent during the financial year Total Amount to be spent for the Financial year Amount Spent Amount unspent if any Manner in which the amount spent during the financial year.	Rs. 32.53 Lakhs Rs. 36.10 Lakhs NIL The manner in which the amount is spent is detailed in the Annexure A

**For and on behalf of the Board**

**K K Mohta**

Chairman & Managing Director

Din: 00702306

**Kolkata**  
**24 May 2019**



**Annexure A: Manner in which the amount spent during the Financial Year is detailed below:**

S.N	CSR Project or activity identified	Sector in which the Project is covered	Project or programs (1) Local Area or other (2) State and District where the projects programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spend on the projects or programs direct / Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Health and safety - LED Lights	Promoting Prevention Healthcare and Sanitation	40 Watt, 300 Pieces Led Street Lights were installed across the street and roads in Local Area, Bareilly, U.P	5.85 Lakhs	5.85 Lakhs	5.85 Lakhs	Directly by the Company
2	Health care	Promoting Mobile Medical Van	Ambulance Donated to Hospital	19.24 Lakhs	19.24 Lakhs	19.24 Lakhs	Directly by the Company
3	Public Toilet, School Toilets	Promoting Prevention Healthcare and Sanitation	Constructions of School Toilets in various School in Nainital Marg & Gandhi Nagar, & Public Toilets in Defence Colony Area in Izzatnagar, Bareilly, U.P	11.01 Lakhs	11.01 Lakhs	11.01 Lakhs	Directly by the Company

**For and on behalf of the Board**

**K K Mohta**

Chairman & Managing Director

Din: 00702306

**Kolkata**  
**24 May 2019**



## Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019,

according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable to the Company during the Audit Period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 applicable up to November 8, 2018 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from November 9, 2018, (SEBI (ICDR) Regulations);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not



applicable to the Company during the Audit Period;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable to the Company during the Audit Period;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the Audit Period;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (herewith referred as Listing Regulations); and

(vi) Other specifically applicable laws to the Company.

a. Water (Prevention and Control of Pollution) Act, 1974 and Air (prevention And Control of pollution) Act, 1981;

b. Factories Act, 1948;

c. Food Safety and Standards Act, 2006; and

d. Boiler Act 1923 & Indian Boiler Regulation, 1950

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

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

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

I further report that:

- The Board of Directors of the Company is duly

constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.

- All decisions at Board Meetings and Committee Meetings are carried out unanimously and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- a. The equity shares of the company were also listed on the Calcutta Stock Exchange Limited (CSE). The



company has got its equity shares voluntarily delisting from CSE w.e.f. August 14, 2018, as per the Regulations 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009.

b. The shareholders of the Company through postal ballot, result of which declared on February 7, 2019, have approved the followings:

i. Reclassification of Authorized Share Capital of the Company from Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each and 5,00,000 (Five Lacs) Preference Shares of Rs.100/- each, to Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crore Fifty Lakhs Only) Equity Shares of Rs.2/- each, and consequential amendment to the Memorandum of Association of the Company

ii. Sub-division of One (1) of the Equity Share of the Company having a face value of Rs.10/- each in the Authorized Equity Share Capital of the Company into Five (5) Equity Shares having a face value of Rs. 2/- each.

iii. Issue and allotment of 1 (One) Bonus Shares of Rs.2/- each, credited as fully paid-up shares, for every One (1) equity share of Rs.2/- each held by the members of the Company.

c. The sub-divided equity shares of Rs.2/- each become effective for trading w.e.f. February 15, 2019.

d. The equity shares allotted as Bonus Shares on February 20, 2019, were listed and admitted for trading on the BSE Limited with effect from February 28, 2019.

**M Shahnawaz & Associates**

*Practicing Company Secretary*

Firm Regn. No. S2015WB331500

**Md. Shahnawaz**

*Proprietor*

Membership No.: 21427

CP No.: 15076

Kolkata, May 24, 2019





## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
THE INDIAN WOOD PRODUCTS CO LTD  
CIN:L20101WB1919PLC003557  
9 Brabourne Road, 7th Floor,  
Kolkata-700001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Indian Wood Products Co Ltd having CIN L20101WB1919PLC003557 and having registered office at 9 Brabourne Road, 7th Floor, Kolkata - 700001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Vinod Mimani	00053976	30/12/2014
2.	Bharat Mohta	00392090	30/10/2005
3.	Rajendra Prasad Chetani	00392215	27/04/2004
4.	Sanjay Kumar Maheswary	00497335	30/01/2004
5.	Krishna Kumar Mohta	00702306	29/05/1980
6.	Krishna Kumar Damani	01385252	15/04/1998
7.	Vinod Kumar Maheshwary	02659320	13/04/2009
8.	Drisha Poddar	07729080	18/02/2017

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **M Shahnawaz & Associates**

Practicing Company Secretaries  
Firm Regn. No. S2015WB331500

Md. Shahnawaz  
Proprietor  
Membership No.: 21427

CP No.: 15076  
Kolkata, May 24, 2019



## ANNEXURE- 4

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

- (i) **The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2018-19**

Sr. No	Name of Director	Designation	Ratio of remuneration of each Director to the Median Remuneration
1	Krishna Kumar Mohta	Chairman and Managing Director	35.35
2	Bharat Mohta	Whole Time Director and CEO	35.10
3	Krishna Kumar Damani	Executive Director	16.99

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

Sr. No	Name of Director and KMP	Designation	Percentage increase in Remuneration
1	Krishna Kumar Mohta	Chairman and Managing Director	7.50
2	Bharat Mohta	Whole Time Director and CEO	15.78
3	Krishna Kumar Damani	Executive Director	11.05
4	Raj Kumar Agarwal	Chief Financial Officer	8.77
5	Anup Gupta	Company Secretary and Compliance Officer	108.88

- (iii) **Percentage increase in the median remuneration of all employees in the financial year 2018-19:**

The median remuneration of employees increased by 6% in FY 2019

- (iv) **Number of permanent employees on the rolls of the Company as on March 31, 2019:**

There were 335 permanent employees on the rolls of the Company as on March 31, 2019.

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

Average percentage increase in salary of employees other than Whole Time Director for FY 2019 was 6% as compared to FY 2018. The average increase in the managerial remuneration during the year is 30.4%. The increase in the remuneration of KMPs is based on their performance, industry standard and expertise.

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

It is hereby affirmed that the remuneration paid to all the Director, KMP, Senior Managerial Personnel and all other employees of the Company during the financial year ended March 31, 2019 were as per the Nomination and Remuneration Policy of the Company.

**For and on behalf of the Board**

Kolkata  
24 May 2019

**K K Mohta**  
Chairman & Managing Director  
DIN - 00702306

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



**Statement of Particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2019**

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

Sr No.	Name	Designation	Nature of Employment Whether Contractual or Otherwise	Qualification and Experience of the Employee including previous employment	Age (Years)	Date of Commence of Employment	Remuneration received (Rs. in Lakhs)	The Last employment held before joining the Company	The Percentage of equity share held
1.	Mr. Krishna Kumar Mohta	Chairman and Managing Director	Permanent	Bachelor of Science from Calcutta University, 51 Years	71	29.05.1980	167.90	NA	2.75
2.	Mr. Bharat Mohta	Whole Time Director and Chief Executive Officer	Permanent	Bachelor of Commerce from Kolkata University and Business Diploma from ICFAI, 26 Years	44	01.04.2012	166.72	AEW Ltd.	11.86
3.	Mr. Krishna Kumar Damani	Executive Director	Permanent	B. Tech (Hons) Chem. Engg. 49 Years	70	15.04.1998	75.30	BEC Foods Ltd	NA
4.	Mr. Rajiv Mundra	Vice President-Marketing	Permanent	Bachelor of Commerce, 35 years	56	01.04.2005	61.17	Bareilly Chemicals Pvt. Ltd.	NA
5.	Mr. Ravi Chandak	AGM (Commercial)	Permanent	C.A.& M.B.A., 26 Years	51	10.03.1998	25.75	Orient Fans Ltd.	NA
6.	Mr. Raj Kumar Agarwal	Chief Financial Officer	Permanent	B.Com & LLB, 48 Years	68	31.07.1982	20.91	AEW Ltd.	NA
7.	Mr. Ram Kumar Binani	Sr. Commercial Manager	Permanent	M.Com, 31 Years	52	21.07.1993	19.06	Kothari Trading & Investment Co Pvt Ltd.	NA



Sr No.	Name	Designation	Nature of Employment Whether Contractual or Otherwise	Qualification and Experience of the Employee including previous employment	Age (Years)	Date of Commence of Employment	Remuneration received (Rs. in Lakhs)	The Last employment held before joining the Company	The Percentage of equity share held
8.	Mr. Ajit Kumar Acharya	Secretarial Officer	Permanent	M.Com, LLB 48 Years	67	01.08.1980	18.94	Modern India Construction Co. Ltd	NA
9.	Mr Anand Kumar Rai	AGM (HR & Admin)	Permanent	M.A. (Social Work), PHD & LLB, 21 Years	43	07.05.2012	17.03	MJP Rohailkhand University	NA
10.	Mr. Jagdish Chandra Tiwari	Sr. Manager Production	Permanent	B.S.C & M.S.C. 29 Years	52	30.07.1999	16.55	Mahesh Udyog (BDM)	NA

**Notes :**

1. None of the employees employed for part of the financial year 2018 - 2019, were in receipt of remuneration for any part of the financial year, at a rate which , in aggregate, was not less than Rs. 8.50 Lakhs (Rupees eight Lakhs and fifty thousand) per month.
2. Except for Mr. Krishna Kumar Mohta & Bharat Mohta , none of the employees mentioned above are related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provision, if any.
3. All appointment are terminable by notice on either side
4. Remuneration includes salary, bonus, commission, various allowances, performances incentive, contribution to provident fund and superannuation fund and taxable value of perquisite but excludes provision for gratuity and leave encashment.
5. The terms of Service of Mr. Krishna Kumar Mohta, Mr. Bharat Mohta and Mr. Krishna Kumar Damani are governed by the Special Resolution, passed by the shareholders of the Company dated February 15, 2018

**For and on behalf of the Board**

**Kolkata**  
**24 May, 2019**

**K K Mohta**  
*Chairman & Managing Director*  
DIN - 00702306

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



## EXTRACT OF ANNUAL RETURN

### FORM NO. MGT 9

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

As on financial year ended on 31.03.2019

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L20101WB1919PLC003557
2.	Registration Date	23-12-1919
3.	Name of the Company	THE INDIAN WOOD PRODUCTS CO LTD
4.	Category/Sub-category of the Company	Company having Share Capital
5.	Address of the Registered office & contact details	Bombay Mutual Building 9, Brabourne Road, 7th Floor, Kolkata – 700 001 (West Bengal) Phone- 033 8232023820 Fax 033 22426799
6.	Whether listed company	Yes with The Calcutta Stock Exchange Ltd (up to 13.08.2018) & with BSE Ltd
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Pvt Ltd 3A, Auckland Place 7th Floor, Room No. 7A & 7B, Kolkata – 700 0017 Phones: 033 22806616/17/18 e-mail nichetechpl@nichetechpl.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Katha	0325003	95.98

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

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



FORM NO. MGT 9 (Contd.)

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3086856	0	3086856	48.26	30868560	0	30868560	48.26	-
b) Central Govt	0	0	0	0	0	0	0	0	-
c) State Govt(s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	1401196	0	1401196	21.90	14011960	0	14011960	21.90	-
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any other	0	0	0	0	0	0	0	0	-
<b>Total shareholding of Promoter (A)</b>	<b>4488052</b>	<b>0</b>	<b>4488052</b>	<b>70.16</b>	<b>44880520</b>	<b>0</b>	<b>44880520</b>	<b>70.16</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Banks / FI	33004	7168	40172	0.63	330040	71680	401720	0.63	-
c) Central Govt	0	0	0	0	0	0	0	0	-
d) State Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	-
<b>Sub-total (B)(1):-</b>	<b>33004</b>	<b>7168</b>	<b>40172</b>	<b>0.63</b>	<b>330040</b>	<b>71680</b>	<b>401720</b>	<b>0.63</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	131327	11812	143139	2.23	2195539	99180	2294719	3.59	1.36
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	627876	579106	1206982	18.87	5814466	3279890	9089356	14.21	(4.66)



## FORM NO. MGT 9 (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	331454	12297	343751	5.37	4799535	398610	14287501	8.12	2.75
c) Others (specify)	0	0	0	0	0	0	0	0	-
Non Resident Indians	0	156572	156572	2.45	18230	1192760	1210990	1.89	(0.56)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	-
Foreign Nationals	0	0	0	0	0	0	0	0	-
Clearing Members	18604	0	18604	0.29	109440	0	109440	0.17	(0.12)
Trusts/IEPF	0	0	0	0	787830	0	787830	1.23	1.23
Foreign Bodies - D R	0	0	0	0	0	0	0	0	-
<b>Sub-total (B)(2):-</b>	<b>1109261</b>	<b>759787</b>	<b>1869048</b>	<b>29.21</b>	<b>13725040</b>	<b>4965440</b>	<b>18690480</b>	<b>29.21</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>1142265</b>	<b>766955</b>	<b>1909220</b>	<b>29.84</b>	<b>14055080</b>	<b>5037120</b>	<b>19092200</b>	<b>29.84</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>5630317</b>	<b>766955</b>	<b>6397272</b>	<b>100</b>	<b>58935600</b>	<b>5037120</b>	<b>63972720</b>	<b>100</b>	<b>-</b>

\* As on 15.02.2019 (1) One Equity share of Rs.10/-each were sub-divided into Five (5) Equity shares of Rs. 2/each, and Bonus shares in the ratio of 1:1 were issued on February 20, 2019. Accordingly, the number of shares at the end of the year is increased.

## B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Arvind Engg Works Ltd	60840	0.95	Nil	608400	0.95	Nil	-
2	Indian Glass & Ele. Ltd	120000	1.88	Nil	1200000	1.88	Nil	-
3	Security Co Ltd	1220356	19.08	Nil	12203560	19.08	Nil	-
4	Avanti Mohta	752616	11.77	Nil	7526160	11.77	Nil	-
5	Bharat Mohta	758900	11.86	Nil	7589000	11.86	Nil	-
6	Bharat Mohta HUF	455000	7.11	Nil	4550000	7.11	Nil	-
7	Krishna Kumar Mohta	176320	2.75	Nil	1763200	2.75	Nil	-
8	Krishna Kumar Mohta HUF	28000	0.44	Nil	280000	0.44	Nil	-
9	Savita Mohta	916020	14.32	Nil	9160200	14.32	Nil	-
	<b>Total</b>	<b>4488052</b>	<b>70.16</b>	<b>Nil</b>	<b>44880520</b>	<b>70.16</b>	<b>Nil</b>	<b>-</b>

\* As on 15.02.2019 (1) One Equity share of Rs.10/-each were sub-divided into Five (5) Equity shares of Rs. 2/each, and Bonus shares in the ratio of 1:1 were issued on February 20, 2019. Accordingly, the number of shares at the end of the year is increased



FORM NO. MGT 9 (Contd.)

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

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year			Cumulative Shares holding during the year 1.4.2018 to 31.03.2019	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
1	Arvind Engg Works Ltd	60840	0.95					
				15.02.2019	Split of shares	304200	304200	
				20.02.2019	Bonus Issue	304200	608400	0.95
				31.03.2019			608400	0.95
2	Indian Glass & Ele Ltd	120000	1.88					
				15.02.2019	Split of shares	600000	600000	
				20.02.2019	Bonus Issue	600000	1200000	1.88
				31.03.2019			1200000	1.88
3	Security Co Ltd	1220356	19.08					
				15.02.2019	Split of shares	6101780	6101780	
				20.02.2019	Bonus Issue	6101780	12203560	19.08
				31.03.2019			12203560	19.08
4	Avanti Mohta	752616	11.77					
				15.02.2019	Split of shares	3763080	3763080	
				20.02.2019	Bonus Issue	3763080	7526160	11.77
				31.03.2019			7526160	11.77
5	Bharat Mohta	758900	11.86					
				15.02.2019	Split of shares	3794500	3794500	
				20.02.2019	Bonus Issue	3794500	7589000	11.86
				31.03.2019			7589000	11.86
6	Bharat Mohta(HUF)	455000	7.11					
				15.02.2019	Split of shares	2275000	2275000	
				20.02.2019	Bonus Issue	2275000	4550000	7.11
				31.03.2019			4550000	7.11
7	K K Mohta	176320	2.75					
				15.02.2019	Split of shares	881600	881600	
				20.02.2019	Bonus Issue	881600	1763200	2.75
				31.03.2019			1763200	2.75





## FORM NO. MGT 9 (Contd.)

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year			Cumulative Shares holding during the year 1.4.2018 to 31.03.2019	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
8	K K Mohta (HUF)	28000	0.44					
				15.02.2019	Split of shares	140000	140000	
				20.02.2019	Bonus Issue	140000	280000	0.44
				31.03.2019			280000	0.44
9	Savita Mohta	916020	14.32					
				15.02.2019	Split of shares	4580100	4580100	
				20.02.2019	Bonus Issue	4580100	9160200	14.32
				31.03.2019			9160200	14.32

\* As on 15.02.2019 (1) One Equity share of Rs.10/-each were sub-divided into Five (5) Equity shares of Rs. 2/ each, and Bonus shares in the ratio of 1:1 were issued on February 20, 2019. Accordingly, the number of shares at the end of the year is increased

## D) Shareholding Pattern of top ten Shareholders:

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

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year			Cumulative Shares holding during the year 1.4.2018 to 31.03.2019	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
1	Investor Education and Protection Fund Authority Ministry of Corporate Affairs (IEPF)	0	0					
				16.01.2019	Transfer by Co	78783	78783	1.23
				15.02.2019	Split of shares	393915	393915	
				20.02.2019	Bonus Issue	393915	787830	1.23
				31.03.2019			787830	1.23



FORM NO. MGT 9 (Contd.)

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year			Cumulative Shares holding during the year 1.4.2018 to 31.03.2019	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
2	J M S Mining Pvt Ltd	30066	0.47					
				06.04.2018	Purchase	4045	34111	0.53
				13.04.2018	Purchase	1061	35172	0.55
				27.04.2018	Purchase	5278	40450	0.63
				04.05.2018	Purchase	8300	48750	0.76
				11.05.2018	Purchase	2987	51737	0.81
				25.05.2018	Purchase	3401	55138	0.86
				01.06.2018	Purchase	7282	62420	0.98
				08.06.2018	Purchase	8168	70588	1.10
				15.06.2018	Purchase	584	71172	1.11
				06.07.2018	Purchase	1455	72627	1.14
				13.07.2018	Purchase	807	73434	1.15
				20.07.2018	Purchase	1317	74751	1.17
				27.07.2018	Purchase	3948	78699	1.23
				03.08.2018	Purchase	3861	82560	1.29
				10.08.2018	Purchase	8580	91140	1.42
				17.08.2018	Purchase	2050	93190	1.46
				15.02.2019	Split of shares	465950	465950	
				20.02.2019	Bonus Issue	465950	931900	1.46
				01.03.2019	Sale	-206356	725544	1.13
				31.03.2019			725544	1.13
3	S.M. Genl. Sir Kaiser Shun S Jung	67128	1.05					
				16.01.2019	Transfer to IEPF A/c.	16782	50346	0.79
				15.02.2019	Split of shares	251730	251730	
				20.02.2019	Bonus Issue	251730	503460	
				31.03.2019			503460	0.79



## FORM NO. MGT 9 (Contd.)

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year			Cumulative Shares holding during the year 1.4.2018 to 31.03.2019	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
4	Shri Bupendra Prasad Shah	60064	0.94					
				16.01.2019	Transfer to IEPF A/c.	15016	45048	0.70
				15.02.2019	Split of shares	225240	225240	
				20.02.2019	Bonus Issue	225240	450480	
				31.03.2019			450480	0.70
5	Vinaben Jivanlal Patel	41168	0.64					
				15.02.2019	Split of shares	205840	205840	
				20.02.2019	Bonus Issue	205840	411680	
				31.03.2019			411680	0.64
6	Konark Towers Private Ltd	38900	0.61					
				15.02.2019	Split of shares	194500	194500	
				20.02.2019	Bonus Issue	194500	389000	
				31.03.2019			389000	0.61
7	National Insurance Co Ltd	33004	0.52					
				15.02.2019	Split of shares	165020	165020	
				20.02.2019	Bonus Issue	165020	330040	
				31.03.2019			330040	0.52
8	Durga Prasad Kedia	32400	0.51					
				15.02.2019	Split of shares	162000	162000	
				20.02.2019	Bonus Issue	162000	324000	
				31.03.2019			324000	0.51
9	Jaikishan Mohta	24593	0.39					
				15.02.2019	Split of shares	122965	122965	
				20.02.2019	Bonus Issue	122965	245930	
				31.03.2019			245930	0.39
10	Arun Kumar Gupta	23900	0.37					
				03.08.2018	Sale	3000	20900	0.32
				15.02.2019	Split of shares	104500	104500	
				20.02.2019	Bonus Issue	104500	209000	
				31.03.2019			209000	0.32

\*As on 15.02.2019 (1) One Equity share of Rs.10/-each were sub-divided into Five (5) Equity shares of Rs. 2/- each, and Bonus shares in the ratio of 1:1 were issued on February 20, 2019. Accordingly, the number of shares at the end of the year is increased



FORM NO. MGT 9 (Contd.)

E) Shareholding of Directors and Key Managerial Personnel:

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year			Cumulative Shares holding during the year 1.4.2018 to 31.03.2019	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	No. of shares	% of total shares of the company
1	K K Mohta	176320	2.75					
				15.02.2019	Split of shares	881600	881600	
				20.02.2019	Bonus Issue	881600	1763200	2.75
				31.03.2019			1763200	2.75
2	Bharat Mohta	758900	11.86					
				15.02.2019	Split of shares	3794500	3794500	
				20.02.2019	Bonus Issue	3794500	7589000	11.86
				31.03.2019			7589000	11.86
3	Rajendra Prasad Chetani	456	0.01					
				15.02.2019	Split of shares	2280	2280	
				20.02.2019	Bonus Issue	2280	4560	0.01
				31.03.2019			4560	0.01
4	Vinod Kumar Maheshwary	200	0.00					
				15.02.2019	Split of shares	1000	1000	
				20.02.2019	Bonus Issue	1000	2000	0.00
				31.03.2019			2000	0.00
5	Sanjay Kumar Maheswary	400	0.01					
				09.01.2019	Sale	25	375	0.01
				14.01.2019	Sale	25	350	0.00
				21.01.2019	Sale	25	325	0.00
				25.01.2019	Sale	25	300	0.00
				15.02.2019	Split of shares	1500	1500	
				20.02.2019	Bonus Issue	1500	3000	0.00
				31.03.2019			3000	0.00
6	Raj Kumar Agarwal	228	0.00					
				15.02.2019	Split of shares	1140	1140	
				20.02.2019	Bonus Issue	1140	2280	0.00
				31.03.2019			2280	0.00

\* As on 15.02.2019 (1) One Equity share of Rs.10/-each were sub-divided into Five (5) Equity shares of Rs. 2/each, and Bonus shares in the ratio of 1:1 were issued on February 20, 2019. Accordingly, the number of shares at the end of the year is increased



## FORM NO. MGT 9 (Contd.)

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

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3546.68	531.50	0	4078.18
ii) Interest due but not paid	12.23	0	0	12.23
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>3558.91</b>	<b>531.50</b>		<b>4090.41</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2047.16	0	0	2047.16
* Reduction	0	465.00	0	465.00
<b>Net Change</b>	<b>2047.16</b>	<b>465.00</b>		<b>1582.16</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5594.83	66.50	0	5661.33
ii) Interest due but not paid	11.24	0	0	11.24
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>5606.07</b>	<b>66.50</b>	<b>0</b>	<b>5672.57</b>

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. K. K. Mohta	Mr. Bharat Mohta	Mr. K. K. Damani	
1	Gross salary	129.00	111.00	74.88	314.88
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38.90	55.72	5.84	100.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				0
2	Stock Option	0	0	0	0
3	Sweat Equity				0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify...				
5	Others, please specify	0	0	0	0
	<b>Total (A)</b>	<b>167.90</b>	<b>166.72</b>	<b>80.72</b>	<b>415.34</b>



FORM NO. MGT 9 (Contd.)

B. Remuneration to other directors

(₹ in lacs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. R P Chetani	Mr. S K Maheswary	Mr. V K Maheshwary	Mr. V Mimani	Mrs. D Poddar	
1	Independent Directors						
	Fee for attending board / committee meetings	0	0.61*	0.69*	0.53*	0.23	2.06*
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	0	0.61*	0.69*	0.53*	0.23	2.06*
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	0.69*	0	0	0	0	0.69*
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	0.69*	0	0	0	0	0.69*
	Total (B)=(1+2)	0.69*	0.61*	0.69*	0.53*	0.23	2.75
Total Managerial Remuneration							

\* Rounded off for ₹. +/- 500.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		C F O	CS	Total
1	Gross salary	Mr. R K Agarwal	Mr. Anup Gupta	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.37	7.66	26.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.22	0.57	3.79
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others specify	0	0	0
5	Others, please specify	0	0	0
	Total	21.59	8.23	29.82



## FORM NO. MGT 9 (Contd.)

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
<b>OTHER OFFICERS IN DEFAULT</b>			<b>NIL</b>		
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Kolkata  
24 May, 2019

**K K Mohta**  
Chairman & Managing Director  
DIN - 00702306

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

**FORM NO. AOC – 2**

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

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

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

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

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

Sl. No.	Particulars	Details
a	Name(s) of the related party & Nature of relationship	M/s Agro and Spice Trading Pte Ltd Joint Venture Company
b	Nature of contracts/arrangements/transaction	Purchase of Raw material
c	Duration of the contracts/arrangements/transaction	On going
d	Salient terms of the contracts/arrangements/transaction	On Arm's Length Basis
e	Date of approval by the Board	May 30, 2018
f	Amount paid as advance, if any	135.62 Lakhs

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

**Krishna Kumar Mohta**  
Chairman & Managing Director  
(DIN 00702306)

**Bharat Mohta**  
CEO & Whole Time Director  
(DIN 00392090)

Kolkata  
May 24, 2019

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

**Anup Gupta**  
Company Secretary





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

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

### A. CONSERVATION OF ENERGY

(i)	The Step taken or impact on energy conservation	Energy Conservation continues to receive priority attention at all level. The Company ensures use of energy efficient equipments and appliance in operations to conserve energy
(ii)	The Step taken by the Company for utilizing alternate source of Energy	The Company had been utilizing spent wooden chips and spent Cashew Husk along with waste chips of popular/Eucalyptus in place of Coal.
(iii)	The Capital Investment on Energy Conservation Equipments	The Company has installed improved Refrigeration System namely New Amonia Plant Valuing Rs. 89.73 Lakhs in our manufacturing process. This will result in saving of energy as well as improvement in quality of our products

### B. TECHNOLOGY ABSORPTION

(i)	The efforts made towards technology absorption	Updation of technology is a continuous process. Company is continuously adopting and implementing new and upgraded technology in operations		
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	The use of improved technology resulted in improvement in quality of Katha.		
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	No imported technology is available.		
(iv)	Expenditure incurred on Research & Development	<b>2018-19 (Rs)</b>	<b>2017-18 (Rs)</b>	
		Capital Expenditure	27,730/-	NIL
		Recurring Expenditure	12,75,177/-	25,87,482/-

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	<b>2018-19 (Rs)</b>	<b>2017-18 (Rs)</b>
1. Earnings	NIL	52, 47,164/-
2. Outgo	75, 18, 95, 694/-	75, 62, 53,724/-

For and on behalf of the Board

Kolkata  
24 May, 2019

**K K Mohta**  
Chairman & Managing Director  
DIN - 00702306



## CORPORATE GOVERNANCE REPORT

**FY2019 represents fiscal year 2018-19, from 1 April 2018 to 31 March 2019, and analogously for FY2018 and previously such labeled years.**

### PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

This chapter of the annual report together with information given under the chapters entitled 'Management Discussion and Analysis' and 'Additional Shareholders' Information' constitute the compliance report of the Company on Corporate Governance for FY 2019.

### SHAREHOLDERS

The Companies Act, 2013 and the SEBI Listing Regulations stipulates the governance mechanism by shareholders in terms of passing of ordinary and special

resolutions, voting rights, participation in the corporate actions such as bonus, declaration of dividend, etc. Your Company has in place the process to ensure that the shareholders of the Company are well informed of both on financial and non-financial information as necessary from time to time, and adequate notice with detailed explanation is sent to the shareholders well in advance whenever required to obtain necessary approvals.

### BOARD OF DIRECTORS

#### Composition of the Board

As on March 31, 2019, the Board of Directors of IWP consists 8 (eight) Directors, comprising (i) 3 (three) Executive Directors; (ii) 4 (four) Independent Directors, including a woman director; and (iii) 1 (one) Non-Executive Non-Independent Director; as defined under the Companies Act, 2013 and Listing Regulations. The Chairman of the Board is an Executive Director. The directors have expertise in the field of strategy, management and governance, finance, operations and human resource development as under:

Mr. Krishna Kumar Mohta – Management & Governance

Mr. Bharat Mohta – Operation, Business Planning & Strategy & Human Resources

Mr. Krishna Kumar Damani – Operational Expertise & Research & Development

Mr. Vinod Mimani - Management Expertise

Mr. Rajendra Prasad Chetani – Finance & Taxation

Mr. Sanjay Kumar Maheshwary – Taxation and Finance

Mr. Vinod Kumar Maheshwary – Investor Relation & Finance

Ms. Drisha Poddar- Corporate Affairs & Finance

The Board is entrusted with the ultimate responsibility of the management with powers and duties and is headed by the Chairman and Managing Director. It comprises eminent persons with high credentials or considerable professional expertise and experience in diversified fields. All the 4 (four) Independent Directors of the Company are free from any business or other relationship that could materially influence their judgment. In the opinion of the



Board, all the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013, the Listing Regulations. The Board is well diversified and consists of one Women Independent Director.

Each Director informs the Company on an annual basis about the Board and Board Committee positions him/her in other companies including Chairmanships, and

notifies the changes occurred therein during the term of their directorship in the Company. Table 1 gives the composition of IWP's Board, their positions, relationship with other Directors, dates of joining the Board, number of Directorships and memberships of Board's Committee held by each of them.

Name	Date of Joining	Number of Directorships (1)	Other Committee Positions (2)		Directorship in other listed companies and Category of Directorships (3)
			As Chairman	As Member	
Mr. Krishna Kumar Mohta Chairman & Managing Director	29-05-1980	4	-	-	None
Mr. Bharat Mohta Whole-Time Director & CEO	30-10-2005	4	-	1	None
Mr. Krishna Kumar Damani Executive Director	15-04-1998	1	-	-	None
Mr. Vinod Mimani Independent Director	30-12-2014	3	-	-	1) Oricon Enterprises Limited Independent Director
Mr. Rajendra Prasad Chetani Non-Executive Non-Independent Director	27-04-2004	2	1	2	None
Mr. Sanjay Kumar Maheswary Independent Director	30-01-2004	1	1	2	None
Mr. Vinod Kumar Maheshwary Independent Director	13-04-2009	1	-	1	None
Ms. Drisha Poddar Independent Director	18-02-2017	1	-	-	None

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

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

(3) Represents Directorships held in Equity Listed Companies

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

As per declarations received from the Directors, as on 31st March, 2019 none of the Directors of the Company are related to each other in terms of Section 2(77) of the Act, except Mr. Bharat Mohta who is the son Mr. Krishna Kumar Mohta.



## TERM OF BOARD MEMBERSHIP

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

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

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

As per the provisions of the Companies Act, 2013, one-third of the Board members other than Independent Directors, who are subject to retire by rotation, retire every year; and approval of shareholders is sought for the re-appointment of such retiring members, if eligible.

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

Mr. Rajendra Prasad Chetani, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

Further, Mr. Sanjay Kumar Maheswary (DIN: 00497335) and Mr. Vinod Kumar Maheshwary (DIN: 02659320) were appointed by the shareholders through Postal Ballot on March 28, 2015, as Independent Director of the Company for a term of 5 years. Their present term of appointment is coming to an end on the ensuing AGM. Accordingly, reappointment of Mr. Sanjay Kumar Maheswary and Mr. Vinod Kumar Maheshwary as an Independent Directors for a Second Term of 5 (Five) years from September 17, 2019 till September 16, 2024, is recommended for approval by the shareholders at ensuing AGM. Mr. Sanjay Kumar Maheswary and Mr. Vinod Kumar Maheshwary

will attain the age of 75 during the proposed term of his reappointment. Thus, the consent of the members of the Company through special resolution shall also be considered for continuation of directorship of Mr. Sanjay Kumar Maheswary & Mr. Vinod Kumar Maheshwary as Independent Director of the Company during their term from September 17, 2019 till September 16, 2024 even on attainment of the age of 75 years.

## SELECTION AND APPOINTMENT OF NEW DIRECTORS

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

## BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, as well as the working of its Committees. The Nomination and Remuneration Committee laid down the criteria for such performance evaluation. The evaluation process was carried out internally in FY2019. The contribution and impact of individual members was evaluated on parameters such as level of engagement, independence of judgment, conflicts resolution and their contribution in enhancing the Board's overall effectiveness.



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

### LETTER OF APPOINTMENT

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

### DIRECTORS' PROFILE

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

### DIRECTORS' SHARE HOLDING IN THE COMPANY

**Table 2** gives details of shares held by the Directors as on 31 March 2019.

**Table2: Shares held by the Directors as on 31 March 2019**

Name	No. of shares held
Mr. Krishna Kumar Mohta	1763200
Mr. Bharat Mohta	7589000
Mr. Krishna Kumar Damani	Nil
Mr. Vinod Mimani	Nil
Mr. Rajendra Prasad Chetani	4560
Mr. Sanjay Kumar Maheswary	3000
Mr. Vinod Kumar Maheshwary	2000
Ms. Drisha Poddar	Nil

### MEETINGS OF THE BOARD

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

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

The Board meets 8 (Eight) times during the FY2019 and the gap between two meetings did not exceed 120 (one hundred and twenty) days. The dates on which the Board Meetings were held are as follows:

30th May 2018, 31st July 2018, 17th September 2018, 09th November 2018, 2nd January 2019, 07th February 2019, 13th February 2019, 20th February 2019. Details of Directors and their attendance in Board Meetings and Annual General Meeting are given in **Table3**.

**Table 3: Directors' attendance at Board meetings and AGM held during FY2019**

Name	Meetings held in Director's tenure	Number of Board Meeting Attended	Attendance in last AGM on 17 September 2018
Mr. Krishna Kumar Mohta	8	7	Present
Mr. Bharat Mohta	8	6	Present
Mr. Krishna Kumar Damani	8	2	Present
Mr. Vinod Mimani	8	7	Present
Mr. Rajendra Prasad Chetani	8	8	Present
Mr. Sanjay Kumar Maheswary	8	7	Present
Mr. Vinod Kumar Maheshwary	8	8	Present
Ms. Drisha Poddar	8	3	Absent

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

#### INFORMATION GIVEN TO THE BOARD

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences,

any material effluent or pollution problems.

- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed structured on the conduct of the listed entity or taken adverse view regarding another enterprise that may have negative implications on the listed entity.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non- payment of dividend, delay in share transfer etc.



## POST MEETING FOLLOW-UP MECHANISM

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

## MEETINGS OF INDEPENDENT DIRECTORS

During FY2019, the Independent Directors met one time on 30th March 2019 in executive sessions without the presence of management. During the meeting, the independent directors reviewed the performance of the company and its senior management, that of the chairman and the board, operational strategy,risks, succession planning forthe board and senior management and the information given to the board. In addition to this meeting, the Company is ready to facilitate such sessions as and when required by the Independent Directors. An Independent Director, with or without other Independent Directors, takes the lead to provide structured feedback to the Board about the key elements that emerge out of these executive sessions.

## DIRECTOR'S REMUNERATION

The Company has a policy for the remuneration of Directors, Key Managerial Personnel (KMPs), Senior

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

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

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

No sitting fee is paid to Executive Directors for attending meetings of the Board and its Committees. The remuneration paid or payable to the Directors for their services rendered during FY2019 is given in Table-4

Table 4: Remuneration paid or payable to the Directors during FY2019				(Rs. in lacs)
Name of Directors	Sitting fees	Salaries	Perquisites	Total
Mr. Krishna Kumar Mohta	Nil	129.00	38.90	167.90
Mr. Bharat Mohta	Nil	111.00	55.72	166.72
Mr. Krishna Kumar Damani	Nil	80.72	-	80.72
Mr. Vinod Mimani	0.53	-	-	0.53
Mr. Rajendra Prasad Chetani	0.60	-	-	0.60
Mr. Sanjay Kumar Maheswary	0.53	-	-	0.53
Mr. Vinod Kumar Maheshwary	0.60	-	-	0.60
Ms. Drisha Poddar	0.23	-	-	0.23



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

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

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

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

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

## FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

To familiarize a new Independent Director with the Company, its policies and procedures, a familiarize kit containing informative documents about the Company like past five years Annual Reports, CSR Report, Memorandum and Articles of Association, Company's Code of Conduct, presentation on financial and operational highlights etc. are provided to him/her. The new Independent Director meets individually with each Board members KMPs and senior management personnel. Visits to plant location(s) are also organized for the new Director to understand the Company's product and operations.

Periodic presentations are made by senior management on business and performance updates of the Company, business risk and its mitigation strategy. The Company

has uploaded its Familiarization Programme for Independent Directors on the website of the Company at [www.iwpkatha.com](http://www.iwpkatha.com).

## RISK MANAGEMENT

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

## COMPLIANCE REVIEWS

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

## CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

As per the Listing Regulations and the Companies Act, 2013, the Company adopted a 'The Code of Conduct for Board Members and Senior Management' which applies to all its Directors and employees, and affiliates. It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards.

The Board and the Senior Management affirm compliance with the Code of Business Conduct and Ethics annually. A certificate of the Chief Executive Officer of the Company to this effect is enclosed as **Annexure- B**.

## RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are discussed in detail in Note No. 25 of Notes to the financial Statements. All Related Party Transactions during the year, in the ordinary course of business or otherwise, were placed before the Audit Committee and subsequently before the Board. All related party transactions were on arm's length basis.





## SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

## DISCLOSURE ON ACCOUNTING TREATMENT

In the preparation of financial statements for FY2019, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under the Companies Act, 2013.

## COMMITTEES OF THE BOARD

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

The Company has five Board-level Committees, namely:

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

### Audit Committee

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

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

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

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report interms of clause(c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;



11. evaluation of internal financial controls and risk management systems;
  12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. discussion with internal auditors of any significant findings and follow up thereon;
  15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. to review the functioning of the whistle blower mechanism;
  19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as in mentioned in the terms of reference of the audit committee.
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
  3. management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. internal audit reports relating to internal control weaknesses;and
  5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
  6. statement of deviations:
    - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

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

The Audit Committee met 4 (four) times during FY2019 on 30 May 2018, 31st July 2018, 09th November 2018 and 13th February 2019. It also meets the key members of finance team and internal audit team along with the CEO and the CFO to discuss matters relating to audit, compliance and accounting. During the year, the Committee also meets Statutory Auditors without the presence of the management on more than one occasion.

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

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

1. management discussion and analysis of financial condition and results of operations;

**Table 5 : Audit Committee Membership and attendance during FY2019**

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



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

### Nomination and Remuneration Committee

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

- Examine the structure, composition and functioning of the Board, and recommend changes, as necessary, to improve the Board's effectiveness.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

Identifying persons who are qualified to become directors and who may be appointed in senior management in

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

<b>Table 6: Nomination and Remuneration Committee Membership and Attendance during FY2019</b>			
<b>Committee Members</b>	<b>Position</b>	<b>Meetings held</b>	<b>Meetings Attended</b>
Mr. S. K. Maheswary	Chairman	2	2
Mr. V. K. Maheshwary	Member	2	2
Mr. R. P. Chetani	Member	2	2

### Stakeholders' Relationship Committee

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

- Review the process and mechanism of Redressal of investor or grievance and suggest measures of improving the system of redressal of investor grievances.
- Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest dividend warrants, non-receipt of annual report and any other grievance / complaints with Company or any officer of the Company

accordance with the criteria laid down and recommend to the Board for their appointment and removal.

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Regularly examine ways to strengthen the Company's organizational health, by improving the hiring, retention, motivation, development, deployment and behavior of management and other employees.

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

The Nomination and Remuneration Committee met 2 (two) times during FY2019 on 30 May 2018 and 13th February 2019. The CEO and the CFO are special invitees to the Nomination and Remuneration Committee meetings. The Company Secretary officiates as the secretary of the Committee.

arising out in discharge of his duties.

- Over see the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- Review of corporate actions related to security holders.

The Stakeholders' Relationship Committee consists of 4 (four) Directors, including two Independent Directors. The Chairman of the Committee is a Non-Executive Non-Independent Director. The Committee meets 2 (two) times during FY2019 on 17th September 2018 and 13th February 2019.



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

Table7: Stakeholders' Relationship Committee membership attendance during FY2019			
Committee Members	Position	Meetings held	Meetings Attended
Mr. R P Chetani	Chairman	2	2
Mr. V. K. Maheswary	Member	2	2
Mr. S K Maheswary	Member	2	2
Mr. Bharat Mohta	Member	2	2

The Company Secretary officiates as the secretary of the Committee. The Company has received and resolved all complaints within the stipulated time as received from the shareholders during FY2019, and that no complaints were pending at the end of the FY2019.

#### Corporate Social Responsibility Committee

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

- Formulate, review and recommend to the Board, a CSR policy indicating the activities to be under taken by the Company as specified in Schedule VII of the Companies Act, 2013.

- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR policy.

- Provide guidance on various CSR initiatives undertaken by the Company and monitoring their progress.

- Monitor implementation and adherence to the CSR Policy of the Company from time to time.

The CSR Committee formulated and recommended the CSR policy to the Board, during the year. The Committee met 4 (four) times during FY2019 on 25th May 2018, 17th September 2018, 2nd January 2019 and 14th March 2019. The Company Secretary officiates as the secretary of the Committee.

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

Table 8: Corporate Social Responsibility Committee membership attendance during FY2019			
Committee Members	Position	Meetings held	Meetings Attended
Mr. K K Mohta	Chairman	4	4
Mr. Bharat Mohta	Member	4	4
Mr. Vinod Mimani	Member	4	3
Mr. K K Damani	Member	4	2

#### Risk Management Committee

The Company has constituted a Risk Management Committee of the Board oversee the risk management of the Company. The Committee consists of 4 (four)

Directors, including two Executive Director. The Chairman of the Committee is an Executive Director. The Committee met 1 (one) time during FY2019 on 30th May 2018.



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

<b>Table 9: Risk Management Committee membership attendance during FY2019</b>			
<b>Committee Members</b>	<b>Position</b>	<b>Meetings held</b>	<b>Meetings Attended</b>
Mr. K K Mohta	Chairman	1	1
Mr. Bharat Mohta	Member	1	1
Mr. Vinod Mimani	Member	1	1
Mr. K K Damani	Member	1	1

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

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

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

## MANAGEMENT

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

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

- Company's long-term strategy, growth initiatives and priorities.
- Overall Company performance, including those of various business units.
- Expansion plan

- Discussion and sign-off on annual plans, budgets, investments and other major initiatives.
- Discussion on business alliances proposals.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## MANAGEMENT DISCLOSURES

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

## PROHIBITION OF INSIDER TRADING

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

## INTERNAL CONTROL SYSTEMS

The Company has both external and internal audit



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

### INTERNAL CONTROLS

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

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

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

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

### CEO AND CFO CERTIFICATION

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

### STATUTORY AUDITS

For FY2019 M/s. Agrawal Tondon & Co., (Formerly known

as Agarwal Sanjay & Company), Chartered Accountants, has audited the financial statements prepared under the INDAS.

### AUDITORS' FEES

During FY 2019, the Company paid Rs.3.00 Lacs M/s. Agrawal Tondon & Company, the Statutory Auditors as audit fees.

### MEANS OF COMMUNICATION

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

**For and on behalf of the Board**

**K K Mohta**

*Chairman & Managing Director*

DIN : 00702306

**Kolkata**

**24 May 2019**



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

I hereby confirm that all the members of the Board and senior management personnel have affirmed that they have complied with the Company's Code of Conduct for Board Members and Senior Management for the FY2019.

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

**Bharat Mohta**

**Chief Executive Officer**

**Kolkata, 24 May 2019**

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### Certificate on Corporate Governance

To

**The Members of**

**The Indian Wood Products Co Ltd.**

CIN NO. (L20101WB1919PLC003557)

I have examined the relevant records of The Indian Wood Products Co Ltd ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in Regulations 17, to, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the financial year ended March 31, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

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

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

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

**Ashok Kumar Daga**

*Practicing Company Secretary*

FCS- 2699 & C.P. No. 2948

**Kolkata, May 24, 2019**



## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

{Pursuant to Regulation 17(8) of the Listing Regulations}

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

- a) We have reviewed the financial statements including the cash flow statement (Standalone & Consolidated) for the year ended March 31, 2019 and that these statements:
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year ending March 31, 2019 which are fraudulent, illegal or violate the Company's code of business conduct and ethics.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have disclosed, wherever applicable, to the auditors and the audit committee
  - i. that there were no deficiencies in the design or operations of internal controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;
  - ii. that there are no material weaknesses in the internal controls over financial reporting;
  - iii. that there are no significant change in internal control over financial reporting during the;
  - iv. all significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statement; and
  - v. that there are no instances during the year of significant fraud of which we have become aware of and involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board**

**Kolkata**  
**24 May, 2019**

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





## NOMINATION AND REMUNERATION COMMITTEE POLICY

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

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

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

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

This Policy sets out the guiding principles for the

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

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

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

The proposed appointee shall also fulfill the following requirements:

- (a) Shall possess a Director Identification Number;
- (b) Shall not be disqualified under the Companies Act, 2013;
- (c) Shall give his written consent to act as a Director;
- (d) Shall endeavor to attend all Board Meetings and Committee Meetings, wherever he is appointed.
- (e) Shall disclose his concern or interest as required under the Companies Act. 2013
- (f) Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013

The Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The



Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director. The criteria of independence, as laid down in Companies Act, 2013 should be strictly followed.

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

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

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

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include Basic Pay, Perquisites and Allowances & Retrial Benefits. Where

any insurance is taken by the Company on behalf of its managing directors, Chief Financial Officer, the company secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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

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

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



## ADDITIONAL SHAREHOLDER INFORMATION

FY2019 represents fiscal year 2018-19, from 1 April 2018 to 31 March 2019, and analogously for FY 2018 and previously such labeled years.

### 1. General Body Meetings

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

Financial Year	Date & Time	Location	Special resolution(s) passed
2017-18	September 17, 2018 at 3.30 P.M	BharatiyaBhasha Parishad 36A Shakespeare Sarani Kolkata – 700017	NIL
2016-17	September 18, 2017 at 3.30 P.M	Bharatiya Bhasha Parishad 36A Shakespeare Sarani Kolkata – 700017	<ol style="list-style-type: none"> <li>1. Authority to Board to borrow up to 250 Crores under section 180(1)(c) of the Companies Act, 2013</li> <li>2. Authority to the Board to create mortgage/ Charge/ hypothecation within the overall borrowing limits under section 180(1)(a) of the Companies Act, 2013</li> </ol>
2015-16	September 28, 2016 at 3.30 P.M	Bharatiya Bhasha Parishad 36A Shakespeare Sarani Kolkata – 700017	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. K K Mohta, as whole time Director designated as Chairman</li> <li>2. Issue of Bonus Shares in the Ratio Three Bonus Share for every One Share held</li> </ol>

### Resolution(s) passed through Postal Ballot

During the FY 2019, members of the Company had approved the Special Resolutions, stated in the below table by requisite majority. Postal ballot notice dated January 2, 2019 was sent to the shareholders in electronic form as well as in physical form.

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

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

Md. Shahnawaz Scrutinizer submitted his report after considering physical Postal Ballot and e-voting received, to the Chairman on February 8, 2019, who announced the results on the said dates.



The details of the voting pattern are given below:

Resolutions passed through Postal Ballot	Votes in favour of the resolution (%)	Votes against the resolution (%)
1. Pursuant to Provision of Section 61 (1)(a) of the Companies Act, consent was accorded to Sub –Division of Equity Shares from the Face Value of Rs. 10/- per shares to Rs 2/- per shares.	100	Nil
2. Pursuant to Provision of Sec 63 of the Companies Act and pursuant to Article 130 of the Article of Association (AOA) consent was accorded to the Board for the issue and allotment of One (1) Bonus Shares of Rs 2/- each for every One (1) existing Equity Shares held by the member on Record Date.	100	Nil
3. Pursuant to Provision of Section 61 of the Companies Act and Consent was accorded for Reclassification of Authorised Share Capital of the Company and in term of Section 13 upon Re-Classification the Authorised Share Capital Clause 5 of the Memorandum of Association was Substituted	100	Nil

## 2. Annual General Meeting (AGM)

Day, Date & Time: Tuesday, September 17, 2019, at 3.30 P.M.

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

Last date for receipt of proxy Forms Sunday, September 15, 2019

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

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

## 4. Procedure for Postal Ballot

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

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

Voting rights are reckoned on the paid up value of the shares registered in the name of the Shareholders



as on the cut-off date. The shareholders have an option either to vote through physically ballot form or through e-voting.

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

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

#### 5. Book Closure Date:-

From September 11, 2019 to September 17, 2019 (both days inclusive) for the purpose of payment of dividend and AGM.

#### 6. Dividend

Dividend shall be paid to all the Shareholders who were on the register of members as on closing hours of September 10, 2019, being the record date fixed for this purpose. Dividend will be credited / dispatched on or after September 18, 2019.

#### 7. Financial Calendar

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

Indicative calendar of events for the financial year 2019-20 are as under

For the quarter ending 30 June 2019	Second week of August 2019
For the quarter and half- year ending 30 September 2019	Second week of November 2019
For the quarter and nine months ending 31 December 2019	Second week of February 2020
For the year ending 31 March 2020	Fourth week of May 2020
AGM for the year ending 31 March 2020	Last week of August 2020

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

Stock Exchange	Scrip code
BSE Ltd	540954

Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai- 400 001

The equity shares of the Company were also listed on the Calcutta Stock Exchange Limited (CSE). Upon listing of Equity Shares of the Company on BSE Ltd., the Company has got its equity shares voluntarily delisted from CSE w.e.f. August 14, 2018, as per the Regulation 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009.

Listing fees to BSE Limited for listing of equity share have been paid for the FY2020. The Custodian fee for NSDL & CDSL has also been paid for the FY2020.

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

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized securities of the Company. The ISIN of the Company's equity shares is INE586E01020.



## 10. Market Price Data

The Equity Shares of the Company are presently listed on BSE Limited. The monthly high / low and the total number of shares traded per month on the BSE during FY2019 are given below:-

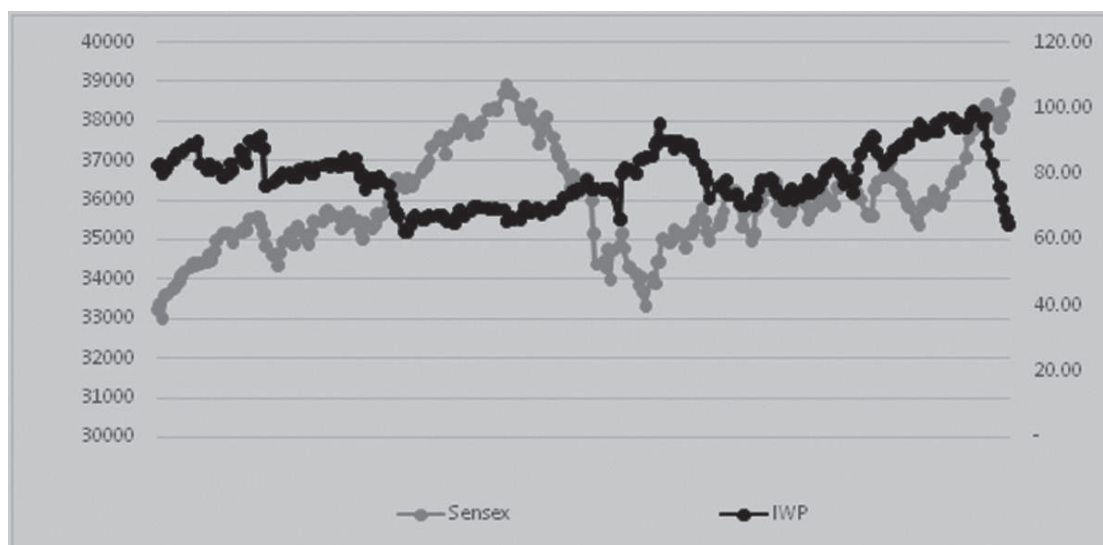
### High, low and number of shares traded per month on BSE during FY2019

Month	BSE		
	High (Rs.)	Low (Rs.)	No. of Shares
Apr 2018	1000.00	630.00	83536
May 2018	970.00	821.05	45344
Jun 2018	885.00	703.00	22826
July 2018	800.00	680.00	22150
August 2018	950.00	725.10	42426
September 2018	854.90	660.05	27559
October 2018	750.00	650.00	13972
November 2018	710.00	630.00	20253
December 2018	800.00	600.00	27234
January 2019	860.00	764.00	28477
February 2019*	918.00	76.50	281377
March 2019*	95.65	72.50	951008

\*The equity shares has been sub-divided from Face Value of Rs. 10/- each to Rs. 2/- each. Further the Company has allotted Bonus Shares on February 2019.

## 11. Performance in comparison to board based indicies

The Equity Shares of the Company are presently listed only on BSE Limited. The trading data of the Company's Equity Shares and its performance comparison to board based indices for FY2019 are as under:





**Note:** W.e.f. February 15, 2019, the IWP share price were adjusted to post split face value of Rs.2/- each and for issue of bonus shares in the ratio of 1:1.

## 12. Registrar and Share Transfer Agents

M/s. Niche Technologies Pvt. Ltd., 3A, Auckland Place, Room No. 7A & 7B, 7th Floor, Kolkata- 700 017 is the Registrar and Share Transfer Agent of the Company, both for Physical & Demat Segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them. Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

## 13. Share Transfer System

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

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

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

## 14. Description of Voting Rights

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

## 15. Nomination Facility

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

## 16. Shareholding Pattern as on March 31, 2019:

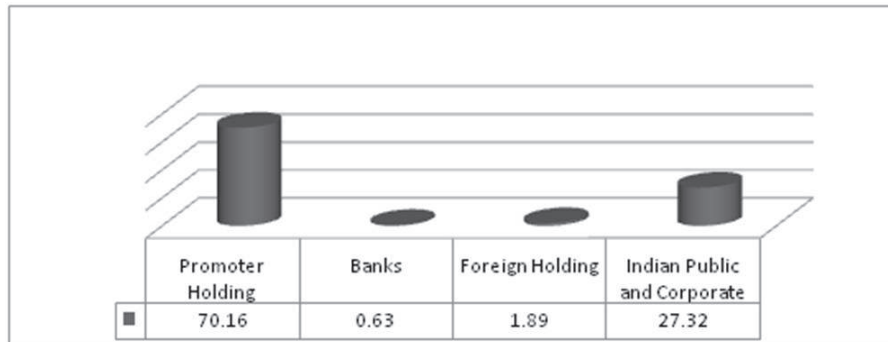
**Table 4 : Distribution of shareholdings on the basis of ownership**

Particulars	As on 31 March 2019		As on 31 March 2018		% change
	No. of shares	% of total	No. of shares	% of Total	
<b>Promoter's Holding</b>					
- Individuals	30868560	-	3086856	48.26	-
- Companies	14011960	-	1401196	21.90	-
<b>Sub-Total</b>	<b>44880520</b>	<b>70.16</b>	4488052	70.16	-
Indian Financial Institutions	-	-	-	-	-
Banks	401720	0.63	40172	0.63	-
Mutual Funds	-	-	-	-	-
<b>Foreign holdings</b>					
- Foreign Institutional Investors	-	-	-	-	-
- Non Resident Indians	1210990	1.89	156572	2.45	(0.56)
- ADRs / Foreign Nationals	-	-	-	-	-
<b>Sub total</b>	<b>1612710</b>	<b>2.52</b>	196744	3.08	-0.56
Indian Public and Corporates	17479490	27.32	1712476	26.76	0.56
<b>Total</b>	<b>63972720</b>	<b>100.00</b>	6397272	100.00	-



During the FY2019, One (1) Equity Share of Rs. 10/- each were split into Five (5) Equity Shares of Rs.2/- each. Further Bonus Shares were issued in the ratio of 1:1.

**Categories-Wise Shareholding (%)**



**17. Distribution of Shareholding as on March 31, 2019**

Range	No of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 – 5,000	2136	78.53	2615590	4.09
5,001 – 10,000	231	8.49	1777282	2.78
10,001 – 50,000	282	10.37	5489889	8.58
50,001 – 1,00,000	33	1.21	2339150	3.65
100,001 and above	38	1.40	51750809	80.90
<b>Total</b>	<b>2720</b>	<b>100.00</b>	<b>63972720</b>	<b>100.00</b>

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

During the FY2019, the Company has not issued any ADR’s GDR’s, Warrants or any other convertible instruments. The Company at present has no outstanding ADR’s/GDR’s/Warrants to be converted that has an impact on the equity shares of the Company.

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

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

**20. Dematerialization of Shares**

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

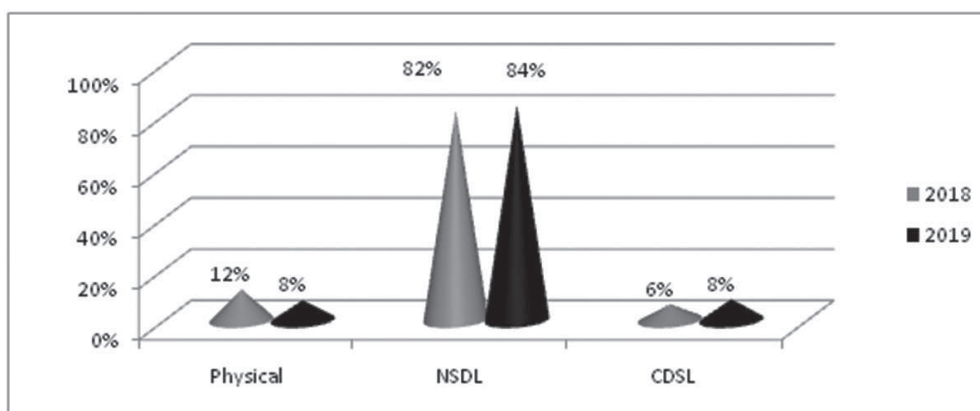
Dematerialization of shares is done through Niche Technologies Pvt. Ltd. and on an average the dematerialization process is completed within 10 days from the date of receipt of a valid dematerialization request along with the relevant documents. Chart 1 gives the breakup of dematerialized shares and shares in certificate form as on 31





March 2019 as compared with that as on 31 March 2018. The breakup of dematerialized shares and shares in certificate form as on March 31, 2019 as under:

Physical	NSDL	CDSL
5037120	53693177	5242423



## 21. Other Disclosures

### Disclosures on materially significant related party transaction

During the year the related party transactions were entered into based on considerations of various business exigencies such as beneficial in operations and the company's long term strategy for optimization of market share, profitability and basic requirements.

During the year, a subsidiary of our Joint Venture Company namely M/s. Agro and Spice Trading Pte Ltd had started processing of Gambier in Indonesia and the commercial production started in April 2018. Gambier being our main raw material and it was felt that purchase of Process Gambier from our Joint Venture Company will be beneficial in the interest of the Company. Accordingly an agreement was entered into with the Joint Venture Company to purchase raw material on regular basis.

All the contracts/ arrangements/transactions entered by the Company during the financial year with related parties were in its ordinary course of business on an Arm's Length Basis.

None of the transactions with any of related parties were in conflict with the Company's interest.

The statements containing the transaction with related parties were submitted periodically to the Audit committee. The details of Related Party Transaction are discussed in detail in Note No. 35 of Notes to the Financial Statement.

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

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

### Whistle Blower Policy/Vigil Mechanism

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

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

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

**Disclosure of Accounting Treatments**

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

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

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

**Registered / Corporate Office Address for Correspondence****The Indian Wood Products Co Ltd**

9 Brabourne Road, 7th Floor,  
Kolkata – 700001  
Tel: 82320 23820  
Email Id: iwpho@iwpkatha.co.in  
CIN: L20101WB1919PLC003557

**Registrar & Share Transfer Agents**

M/s. Niche Technologies Pvt. Ltd.  
CIN : U74140WB1994PTC062636  
3A, Auckland Place, Room No. 7A & 7B,  
7th Floor, Kolkata- 700 017  
Tel: 033 2280-6616/6617/6618, Fax: 033 2280-6619  
Email: nichetechpl@nichetechpl.com  
URL: www.nichetechpl.com

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

Izatnagar, Bareilly (UP)  
Pin Code: - 243122  
Phone: 09027695554

**Daman (Contractual Manufacturing)**

C/o. Nanhemal Agro (India) Ltd  
Diwali Nagar, Kadiaya, Daman: 396210  
Phone: 09825128720

**Baroda**

C/o. Bhagyoday Katha Products Pvt Ltd  
PO: Asoj, Opposite Hotel Decent  
Vadodara- 391510  
Phone: 9816141231

**Kundli (Job Work)**

C/o Kashmir Katha Industries Pvt. Ltd  
GT Karnal Road, Near Nidhu Cinema  
Kundli, Sonapat, Haryana:- 131028  
Phone: 09311104967



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

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

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

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

During the Year under review, the Company has credited Rs. 1,18,375/- to the Investor Education and Protection Fund (IEPF) pursuant to the provision of the Companies Act, 2013.

In accordance with the provision of Companies Act, 2013 the Company has transferred 78783 Equity Shares of Rs. 10/- to the credit of IEPF Authority, on January 16, 2019, in respect of which dividend had not been paid or claimed by the members for Seven consecutive years.

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

#### 26. Reminder to Investors:

Reminders for unclaimed shares, unpaid dividend are sent to the shareholders as per records every years.

**For and on behalf of the Board**

Kolkata  
24 May, 2019

**Krishna Kumar Mohta**  
Chairman & Managing Director  
DIN: 00702306

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



## INDEPENDENT AUDITORS' REPORT

To The Members of  
The Indian Wood Products Co Ltd

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of The Indian Wood Products Co Ltd ("the Company"), which comprise the standalone balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matters	Auditors response
<p><b>Revenue Recognition</b></p> <p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS -115</b></p> <p>As described in Note 2(f) to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>● Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>● Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> </ul>



<p>to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.</p>	<ul style="list-style-type: none"> <li>● Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end and testing the sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>
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<p><b>Evaluation of Uncertain Tax positions</b></p>	
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcomes of these disputes.</p> <p>Refer Note 46 to the Standalone Financial Statements</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>● Obtained understanding of key uncertain tax positions; and</li> <li>● We along with our internal tax experts –                         <ul style="list-style-type: none"> <li>▲ Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;</li> <li>▲ Discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions; and</li> <li>▲ Assessed management’s estimate of the possible outcome of the disputed cases.</li> </ul> </li> </ul>

**Other Information**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Company’s annual report but does not include the standalone financial statements and our auditors’ report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the

audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management and Those Charged with Governance for Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial



performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified 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 of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future



events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- 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.
- 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 book
- The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



(g) With respect to the matter to be included in the Auditor's Report under section 197(16)

In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note No.- 46

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 the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **Agrawal Tondon & Co.**  
Chartered Accountants  
FRN – 329088E

**Radhakrishan Tondon**  
Partner  
Membership No. 060534

Place: Kolkata  
Dated: 24th May 2019

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of The Indian Wood Products Co Ltd (“the Company”) as of March 31, 2019 to the extent of records available with us in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal





## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT (Contd.)

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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions

are recorded as necessary to permit preparation of Standalone 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 Standalone Financial Statements.

### Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company.

For **Agrawal Tondon & Co.**  
Chartered Accountants  
FRN – 329088E

**Radhakrishan Tondon**  
Partner  
Membership No. 060534

Place: Kolkata  
Dated: 24th May 2019



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties, are held in the name of the Company as at the balance sheet date.

ii. According to the information and explanations given to us, the inventory has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other persons covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the order is not applicable to the Company

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities as applicable.

v. In our opinion and according to the information

and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

vi. The Central Government of India has not prescribed the maintenance of cost records by the Company as required under section 148(1) of the Companies Act, 2013 for any of its products.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of Sales tax, Custom on account of any dispute, are as follows:-

Particulars	Amount under dispute not yet deposited (Rs. in lakhs)	Financial year to which the amount relates	Forum where dispute is pending
Central Sales tax, New Delhi	0.23	1987-88	Appellate Tribunal
Central Sales tax, New Delhi	74.58	2001-02	Appellate Tribunal
Central Sales tax, New Delhi	2.16	2002-03	Additional Commissioner



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Particulars	Amount under dispute not yet deposited (Rs. in lakhs)	Financial year to which the amount relates	Forum where dispute is pending
Local Sales tax, New Delhi	43.75	2002-03	Additional Commissioner
Mandi Samity	2.18	1997-98	Hon'ble High Court, Allahabad
UP Sales Tax	0.46	2010-11	Appeal before Additional Commissioner
Custom Act	643.56	2017-18	CESTAT, Nhava Seva

**viii.** In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to banks during the year.

**ix.** The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied for the purpose for which the loans were obtained.

**x.** To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

**xi.** According to the information and explanations given to us, the Company has paid or provided for managerial remunerations in accordance with the 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 and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

**xiii.** In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

**xiv.** According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

**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 any non-cash transactions with its Directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.

**xvi.** According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Agrawal Tondon & Co.**  
Chartered Accountants  
FRN – 329088E

Radhakrishan Tondon  
Partner

Place: Kolkata  
Dated: 24th May 2019

Membership No. 060534



## BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lacs)

Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3.a	38,175.30	37,860.70
Capital Work-in-Progress	3.b	204.21	186.21
<b>Financial Assets</b>			
- Investments	4	863.13	755.58
- Loans	5	55.80	50.62
Other Non-Current Assets	6	246.67	219.42
		<u>39,545.11</u>	<u>39,072.53</u>
<b>Current Assets</b>			
Inventories	7	4,731.95	4,981.03
<b>Financial Assets</b>			
- Trade Receivables	8	3,734.37	3,658.82
- Cash and Cash Equivalents	9	523.05	321.79
- Bank Balances other than above	10	18.52	460.21
- Loans	11	17.11	25.58
- Other Financial Assets	12	2.44	0.47
Other Current Assets	13	1,507.76	671.73
		<u>10,535.20</u>	<u>10,119.63</u>
		<u>50,080.31</u>	<u>49,192.16</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	14	1,279.75	640.03
Other Equity	15	33,651.07	32,608.32
		<u>34,930.82</u>	<u>33,248.35</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
- Borrowings	16	352.20	748.00
- Others	17	10.28	5.05
Deferred Tax Liabilities (Net)	18	7,422.92	7,446.31
Provisions	19	47.96	155.28
		<u>7,833.36</u>	<u>8,354.64</u>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
- Borrowings	20	5,084.50	3,067.55
- Trade Payables (Refer Note 38)	21	-	-
Total outstanding dues of micro enterprise and small enterprise		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		806.74	3,217.79
- Others	22	408.60	459.66
Provisions	23	184.93	211.53
Current Tax Liabilities (Net)	24	320.18	571.54
Other Current Liabilities	25	511.18	61.10
		<u>7,316.13</u>	<u>7,589.17</u>
		<u>50,080.31</u>	<u>49,192.16</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			

Significant Accounting Policies

1 - 2

The accompanying notes 1 - 47 are an integral part of the Financial Statements.

In terms of our Report attached

For **Agrawal Tondon & Co.**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishan Tondon**

Partner

Membership No.: 060534

Place: Kolkata

Date: May 24, 2019

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

**Krishna Kumar Mohta**

Chairman & MD

DIN: 00702306

**R.K. Agarwal**

Chief Financial Officer

**Bharat Mohta**

WTD & CEO

DIN: 00392090

**Anup Gupta**

Company Secretary



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lacs)

Particulars	Note	2018-19	2017-18
<b>Revenue From Operations</b>			
Revenue from Sale of Products	26	20,049.83	21,883.62
Other Income	27	109.57	72.56
<b>Total income</b>		<b>20,159.40</b>	<b>21,956.18</b>
<b>Expenses:</b>			
Cost of material consumed	28	10,526.24	13,076.94
Change in inventories of finished goods, stock in trade and work-in-progress	29	478.73	(610.58)
Excise Duty		-	321.17
Employee benefit expense	30	2,411.21	2,269.08
Finance costs	31	494.26	549.85
Depreciation and amortisation expense	3a	329.83	278.01
Other expenses	32	3,355.85	3,631.51
<b>Total expense</b>		<b>17,596.12</b>	<b>19,515.98</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>2,563.28</b>	<b>2,440.20</b>
Exceptional Items		-	222.96
<b>Profit before tax from Continuing operation</b>		<b>2,563.28</b>	<b>2,663.16</b>
<b>Income Tax expense:</b>			
Current tax	33	800.00	930.00
Deferred tax	33	(21.12)	1.63
<b>Total Tax Expense</b>		<b>778.88</b>	<b>931.63</b>
<b>Profit/(loss) for the period</b>		<b>1,784.40</b>	<b>1,731.53</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability		(7.77)	2.76
Income tax expense relating to the above	33	2.26	(0.96)
<b>Other Comprehensive Income/(loss) for the period</b>		<b>(5.51)</b>	<b>1.80</b>
<b>Total Comprehensive Income for the period</b>		<b>1,778.89</b>	<b>1,733.33</b>
<b>Earnings per equity share (for continuing operation):</b>	34		
- Basic		2.79	2.71
- Diluted		2.79	2.71
<b>Significant accounting policies</b>	1 - 2		

The accompanying notes 1 - 47 are an integral part of the Financial Statements.

In terms of our Report attached

For **Agrawal Tondon & Co.**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishan Tondon**

Partner

Membership No.: 060534

Place: Kolkata

Date: May 24, 2019

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

**Krishna Kumar Mohta**

Chairman & MD

DIN: 00702306

**R.K. Agarwal**

Chief Financial Officer

**Bharat Mohta**

WTD & CEO

DIN: 00392090

**Anup Gupta**

Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lacs)

	31st March 2019	31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	2,563.28	2,663.16
<b>Adjustment for</b>		
Depreciation	329.83	278.01
Finance Cost	494.26	549.85
Interest Received	(9.30)	(31.57)
Liabilities no longer required written back	(13.86)	-
Exceptional items	-	(222.96)
Impairment loss recognized/(reserved) under expected credit loss model	(4.13)	(3.37)
Advances written off	10.46	3.40
Loss / (Gain) on sale of Property, Plant & Equipment/ Investment	(0.01)	(0.21)
Loss / (Gain) on sale of investment	(0.34)	-
Operating Profit/(Loss) before working capital changes	3,370.19	3,236.31
<b>Adjustment for</b>		
Trade & Other Receivables	(937.51)	814.44
Inventories	249.08	(358.65)
Trade Payables	(2,107.05)	(296.19)
Cash generated for operations	574.71	3,395.91
Direct Tax Paid	1,051.36	800.29
Cash Flow before Exceptional Items	(476.65)	2,595.62
Exceptional Items	-	222.96
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(476.65)</b>	<b>2,818.58</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in shares	(107.55)	(419.03)
Purchase of Fixed Assets	(664.79)	(834.89)
Sale of Fixed Assets	2.26	0.85
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(770.08)</b>	<b>(1,253.07)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	2,271.48	311.08
Repayment of Borrowings	(688.32)	(832.23)
Dividend / Dividend tax paid	(90.91)	(42.86)
Interest paid (Net)	(485.95)	(535.79)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,006.30</b>	<b>(1,099.80)</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.) (₹ in Lacs)

	31st March 2019	31st March, 2018
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(240.43)	465.71
CASH AND CASH EQUIVALENTS (Refer Note 9 & 10)		
AT START OF THE YEAR	782.00	316.29
AT CLOSE OF THE YEAR	541.57	782.00

### NOTE:

- 1) The above Statement of Cash Flows has been prepared under the indirect method as set out in the IND AS-7 Statement of Cash Flows

In terms of our Report attached  
 For **Agrawal Tondon & Co.**  
 Chartered Accountants  
 Firm Registration Number - 329088E  
**Radhakrishan Tondon**  
 Partner  
 Membership No.: 060534

**Place: Kolkata**  
**Date: May 24, 2019**

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

**Krishna Kumar Mohta**  
 Chairman & MD  
 DIN: 00702306

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

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

**Anup Gupta**  
 Company Secretary

**STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2019**

(₹ in Lacs)

Particulars	Share capital	Other Equity			Total
		Reserve & surplus		Other Comprehensive income	
		Capital Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>As at 1st April 2017</b>	<b>640.03</b>	<b>0.03</b>	<b>30,987.13</b>	<b>(65.97)</b>	<b>31,561.22</b>
Dividend and Dividend Tax paid in 2017-18	-	-	(46.20)	-	(46.20)
Other Comprehensive Income	-	-	-	2.76	2.76
Tax on the above	-	-	-	(0.96)	(0.96)
Profit for the period	-	-	1,731.53	-	1,731.53
<b>Balance at 31 March 2018</b>	<b>640.03</b>	<b>0.03</b>	<b>32,672.46</b>	<b>(64.17)</b>	<b>33,248.35</b>
Issue of Bonus Shares	639.73	-	(639.73)	-	-
Dividend and Dividend Tax paid in 2017-18	-	-	(96.41)	-	(96.41)
Other Comprehensive Income / (loss)	-	-	-	(7.77)	(7.77)
Tax on the above	-	-	-	2.26	2.26
Profit for the period	-	-	1,784.40	-	1,784.40
<b>Balance at 31 March 2019</b>	<b>1,279.76</b>	<b>0.03</b>	<b>33,720.72</b>	<b>(69.68)</b>	<b>34,930.82</b>

The accompanying notes 1 - 47 are an integral part of the Financial Statements.

In terms of our Report attached  
For **Agrawal Tondon & Co.**  
Chartered Accountants  
Firm Registration Number - 329088E

**Radhakrishan Tondon**  
Partner  
Membership No.: 060534

**Place: Kolkata**  
**Date: May 24, 2019**

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

**Krishna Kumar Mohta**  
Chairman & MD  
DIN: 00702306

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

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

**Anup Gupta**  
Company Secretary





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### Note 1 - Background and Operations

The Indian Wood Products Company Limited (the Company) is a public Company domiciled in India and was incorporated on 23rd December, 1919 under the provisions of the Companies Act, 1913. The Company was listed with The Calcutta Stock Exchange Ltd upto 11th August, 2018, as voluntary delisting permission was granted by the exchange and at present the Company is listed only with BSE Ltd. The registered office of the Company is at Bombay Mutual Building, 9, Brabourne Road, 7th Floor, Kolkata-700001 and has a head office and works at Izzatnagar, Bareilly (U.P). The Company is primarily engaged in the manufacturing of Katha in India. Registered Address of other places where manufacturing activities are carried on are disclosed suitably in this report elsewhere.

### Note 2 - Significant Accounting Policies

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

The financial statements were approved by Board of Directors on 24th May' 2019.

#### a) Basis of Preparation:

##### I. Compliance with IND AS:

These Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & Companies (Indian Accounting Standards) Amendment Rules 2016. The Company adopted Ind AS from 1st April, 2017.

##### II. Historical cost convention:

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

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

#### b) Property, Plant and Equipment

Freehold land is carried at the revalued figure as per

the Valuation done by the management based on circle rate of 1st April'16. All the other items of Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation/amortisation and impairments, if any, cost of acquisition includes taxes, duties, freight and other incidental expenses related to acquisition and installation.

Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the Company and are directly attributable to bringing the asset to its position, are also capitalized.

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

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

#### Depreciation and amortization:

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

Asset Class	Useful Life (In years)
Building	3 to 60
Plant & Machinery*	8 to 15
Electric Installations*	10 to 15
Laboratory Apparatus	10
Motor Vehicles*	8 to 10
Computers*	3 to 8
Office Equipment's*	3 to 5
Furniture and Fixtures	10

\*Based on management evaluation, the useful lives as given above best represent the period over which the Management



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

expects to use these Assets. Hence, the useful lives of for these Assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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

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

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

### c) Operating Cycle

All assets and liabilities have been classified as current and noncurrent as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### d) Financial assets:

#### i. Classification:

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

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

#### ii. Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset

not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

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

#### iii. Impairment of financial assets:

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

#### iv. Derecognition of financial assets:

A financial asset is derecognised only when

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

### e) Foreign Currency Transactions and Translation:

#### I. Functional and presentation currencies:

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

#### II. Transactions & Balances:

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

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



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

### f) Revenue Recognition

With effect from 1 April 2018, the Company has adopted IND AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under IND AS 115, revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has elected to apply the Cumulative catch up method in adopting IND AS 115. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Sale of goods:

Revenue is recognized on satisfaction of performance obligation at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer.

#### Interest income:

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

#### Disaggregation of revenue:

Note 26 presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by

performance obligation. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

### g) Inventories:

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

### h) Trade Receivables:

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

### i) Trade and other payables:

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

### j) Borrowings:

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

### k) Income Taxes:

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted



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

by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

### **l) Borrowing Cost:**

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

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

### **m) Leases:**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially

all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

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

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

### **n) Employee Benefits:**

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

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

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

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

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

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions



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

are recognized in other comprehensive income and the Statement of Profit and Loss in a subsequent period.

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

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

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

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

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

The Company contributes to a New Group Leave Encashment Plan with Life Insurance Corporation of India towards meeting its leave obligation.

Re-measurements, comprising of actuarial gains and losses 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 the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

#### o) Provisions and Contingent Liabilities and Assets:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the

control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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

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

#### p) Cash and Cash Equivalents:

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

#### q) Impairment of Assets:

Assets are assessed by the Company at each reporting period whether there is an indication of impairment that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use.

#### r) Earnings Per Share:

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

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

Diluted earnings per share: Diluted earnings per share



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

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

- i. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ii. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### s) Segment Reporting:

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

### Segment Accounting Policies:

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

### t) Rounding off:

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

### u) Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of

items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

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

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

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

### v) Amendments issued to Ind-AS, but not effective

On 30th March 2019, Ministry of Corporate Affairs ("MCA") has notified the IND AS 116, Leases and Appendix C of IndAs 12 "Uncertainty over Income Tax Treatment. The effective date for adoption of the same is financial periods beginning on or after 1st April 2019. The company is in the process of evaluating the effect on its adoption.

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

### Note 3a - Property, Plant and Equipment

(₹ in Lacs)

Particulars	Freehold Land*	Lease-hold Land	Building	Computer Equipment	Effluent Treatment Plant	Electrical Installations	Furniture & Fixtures	Laboratory Apparatus	Motor Car & Vehicle	Office Equipments	Plant & Machinery	Refrigeration & Cooling System	Trolleys & Trays	Tube Well	Weighing Scale	Total
<b>Gross Block</b>																
At April 1, 2017	35,737.74	-	166.87	13.91	1.04	159.73	28.45	1.19	82.96	5.35	732.81	543.93	140.53	2.33	2.90	37,619.74
Additions	-	257.91	67.67	5.23	-	23.90	2.02	3.20	132.25	19.63	50.29	146.97	5.70	-	1.05	715.82
Disposals / deductions	-	-	-	-	-	-	-	-	(9.30)	-	-	-	-	-	-	(9.30)
At March 31, 2018	35,737.74	257.91	234.54	19.14	1.04	183.63	30.47	4.39	205.91	24.98	783.10	690.90	146.23	2.33	3.95	38,326.26
Additions	-	-	94.85	4.64	29.01	0.33	68.72	0.28	196.83	3.09	112.27	117.32	16.03	2.76	0.64	646.77
Disposals / deductions	-	-	-	(0.75)	-	(1.39)	(0.82)	-	(0.38)	-	(3.07)	(9.80)	-	(0.18)	-	(16.39)
At March 31, 2019	35,737.74	257.91	329.39	23.03	30.05	182.57	98.37	4.67	402.36	28.07	892.30	798.42	162.26	4.91	4.59	38,956.64
Accumulated Depreciation																
At April 1, 2017	-	-	7.38	5.18	-	22.97	3.58	0.14	(4.50)	0.89	61.72	89.05	9.22	0.20	0.38	196.21
Charge for the year	-	0.53	7.89	4.67	-	24.51	3.44	0.14	29.05	3.64	103.83	90.47	9.37	0.15	0.32	278.01
Disposals	-	-	-	-	-	-	-	-	(8.66)	-	-	-	-	-	-	(8.66)
At March 31, 2018	-	0.53	15.27	9.85	-	47.48	7.02	0.28	15.89	4.53	165.55	179.52	18.59	0.35	0.70	465.56
Charge for the year	-	6.45	7.50	4.58	1.08	24.01	8.02	0.41	45.16	5.10	111.37	105.76	9.86	0.15	0.38	329.83
Disposals	-	-	-	(0.69)	-	(1.32)	(0.76)	-	(0.35)	-	(2.65)	(8.14)	-	(0.14)	-	(14.05)
At March 31, 2019	-	6.98	22.77	13.74	1.08	70.17	14.28	0.69	60.70	9.63	274.27	277.14	28.45	0.36	1.08	781.34
Net Block																
At March 31, 2018	35,737.74	257.38	219.27	9.29	1.04	136.15	23.45	4.11	190.02	20.45	617.55	511.38	127.64	1.98	3.25	37,860.70
At March 31, 2019	35,737.74	250.93	306.62	9.29	28.97	112.40	84.09	3.98	341.66	18.44	618.03	521.28	133.81	4.55	3.51	38,175.30

### 3.b Capital Work-in-Progress

Particulars	Opening as on 01.04.2017	Additions	Capitalised	Closing as at 31.03.2018	Additions	Capitalised	Closing as at 31.03.2019
Capital Work-in-Progress	67.15	184.45	65.40	186.20	204.21	186.21	204.20

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)****Note 4 - Non Current - Financial Assets - Investments**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Investment in Equity Shares, Unquoted</b>		
<b>Investment in Joint Venture (at Cost unless stated otherwise)</b>		
M/s. Agro & Spice Trading Pte Ltd, Singapore*	755.56	755.56
11,50,050 (11,50,050) Equity Shares of USD 1		
Share Application Pending Allotment	107.57	-
<b>Investment in Others (at Cost unless stated otherwise)</b>		
M/s. Vishnuhari Investment & Properties Ltd.		
Nil (339) Equity Shares of Rs 10/- each fully paid up	-	0.02
<b>Total Aggregate amount of Unquoted Investment</b>	<b>863.13</b>	<b>755.58</b>

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

**Note 5 - Non Current Financial Assets - Loan**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Unsecured and considered good</b>		
Security Deposits	49.12	47.93
Others		
Against Sales Tax (Refer Note 47)	2.64	2.64
Against Others Compliances	4.04	0.05
<b>Total</b>	<b>55.80</b>	<b>50.62</b>

**Note 6 - Other Non Current Assets**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Capital Advances</b>	<b>175.37</b>	136.43
Advance other than capital advance		
Prepaid Expenses	3.38	2.33
Tax payment under Protest (Refer Note 47)	67.92	80.66
<b>Total</b>	<b>246.67</b>	<b>219.42</b>





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

(₹ in Lacs)

### Note 7 - Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
(At lower of cost and net realisable value)		
Raw Materials	1,630.75	1,566.86
Work -in- progress	1,367.50	1,160.04
Finished Goods	1,377.51	2,063.70
Stores and Spares	347.37	183.41
Consumables	7.75	6.14
Tools and Implements	1.07	0.88
<b>Total</b>	<b>4,731.95</b>	<b>4,981.03</b>
Raw Material includes goods in transit	308.68	104.92

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good	3,734.67	3,663.25
Less : Allowance for expected credit loss	0.30	4.43
<b>Total</b>	<b>3,734.37</b>	<b>3,658.82</b>

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Balance with banks</b>		
In Current Account Balances	508.01	134.90
Cheques on hand	3.88	177.30
Cash on hand	11.16	9.59
<b>Total</b>	<b>523.05</b>	<b>321.79</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** (Contd.)**Note 10 - Financial Assets - Current - Bank Balances other than Cash and Cash Equivalents** (₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Balance with banks</b>		
In Restricted Bank Balance (Unclaimed Dividend)	17.28	11.79
<b>In Deposit Account with Banks &amp; Financial Institutions</b>		
Against Margin Money for Letter of Credit	1.24	409.58
Margin Money with IL&FS	-	38.84
<b>Total</b>	<b>18.52</b>	<b>460.21</b>

**Note 11 - Financial Assets - Current - Loans**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Unsecured Considered Good</b>		
Advance to employees	13.06	25.58
Others	4.05	-
<b>Total</b>	<b>17.11</b>	<b>25.58</b>

**Note 12 - Other Financial Assets - Current**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Interest receivable	-	0.47
Insurance Claim receivable	2.44	-
<b>Total</b>	<b>2.44</b>	<b>0.47</b>



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

### Note 13 - Other Current Assets

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Advance other than capital advance</b>		
Advance to Suppliers	964.81	68.89
Other Advances	71.36	66.38
Prepaid Charges	29.65	10.20
Balances with Government Authorities	441.94	526.26
<b>Total</b>	<b>1,507.76</b>	<b>671.73</b>

### Note 14 - Equity Share Capital

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Authorised</b>		
Equity Shares 7,50,00,000 of Rs.2/- each (1,00,00,000 of Rs. 10/- each)	1,500.00	1,000.00
Preference Shares - Nil (5,00,000 of Rs. 100/- each)	-	500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>		
Equity Shares 6,39,72,720 of Rs.2/- each (63,97,272 of Rs. 10/- each)	1,279.45	639.73
Add: 5,682 (5,682) Equity Shares Forfeited (amount originally paid up)	0.30	0.30
<b>Total</b>	<b>1,279.75</b>	<b>640.03</b>

#### (a) Reconciliation of Equity Shares Outstanding

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	6,397,272	639.73	6,397,272	639.73
<b>Change during the year</b>				
Split of Shares from FV of Rs. 10/- to Rs. 2/-	31,986,360	639.73	-	-
Issue of Bonus Shares of FV of Rs. 2/- in the ratio of 1:1	31,986,360	639.72	-	-
Shares outstanding at the end of the year	63,972,720	1,279.45	6,397,272	639.73

The Shareholders of the Company through Postal Ballot approved subdivision of Equity Shares having a Face Value of Rs. 10/- into 5 equity shares having a face value of Rs. 2/- each and further approved issue of Bonus Shares in the ratio of 1:1.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)****(b) Terms and Rights attached to Equity Shares**

The Company has only one class of Equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	%	No. of shares	%
Security Company Limited	12,203,560	19.08	1,220,356	19.08
Savita Mohta	9,160,200	14.32	916,020	14.32
Bharat Mohta	7,589,000	11.86	758,900	11.86
Avanti Mohta	7,526,160	11.76	752,616	11.76
Bharat Mohta HUF	4,550,000	7.11	455,000	7.11

The Shareholders of the Company through Postal Ballot approved subdivision of Equity Shares having a Face Value of Rs. 10/- into 5 equity shares having a face value of Rs. 2/- each and further approved issue of Bonus Shares in the ratio of 1:1.

**Note 15 - Other Equity**

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital Reserve	0.03	0.03
Retained Earnings (Refer Note (i))	33,720.71	32,672.45
<b>Closing Balance</b>	<b>33,720.74</b>	<b>32,672.48</b>
Other Comprehensive Income Reserve - Opening	(64.16)	(65.97)
Add: During the year	(7.77)	2.76
Less: Deferred tax	2.26	(0.96)
<b>Closing Balance</b>	<b>(69.67)</b>	<b>(64.16)</b>
<b>Total</b>	<b>33,651.07</b>	<b>32,608.32</b>



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

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

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
General Reserve - Opening	28,744.15	28,744.15
Less: Bonus paid during the year	639.73	-
<b>Closing Balance</b>	<b>28,104.42</b>	28,744.15
Profit & Loss Account - Opening	3,928.30	2,242.97
Add: Profit During the year	1,784.40	1,731.53
Less: Dividend & Dividend Tax	96.41	46.20
<b>Closing Balance</b>	<b>5,616.29</b>	3,928.30
<b>Total</b>	<b>33,720.71</b>	32,672.45

**Note (ii)** - The Board of Director has recommended a Dividend of Rs. 0.20 per Equity Share of Rs. 2/- each subject to the approval of Shareholders in the ensuing Annual General Meeting. Proposed Dividend as above amounting to Rs. 154.24 lakhs for the Financial Year 2018-19 and Dividend Distribution Tax thereon, has not been recognised as liability as on 31-03-2019 in term of Revised "IND AS 10 - Events after the Reporting Period". Consequently the same has not be appropriated from Surplus during the Year.

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Secured</b>		
Term Loan (Refer Note :- 36)		
From Banks	280.76	504.08
Vehicle Loan	240.82	124.77
	<b>521.58</b>	628.85
Less:- Current Maturities of Long term borrowings	235.88	274.85
	<b>285.70</b>	354.00
<b>Unsecured</b>		
From Bodies Corporate	66.50	394.00
<b>Total</b>	<b>352.20</b>	748.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)****Note 17 - Non Current Financial Liabilities - Others**

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Deposits	10.28	5.05
<b>Total</b>	<b>10.28</b>	<b>5.05</b>

**Note 18 - Deferred Tax Liabilities (Net)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Deferred tax liability</b>		
on difference in tax base of Property, plant and Equipment other than land	74.89	88.38
on remeasurement of defined benefit liability	-	0.96
on revaluation of land	7,361.89	7,361.89
<b>Deferred tax Assets</b>		
on remeasurement of defined benefit liability	8.19	-
on Amortisation of upfront fees	2.17	1.42
on other taxable temporary difference	3.50	3.50
<b>Total Net Liability</b>	<b>7,422.92</b>	<b>7,446.31</b>

**Note 19 - Non Current Provisions**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Gratuity	0.11	44.59
Leave Encashment	47.85	110.69
<b>Total</b>	<b>47.96</b>	<b>155.28</b>

**Note 20 - Financial Liabilities - Current - Borrowings**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Loan repayable on demand</b>		
<b>Secured</b>		
From banks (Refer note :- 36)		
Cash Credit	2,273.26	417.82
Working Capital Demand Loan	2,800.00	2,500.00
Interest accrued but not due	11.24	12.23
<b>Unsecured</b>		
From Bodies Corporate	-	137.50
<b>Total</b>	<b>5,084.50</b>	<b>3,067.55</b>



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

(₹ in Lacs)

### Note 21 - Financial Liabilities - Trade Payable

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Trade Payable</b>		
Total outstanding dues of micro enterprise and small enterprise	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	806.74	3,217.79
<b>Total</b>	<b>806.74</b>	<b>3,217.79</b>

### Note 22 - Financial Liabilities - Current - Others

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Current Maturity of Long Term Borrowings (Refer Note :- 36)</b>		
Term Loans from Banks	169.28	229.49
Vehicle Loans	66.59	45.36
Payable to Employees	155.45	173.02
Unclaimed Dividend	17.28	11.79
<b>Total</b>	<b>408.60</b>	<b>459.66</b>

### Note 23 - Provisions

Particulars	As at 31 March, 2018	As at 31 March, 2017
Rates & Taxes	135.60	135.60
Leave Encashment	25.82	49.43
Gratuity	23.51	26.50
<b>Total</b>	<b>184.93</b>	<b>211.53</b>

### Note 24 - Current Tax Liabilities (Net)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for Income Tax (Net of Advance Tax)	320.18	571.54
<b>Total</b>	<b>320.18</b>	<b>571.54</b>

### Note 25 - Other Current Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Contract Liability	8.86	0.64
Other statutory liabilities	502.32	60.46
<b>Total</b>	<b>511.18</b>	<b>61.10</b>



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

(₹ in Lacs)

**Note 26 - Revenue from Operation**

Particulars	2018-19	2017-18
<b>Sale of Katha</b>	<b>19,244.64</b>	21,598.29
- Cutch	400.58	285.33
- Spices	404.61	-
<b>Total</b>	<b>20,049.83</b>	<b>21,883.62</b>

**Note 27 - Other Income**

Particulars	2018-19	2017-18
Interest Income on Bank Deposits	9.30	31.57
Net gain on disposal of property, plant and equipment	0.01	0.21
Liabilities no longer required(written back)	13.86	-
Insurance Claim	2.58	-
Scrap Sales	25.11	-
Gain on Currency Derivatives	33.36	-
Profit on Sale of Shares	0.34	-
Miscellaneous Income	25.01	40.78
<b>Total</b>	<b>109.57</b>	<b>72.56</b>

**Note 28 - Cost of Material Consumed**

Particulars	2018-19	2017-18
Opening Stock	1,566.86	1,775.18
Purchases of Raw Materials	10,451.22	12,848.92
Add: Extraction Expenses	17.10	49.10
Foreign Exchange Fluctuations (Net)	121.81	(29.40)
	<b>12,156.99</b>	<b>14,643.80</b>
Less : Closing Stock	1,630.75	1,566.86
<b>Cost of Material Consumed</b>	<b>10,526.24</b>	<b>13,076.94</b>

**Note 29 - Change in inventories of finished goods and work -in-progress**

Particulars	2018-19	2017-18
Opening stock (Finished Goods & Stock in Progress)	3,223.74	2,613.16
Closing stock (Finished Goods & Stock in Progress)	2,745.01	3,223.74
<b>Total</b>	<b>478.73</b>	<b>(610.58)</b>





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

(₹ in Lacs)

### Note 30 - Employee Benefits Expenses

Particulars	2018-19	2017-18
Salaries and Wages	2,008.77	1,899.68
Contribution to Provident and Other Fund	153.66	190.44
Staff welfare expenses	248.78	178.96
<b>Total</b>	<b>2,411.21</b>	<b>2,269.08</b>

### Note 31 - Finance Cost

Particulars	2018-19	2017-18
Interest on Borrowings	454.18	472.75
Other Interest Expenses	2.60	4.10
Other Borrowing Cost	37.48	73.00
<b>Total</b>	<b>494.26</b>	<b>549.85</b>

### Note 32 - Other Expenses

Particulars	2018-19	2017-18
Stores and Spare parts consumed	546.21	512.15
Other Consumable and Chemicals Consumed	100.05	94.14
Machine Katha Expenses	581.58	637.28
Power and Fuel	856.16	669.67
Factory Maintenance Charges	123.22	101.41
Rates and Taxes	31.98	440.68
Rent	148.47	153.24
Insurance	9.75	33.61
Repairs		
Buildings	25.09	21.03
Plant & Machinery	64.99	65.72
Others	23.26	33.65
Traveling Expenses	158.27	131.22
CSR Expenses	36.10	20.30
Consultancy and Service Charges	219.05	273.26
Freight and Selling Expenses	229.93	165.98
Miscellaneous Expenses	193.32	254.67
Net loss on Currency Derivatives	-	15.04
Directors sitting fees	2.75	2.29
Auditors Remuneration		
For Audit fees	3.84	3.84
For Other Services	1.83	2.33
<b>Total</b>	<b>3,355.85</b>	<b>3,631.51</b>





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

### 35. Related Party Transaction

#### (i) Name of related parties and nature of relationship:-

Parties where Control Exists	Country of Operation	As at 31 March, 2019	As at 31 March, 2018
Joint Ventures Agro and Spice Trading Pte Ltd	Singapore	50%	50%

#### Key Management Personnel

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

#### Other Directors

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

#### Relatives of Key Management Personnel

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

#### Enterprises having significant influence

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



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

**35. Related Party Transaction (Contd.)**

(₹ in Lacs)

(ii) The following transactions occurred with related parties:-

Particulars	KMP/Other Directors & Relatives of KMP		Parties with Control Entities		Enterprises having Significant Influence	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Remuneration and Employee Benefits</b>						
Krishna Kumar Mohta	167.90	156.19	-	-	-	-
Bharat Mohta	166.72	144.22	-	-	-	-
Krishna Kumar Damani	80.72	72.84	-	-	-	-
Raj Kumar Agarwal	21.59	20.01	-	-	-	-
Anup Gupta	8.23	4.31	-	-	-	-
<b>Director Sitting Fees</b>						
Mr. Rajendra Prasad Chetani	0.69	0.61	-	-	-	-
Mr. Sanjay Kumar Maheswary	0.62	0.61	-	-	-	-
Mr. Vinod Kumar Maheshwary	0.69	0.61	-	-	-	-
Mr. Vinod Mimani	0.53	0.43	-	-	-	-
Ms. Drisha Poddar	0.23	0.05	-	-	-	-
<b>Purchase of Raw Material</b>						
Agro and Spice Trading Pte Ltd, Singapore	-	-	675.04	-	-	-
<b>Repayment of Unsecured Loans</b>						
ACMA Industrials Projects (P) Ltd	-	-	-	-	150.00	-
<b>Interest on Unsecured Loans Taken</b>						
ACMA Industrials Projects (P) Ltd	-	-	-	-	7.50	23.01
Indian Glass & Electricals Ltd	-	-	-	-	5.28	10.52
<b>Dividend Paid</b>						
Mr. Krishna Kumar Mohta	2.20	1.06	-	-	-	-
Mr. Bharat Mohta	9.49	4.55	-	-	-	-
Mrs. Savita Mohta	11.45	5.50	-	-	-	-
Mrs. Avanti Mohta	9.41	4.52	-	-	-	-
M/s Krishna Kumar Mohta HUF	0.35	0.17	-	-	-	-
M/s Bharat Mohta HUF	5.69	2.73	-	-	-	-
Arvind Engineering Works Ltd	-	-	-	-	0.76	0.37
Security Company Limited	-	-	-	-	15.25	7.32
Indian Glass & Electricals Ltd	-	-	-	-	1.50	0.72

Mr. R.P Chetani, Mr. R.K Agarwal Mr. Vinod Mimani and Mr. S.K. Maheswary have also been paid Dividend but the amount is below Rs. 1000/- hence not reported above.



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

(₹ in Lacs)

### 35. Related Party Transaction (Contd.)

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

Particulars	Key Management Personnel / Other Directors		Enterprises having Significant Influence	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March 2018

(i) Unsecured Loans Taken

ACMA Industrials Projects (P) Ltd	-	-	-	150.00
Indian Glass & Electricals Ltd	-	-	44.00	44.00

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

Banks	Rate of Interest	Non Current (₹ in lakhs)	Current (₹ in lakhs)
<b>DBS Bank</b>			
Term Loan	11.85%	-	44.13
Working Capital Demand Loan	MCLR + 0.15%	-	1,400.00
Cash Credit Account	MCLR + 0.8%	-	135.60
<b>Union Bank of India</b>			
Term Loan	MCLR + 2.20%	111.63	125.00
Cash Credit Account	MCLR + 0.70%	-	2,137.42
<b>CITI Bank</b>			
Working Capital Demand Loan	8.80%	-	1,400.00

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

(₹ in Lacs)

**36 b) Vehicle Loans sanctioned by Banks against hypothecation of the respective vehicle**

Banks	Rate of Interest	Non Current (₹ in lakhs)	Current (₹ in lakhs)
ICICI Bank Ltd.	10.24%	3.68	1.23
Kotak Prime Limited	9.85%	28.20	17.54
Union Bank of India	7.70%	-	0.96
HDFC Bank Limited	9.50%	3.54	2.38
BMW India Finance Service Pvt. Ltd.	7.90%	1.09	12.51
Yes Bank Limited	8.50%	6.30	1.95
Axis Bank Limited	8.61%	71.05	16.79
Union Bank of India	9.15%	5.97	0.72
Yes Bank Limited	9.40%	6.03	1.25
Yes Bank Limited	8.50%	22.28	5.70
Yes Bank Limited	9.00%	18.51	3.87
Yes Bank Limited	9.00%	7.59	1.71

**37** The Company operates in only one Business Segment, i.e., manufacturing and trading in Katha and in only one Geographic Segment i.e., India. Accordingly there are no separate reportable segment as per IND AS 108.

**38** As at March 31, 2019, there are no outstanding dues to Micro, Small and Medium Enterprises. There are no interest due or outstanding on the same.

**39 Corporate Social Responsibility (CSR)**

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

- Amount of Rs. 32.53 lakhs required to be spend by the Company during the year.
- Revenue Expenditure incurred during the year directly or through Implementing agencies towards CSR Activities amounted to Rs. 36.10 lakhs.

**40 Non Cancellable Operating Leases:**

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

Particulars	As at 31 March 2019	As at 31 March 2018
Lease rental payments recognized in the Statement of Profit and Loss.	<b>137.96</b>	89.90
<b>In respect of assets taken on non-cancellable operating lease:</b>		
<b>Lease obligations</b>		
<b>Future minimum lease rental payments</b>		
- not later than one year	<b>154.41</b>	141.64
- later than one year but not later than five years	<b>442.98</b>	494.70
- later than five years	<b>376.09</b>	218.82



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

(₹ in Lacs)

### 41 Employee Benefits

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

Particulars	31st March 2019	31st March 2018
Provident and Other Funds	153.66	190.44

#### (b) Defined Benefit Plan

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

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

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

(₹ in lakhs)

Particulars	31st March, 2019		31st March, 2018	
	Leave	Gratuity	Leave	Gratuity
<b>Changes in Defined Benefit Obligation :</b>				
“ Present Value of Defined Benefit Obligation at the Beginning of the Year “	160.12	418.06	132.08	392.09
Current Service Cost	33.13	26.50	38.63	25.21
Interest Cost	12.17	28.13	8.56	24.94
<b>Components of actuarial gain/losses on obligations:</b>				
“Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions “	-	-	-	-
“ Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions “	-	-	(0.43)	(16.18)
“Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments”	-22.34	9.68	4.71	17.25
Past service cost		-		41.23
Benefits Paid	-7.21	(29.46)	(23.42)	(66.49)
“Present Value of Defined Benefit Obligation at the end of the Year”	175.88	452.93	160.13	418.06
<b>Change in Plan Assets :</b>				
Fair Value of Plan Assets at the Beginning of the Year	-	346.97	-	303.01
Interest Income	0.71	23.73	-	19.51
Re Measurements Gains/(Losses)	-	-	-	-
“Return on Plan Assets, (Excluding Amount Included in net Interest Expense)”	3.59	1.91	-	3.84
Contribution by Employers	97.92	86.14	-	87.10
Benefits Paid	-	(29.46)	-	(66.49)
Fair Value of Plan Assets at the End of the Year	102.21	429.30	-	346.97



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

(₹ in Lacs)

**41 Employee Benefits (Contd.)**

Particulars	31st March, 2019		31st March, 2018	
	Leave	Gratuity	Leave	Gratuity
<b>Service cost:</b>				
<b>Current service cost</b>	33.13	26.50	38.63	25.21
<b>Past service cost and loss/(gain) on curtailments and settlement</b>	-	-	-	41.23
<b>Net interest cost</b>	11.46	4.40	8.56	5.43
Net Value of remeasurements on the obligation and plan assets	18.67	30.90	51.46	71.88
Expenses Recognized in the Statement of Profit and Loss	-25.92	-	4.27	-
<b>Expenses Recognised in other Comprehensive Income</b>				
“ Return on Plan Assets, (Excluding Amount Included in net Interest Expense) “	-	-	-	(3.84)
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	-	-	-	-
“ Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions “	-	9.68	-	(16.18)
“Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments on Plan Liabilities”	-	(1.91)	-	17.25
Total Actuarial (Gains)/Losses Recognized in other Comprehensive Income	-	7.77	-	(2.76)
<b>The Major Categories of Plan Assets as a % of Total Plan</b>				
Qualifying Insurance Policy	100%		100%	
<b>The Principal Actuarial Assumption Used :</b>				
Discount Rate	7.6%		7.6%	
Salary Growth Rate	5%		5%	
Withdrawal Rate	5% at younger ages reducing to 1% at older ages		5% at younger ages reducing to 1% at older ages	

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

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

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





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

(₹ in Lacs)

### 41 Employee Benefits (Contd.)

Sensitivity Analysis for Significant Assumptions as on 31st March, 2019 are as Follows :

Particulars	31st March, 2019		31st March, 2019	
	Leave	Gratuity	Leave	Gratuity
<b>Assumptions</b>	<b>Discount Rate</b>			
Sensitivity Level	<b>0.5% Increase</b>		<b>0.5% Decrease</b>	
Impact on Defined Benefit Plan (INR)	<b>170.62</b>	<b>435.83</b>	181.50	471.28
<b>Assumptions</b>	<b>Future Salary Increase</b>			
Sensitivity Level	<b>0.5% Increase</b>		<b>0.5% Decrease</b>	
Impact on Defined Benefit Plan (INR)	<b>181.61</b>	<b>471.02</b>	170.47	435.77
<b>Assumptions</b>	<b>Withdrawal Rate</b>			
Sensitivity Level	<b>W.R. * 110%</b>		<b>W.R. * 90%</b>	
Impact on Defined Benefit Plan (INR)	<b>175.96</b>	<b>454.98</b>	175.73	450.81

Sensitivity Analysis for Significant Assumptions as on 31st March, 2018 are as Follows :

Particulars	31st March, 2019		31st March, 2019	
	Leave	Gratuity	Leave	Gratuity
<b>Assumptions</b>	<b>Discount Rate</b>			
Sensitivity Level	<b>0.5% Increase</b>		<b>0.5% Decrease</b>	
Impact on Defined Benefit Plan (INR)	<b>152.59</b>	<b>402.99</b>	161.65	434.24
<b>Assumptions</b>	<b>Future Salary Increase</b>			
Sensitivity Level	<b>0.5% Increase</b>		<b>0.5% Decrease</b>	
Impact on Defined Benefit Plan (INR)	<b>161.75</b>	<b>434.11</b>	152.47	402.98
<b>Assumptions</b>	<b>Withdrawal Rate</b>			
Sensitivity Level	<b>W.R. * 110%</b>		<b>W.R. * 90%</b>	
Impact on Defined Benefit Plan (INR)	<b>157.14</b>	<b>419.90</b>	156.80	416.18

The Weighted Average Duration of the Defined Benefit Obligation as at 31st March 2019 is 58 years.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)****42 Fair Value**

(₹ in Lacs)

**Financial Instruments with category:**

Particulars	Carrying Value		Fair Value	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
<b>Financial Assets</b>				
Trade receivables - at amortised cost	<b>3734.37</b>	3658.82	<b>3734.37</b>	3658.82
Security Deposits - at amortised cost	<b>55.80</b>	50.62	<b>55.80</b>	50.62
Cash and Cash equivalents at amortised cost	<b>523.05</b>	321.79	<b>523.05</b>	321.79
Balance with Bank other than Cash and Cash Equivalent - amortised cost	<b>18.52</b>	460.21	<b>18.52</b>	460.21
Loans - at amortised cost	<b>17.11</b>	25.58	<b>17.11</b>	25.58
<b>Total</b>	<b>4,348.85</b>	4,517.02	<b>4,348.85</b>	4,517.02
<b>Financial Liabilities</b>				
Loans from Bank and others-at amortised cost	<b>5,672.57</b>	4,090.40	<b>5,672.57</b>	4,090.40
Security Deposits - at amortised cost	<b>10.28</b>	5.05	<b>10.28</b>	5.05
Payable to Employees	<b>155.45</b>	173.02	<b>155.45</b>	173.02
Unclaimed Dividend	<b>17.28</b>	11.79	<b>17.28</b>	11.79
Trade Payables	<b>806.74</b>	3,217.79	<b>806.74</b>	3,217.79
<b>Total</b>	<b>6,662.32</b>	7,498.05	<b>6,662.32</b>	7,498.05

**43 Financial Risk Management Objectives and Policies**

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

**a. Market Risk**

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



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

(₹ in Lacs)

### i. Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations with Floating rate of interest. The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected. With all other variables remaining constant, the company's profit before tax and equity before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in Basis points	Effect on Profit before tax	Effect on Pre tax Equity
31.03.2019	+50	(19.55)	(19.55)
	-50	19.55	19.55
31.03.2018	+50	(10.42)	(10.42)
	-50	10.42	10.42

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

### ii. Foreign Currency Risk

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

### b. Credit Risk

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

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

### c. Liquidity Risk

Liquidity Risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Bank loans, Credit purchases etc.

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

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

(₹ in Lacs)

**As at 31st March' 2019**

Particulars	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans (including Current maturities)	5,073.26	235.87	352.20	-	5,661.33
Trade Payables	-	806.74	-	-	806.74
<b>Total</b>	<b>5,073.26</b>	<b>1,042.61</b>	<b>352.20</b>	<b>-</b>	<b>6,468.07</b>

**As at 31st March' 2018**

Particulars	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans (including Current maturities)	3,055.32	274.85	748.00	-	4,078.17
Trade Payables	-	3,217.79	-	-	3,217.79
<b>Total</b>	<b>3,055.32</b>	<b>3,492.64</b>	<b>748.00</b>	<b>-</b>	<b>7,295.96</b>

**44 Capital Management**

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

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

Particulars	31st March 2019	31st March 2018
Borrowings	<b>5,672.57</b>	4,090.40
Trade Payables	<b>806.74</b>	3,217.79
Other financial liabilities	<b>183.01</b>	189.86
Net Debt	<b>6,662.32</b>	7,498.06
Equity	<b>34,930.82</b>	33,248.35
Total Capital	<b>34,930.82</b>	33,248.35
Gearing Ratio	<b>19.07%</b>	22.55%

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



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

**45** The main Products of the Company i.e. Katha & Cutch along with its Raw Materials like Khair Wood, Katha Lugdi, Cutch Lugdi, are covered under U. P. Forest Act and a transit fee has to be paid on movement of all these items. Uttar Pradesh Government by its various amendments changed the transit fee from Rs. 38/- Per M.T to Rs. 200/- Per Cubic Meter and Subsequently 5% advolrum.

Honorable Supreme Court in its interim order dated 26/04/2016, directed the Uttar Pradesh Government to collect transit fees @ 5% advolrum subject to final outcome of the case and also directed U. P. Government to keep the said amount in a separate account so that it can be paid back to the effected parties with interest @ 9% Per Annum if final order is in favour of the parties..

Subsequently Honorable Supreme Court by its final order dated 15/09/2017 directed Uttar Pradesh Government to collect transit fees @ Rs 38/- Per M.T only and refund the excess amount collected from parties along with interest @ 9% per annum.

In view of the above, an excess amount of Rs. 1000.29 lakhs paid as transit fees to the Forest Department of Uttar Pradesh is refundable with interest @ 9% per annum. The company has made necessary applications which is under process and will be accounted for as and when the company will get the refund.

### 46 Contingent Liabilities

- Demand for sales tax amounting to Rs. 138.59 lacs (Rs. 148.48 lacs) which are not acknowledged as debts. Against the same company has paid under protest a total of Rs. 15.52 lacs (Rs. 27.32 lacs) included in loans and Advances and TDR of Rs. 2.64 lacs (Rs. 2.64 lacs) are deposited with the sales tax authorities.
- Mandi Samitee demand on Katha amounting to Rs. 2.38 lacs (Rs. 2.38 Lacs) has been disputed by the Company and stayed by Honorable High Court, Allahabad.
- During the FY 2017 - 18, Commissioner of Customs, Nhava Sheva had passed an Ex-Party Judgement and raised a demand of Rs. 341.78 Lacs and imposed a penalty of Rs 341.78 Lacs against a Show Cause Notice issued by the Additional Director General, Directorate of Revenue Intelligence, Kolkata in the year 2010. The said order passed by the Commissioner being contrary to law and against the principle of natural justice, based on assumption and presumptions without any evidence on record and was not acceptable to the Company, hence an appeal was preferred by the Company before CESTAT Nhava Sheva by producing evidence of pre-deposit of Rs.40.00 lacs being 11.7% of duty demanded against the requirement of 7.5% of the duty demanded while filing the appeal. Simultaneously, (2) two of the Whole Time Directors were also made liable in the above said order on whom a penalty of Rs.15.00 lacs and Rs.10.00 lacs respectively imposed. An appeal was also preferred on their behalf and a sum of Rs.1.90 las was deposited by the Company and the amount is appearing in Loans & Advances account. Consequently, as per the legal advice obtained, no provision is made at this stage. Final adjustment if any will be done as and when the matter is crystalized.

**47** For better presentation previous year's figures have been regrouped / re-arranged wherever necessary.

In terms of our Report attached

For **Agrawal Tondon & Co.**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishan Tondon**

Partner

Membership No.: 060534

**Place: Kolkata**

**Date: May 24, 2019**

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

**Krishna Kumar Mohta**

Chairman & MD

DIN: 00702306

**R.K. Agarwal**

Chief Financial Officer

**Bharat Mohta**

WTD & CEO

DIN: 00392090

**Anup Gupta**

Company Secretary



# Consolidated Financial Statements



## INDEPENDENT AUDITOR'S REPORT

To The Members of  
The Indian Wood Products Company Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of The Indian Wood Products Co Ltd (the "Parent"), which includes its share of loss in its Joint Venture, which comprise the Consolidated balance sheet as at 31st March 2019, and the consolidated statement of Profit and Loss, Consolidated Statement of Changes in Equity, Consolidated Statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

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 the other auditor on separate financial statements of joint venture referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) rules 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their Consolidated profit, their Consolidated

total comprehensive income, their consolidated changes in equity and their cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matters	Auditors response
<p><b>Revenue Recognition</b></p> <p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS -115</b></p> <p>As described in Note 2(f) to the Consolidated Financial Statements, the Parent Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Parent Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>Evaluating the design and implementation of Parent Company's controls in respect of revenue recognition.</li> </ul>



<p>frame work for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Parent Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.</p>	<ul style="list-style-type: none"> <li>● Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end and testing the sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>
<p><b>Evaluation of Uncertain Tax positions</b></p>	
<p>The Parent Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcomes of these disputes.</p> <p>Refer Note 46 to the Consolidated Financial Statements</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>● Obtained understanding of key uncertain tax positions; and</li> <li>● We along with our internal tax experts – <ul style="list-style-type: none"> <li>▲ Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;</li> <li>▲ Discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions; and</li> <li>▲ Assessed management’s estimate of the possible outcome of the disputed cases.</li> </ul> </li> </ul>

**Other Information**

The Parent’s Board of Directors is responsible for the other information. The other information comprises the information included in Parent Company’s Annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial

Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management and Those Charged with Governance for Consolidated Financial Statements**

The Parent’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair





view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its Joint Venture are responsible for assessing the ability of the Group and of its Joint Venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its Joint venture are responsible for overseeing the financial reporting process of the Group of its Joint venture.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Venture to



cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Joint Venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We also communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of one Joint Venture, whose financial statements reflect total assets of Rs. 2487.12 lakhs as at 31st March 2019 and total revenues of Rs.5479.45 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.193.26 lakhs for the year ended 31st March 2019, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated 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 the other auditor.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the joint venture referred to in the Other Matters section above 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 financial statements.



(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and 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 financial statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors of the Parent, none of the directors is disqualified as on 31st March, 2019 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 Parent Company and the operating effectiveness of such controls and since the Parent Company has only one Joint Venture that has been incorporated outside India, no further reporting needs to be done and the report on internal financial controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Act of the standalone financial statements fulfils the requirement.

(g) With respect to the matter to be included in the Auditor's Report under section 197(16). In our opinion and according to the information and explanation given to us, the remuneration paid by the Parent Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

(h) With respect to the other matters to be included in

the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Parent Company and its Joint Venture has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note No.- 49

ii. The Parent Company and its Joint Venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Parent Company.

For **Agrawal Tondon & Co.**  
Chartered Accountants  
Firm's Registration No-329088E

**Radhakrishan Tondon**  
Partner  
Membership No. 060534

**Place: Kolkata**  
**Dated: 24th May 2019**



## Consolidated Balance Sheet as at 31st March, 2019

(₹ In Lacs)

Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3.a	38,175.30	37,860.70
Capital Work-in-Progress	3.b	204.21	186.21
Financial Assets			
- Investments	4	523.15	608.87
- Loans	5	55.80	50.62
Other Non-Current Assets	6	246.67	219.42
		<u>39,205.13</u>	<u>38,925.82</u>
<b>Current Assets</b>			
Inventories	7	4,731.95	4,981.03
Financial Assets			
- Trade Receivables	8	3,734.37	3,658.82
- Cash and Cash Equivalents	9	523.05	321.79
- Bank Balances other than above	10	18.52	460.21
- Loans	11	17.11	25.58
- Other Financial Assets	12	2.44	0.47
Other Current Assets	13	1,507.76	671.73
		<u>10,535.20</u>	<u>10,119.63</u>
		<u>49,740.33</u>	<u>49,045.45</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	14	1,279.75	640.03
Other Equity	15	33,311.10	32,461.61
		<u>34,590.85</u>	<u>33,101.64</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Borrowings	16	352.20	748.00
- Others	17	10.27	5.05
Deferred Tax Liabilities (Net)	18	7,422.92	7,446.31
Provisions	19	47.96	155.28
		<u>7,833.35</u>	<u>8,354.64</u>
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	20	5,084.50	3,067.55
- Trade Payables (Refer Note 38)	21	-	-
Total outstanding dues of micro enterprise and small enterprise		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		806.74	3,217.79
- Others	22	408.60	459.66
Provisions	23	184.93	211.53
Current Tax Liabilities (Net)	24	320.18	571.54
Other Current Liabilities	25	511.18	61.10
		<u>7,316.13</u>	<u>7,589.17</u>
		<u>49,740.33</u>	<u>49,045.45</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>Significant Accounting Policies</b>	1 - 2		

The accompanying notes 1 - 50 are an integral part of the Financial Statements.

In terms of our Report attached

For **Agrawal Tondon & Co.**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishan Tondon**

Partner

Membership No.: 060534

Place: Kolkata

Date: May 24, 2019

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

**Krishna Kumar Mohta**

Chairman & MD

DIN: 00702306

**Bharat Mohta**

WTD & CEO

DIN: 00392090

**R.K. Agarwal**

Chief Financial Officer

**Anup Gupta**

Company Secretary



## Consolidated Statement of Profit & Loss for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Note	2018-19	2017-18
<b>Revenue From Operations</b>			
Revenue from Sale of Products	26	20,049.83	21,883.62
Other Income	27	109.57	72.56
<b>Total income</b>		<b>20,159.40</b>	<b>21,956.18</b>
<b>Expenses:</b>			
Cost of material consumed	28	10,526.24	13,076.94
Change in inventories of finished goods, stock in trade and work-in-progress	29	478.73	(610.58)
Excise Duty		-	321.17
Employee benefit expense	30	2,411.21	2,269.08
Finance costs	31	494.26	549.85
Depreciation and amortisation expense	3a	329.83	278.01
Other expenses	32	3,355.85	3,631.51
<b>Total expense</b>		<b>17,596.12</b>	<b>19,515.98</b>
Share of Profit/Loss of Joint Venture		(90.60)	(144.54)
<b>Profit/(loss) before exceptional items and tax</b>		<b>2,472.68</b>	<b>2,295.66</b>
Exceptional Items		-	222.96
<b>Profit before tax from Continuing operation</b>		<b>2,472.68</b>	<b>2,518.62</b>
<b>Income Tax expense:</b>			
Current tax	33	800.00	930.00
Deferred tax	33	(21.12)	1.63
<b>Total Tax Expense</b>		<b>778.88</b>	<b>931.63</b>
<b>Profit/(loss) for the period</b>		<b>1,693.80</b>	<b>1,586.99</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability		(7.77)	2.76
Share of Other Comprehensive (Income)/loss through Joint Venture		(102.67)	(4.59)
Income tax relating to the above	33	2.26	(0.96)
<b>Other Comprehensive (Income)/loss for the period</b>		<b>(108.18)</b>	<b>(2.79)</b>
<b>Total Comprehensive Income for the period</b>		<b>1,585.62</b>	<b>1,584.20</b>
<b>Earnings per equity share (for continuing operation):</b>	34		
- Basic		2.65	2.48
- Diluted		2.65	2.48
<b>Significant accounting policies</b>	1 - 2		

The accompanying notes 1 - 50 are an integral part of the Financial Statements.

In terms of our Report attached

For **Agrawal Tondon & Co.**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishan Tondon**

Partner

Membership No.: 060534

**Place: Kolkata**

**Date: May 24, 2019**

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

**Krishna Kumar Mohta**

Chairman & MD

DIN: 00702306

**R.K. Agarwal**

Chief Financial Officer

**Bharat Mohta**

WTD & CEO

DIN: 00392090

**Anup Gupta**

Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in Lacs)

	31st March 2019	31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	2,472.68	2,518.62
Adjustment for		
Depreciation	329.83	278.01
Finance Cost	494.26	549.85
Interest Received	(2.58)	(31.57)
Liabilities no longer required written back	(33.36)	-
Exceptional items	-	(222.96)
Impairment loss recognized/(reserved) under expected credit loss model	(4.13)	(3.37)
Advances written off	10.46	3.40
Loss / (Gain) on sale of Property, Plant & Equipment/ Investment	(25.11)	(0.21)
Loss / (Gain) on sale of investment	-	573.15
<b>Operating Profit/(Loss) before working capital changes</b>	<b>3,242.05</b>	<b>3,091.77</b>
Adjustment for		
Trade & Other Receivables	(937.51)	814.44
Inventories	249.08	(358.65)
Trade Payables	(2,107.05)	(296.19)
<b>Cash generated for operations</b>	<b>446.57</b>	<b>3,251.37</b>
Direct Tax Paid	1,051.36	800.29
<b>Cash Flow before Exceptional Items</b>	<b>(604.79)</b>	<b>2,451.08</b>
Exceptional Items	-	222.96
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(604.79)</b>	<b>2,674.04</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in shares	(16.95)	(274.49)
Purchase of Fixed Assets	(664.79)	(834.89)
Sale of Fixed Assets	2.26	0.85
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(679.48)</b>	<b>(1,108.53)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	2,271.48	311.08
Repayment of Borrowings	(688.32)	(832.23)
Dividend / Dividend tax paid	(90.91)	(42.86)
Interest paid (Net)	(485.95)	(535.79)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,006.30</b>	<b>(1,099.80)</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 *(Contd.)*

(₹ in Lacs)

	31st March 2019	31st March, 2018
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(277.97)	465.71
<b>CASH AND CASH EQUIVALENTS (Refer Note 9 &amp; 10)</b>		
AT START OF THE YEAR	782.00	316.29
AT CLOSE OF THE YEAR	541.57	782.00

**NOTE:**

- 1) The above Statement of Cash Flows has been prepared under the indirect method as set out in the IND AS-7 Statement of Cash Flows

In terms of our Report attached  
For **Agrawal Tondon & Co.**  
Chartered Accountants  
Firm Registration Number - 329088E

**Radhakrishan Tondon**  
Partner  
Membership No.: 060534

**Place: Kolkata**  
**Date: May 24, 2019**

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

**Krishna Kumar Mohta**  
Chairman & MD  
DIN: 00702306

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

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

**Anup Gupta**  
Company Secretary



## STATEMENT OF CONSOLIDATED CHANGES IN EQUITY AS AT 31ST MARCH, 2019

(₹ in Lacs)

Particulars	Share capital	Other Equity			Total
		Reserve & surplus		Other Comprehensive income	
		Capital Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>As at 1st April 2017</b>	<b>640.03</b>	<b>0.03</b>	<b>30,989.57</b>	<b>(65.99)</b>	<b>31,563.64</b>
Dividend and Dividend Tax paid in 2017-18	-	-	(46.20)	-	(46.20)
Other Comprehensive Income	-	-	-	2.76	2.76
Share from Joint Venture	-	-	-	(4.59)	(4.59)
Tax on the above	-	-	-	(0.96)	(0.96)
Profit for the period	-	-	1,586.99	-	1,586.99
<b>Balance at 31 March 2018</b>	<b>640.03</b>	<b>0.03</b>	<b>32,530.36</b>	<b>(68.78)</b>	<b>33,101.64</b>
Issue of Bonus Shares	639.73	-	(639.73)	-	-
Dividend and Dividend Tax paid in 2017-18	-	-	(96.40)	-	(96.40)
Other Comprehensive Income	-	-	-	(7.77)	(7.77)
Share from Joint Venture	-	-	-	(102.67)	(102.67)
Tax on the above	-	-	-	2.26	2.26
Profit for the period	-	-	1,693.80	-	1,693.80
<b>Balance at 31 March 2019</b>	<b>1,279.76</b>	<b>0.03</b>	<b>33,488.03</b>	<b>(176.96)</b>	<b>34,590.85</b>

The accompanying notes 1 - 50 are an integral part of the Financial Statements.

In terms of our Report attached  
 For **Agrawal Tondon & Co.**  
 Chartered Accountants  
 Firm Registration Number - 329088E  
**Radhakrishan Tondon**  
 Partner  
 Membership No.: 060534  
**Place: Kolkata**  
**Date: May 24, 2019**

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

<b>Krishna Kumar Mohta</b> Chairman & MD DIN: 00702306	<b>Bharat Mohta</b> WTD & CEO DIN: 00392090
<b>R.K. Agarwal</b> Chief Financial Officer	<b>Anup Gupta</b> Company Secretary





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### 1. Corporate Information

The Consolidated financial statements comprise financial statements of The Indian Wood Products Company Limited ("the Parent Company") and its joint ventures (collectively referred to as "the Group") for the year ended 31st March 2019. The Group is primarily engaged in the manufacturing of Katha, processed Gambier and trading of spices.

### 2. Significant Accounting Policies

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

The Consolidated Financial Statements were approved by Board of Directors on 24th May' 2019.

#### a) Basis of Preparation:

##### I. Compliance with IND AS:

These Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & Companies (Indian Accounting Standards) Amendment Rules 2016. The Company adopted Ind AS from 1st April, 2017.

##### II. Historical cost convention:

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

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

#### b) Principal of Consolidation and Equity Accounting

##### Joint Venture

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

##### Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits

or losses of the investee in consolidated profit and loss, and the group's share of other comprehensive income of the investee in consolidated other comprehensive income.

#### c) Property, Plant and Equipment

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

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

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

#### Depreciation and amortization:

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

Asset Class	Useful Life (In years)
Building	3 to 60
Plant & Machinery*	8 to 15
Electric Installations*	10 to 15
Laboratory Apparatus	10
Motor Vehicles*	8 to 10
Computers*	3 to 8
Office Equipment's*	3 to 5
Furniture and Fixtures	10



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

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

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

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

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

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

### d) Operating Cycle

All assets and liabilities have been classified as current and noncurrent as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### e) Financial assets:

#### i. Classification:

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

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

#### ii. Measurement:

At initial recognition, the Company measures a financial

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

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

#### iii. Impairment of financial assets:

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

#### iv. Derecognition of financial assets:

A financial asset is derecognised only when

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

### f) Foreign Currency Transactions and Translation:

#### I. Functional and presentation currencies:

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

#### II. Transactions & Balances:

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

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign Joint Venture are expressed in Indian currency at the



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

rate of exchange prevailing at the time when the original investments are made or Fair Values determined.

### g) Revenue Recognition

With effect from 1 April 2018, the Company has adopted IND AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under IND AS 115, revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has elected to apply the Cumulative catch up method in adopting IND AS 115. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### Sale of goods:

Revenue is recognized on satisfaction of performance obligation at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer.

### Interest income:

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

### Disaggregation of revenue:

Note 26 presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by performance obligation. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

### h) Inventories:

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

### i) Trade Receivables:

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

### j) Trade and other payables:

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

### k) Borrowings:

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



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

### l) Income Taxes:

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

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

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

### m) Borrowing Cost:

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

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

### n) Leases:

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

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

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

### o) Employee Benefits:

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

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

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

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

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

Liabilities with regard to the gratuity benefits payable in



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

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

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

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

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

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

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

The Company contributes to a New Group Leave Encashment Plan with Life Insurance Corporation of India towards meeting its leave obligation.

Re-measurements, comprising of actuarial gains and losses 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 the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

#### p) Provisions and Contingent Liabilities and Assets:

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

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

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

#### q) Cash and Cash Equivalents:

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

#### r) Impairment of Assets:

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

#### s) Earnings Per Share:

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

- i. the profit attributable to owners of the Company



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

ii. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year .

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

- i. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ii. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### t) Segment Reporting:

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

### Segment Accounting Policies:

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

### u) Rounding off:

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

### v) Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise

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

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

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

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

### w) Amendments issued to Ind-AS, but not effective

On 30th March 2019, Ministry of Corporate Affairs ("MCA") has notified the IND AS 116, Leases and Appendix C of IndAs 12 "Uncertainty over Income Tax Treatment. The effective date for adoption of the same is financial periods beginning on or after 1st April 2019. The company is in the process of evaluating the effect on its adoption.

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

### Note 3 a - Property, Plant and Equipment

(₹ in Lacs)

Particulars	Freehold Land*	Leasehold Land	Building	Computer Equipment	Effluent Treatment Plant	Electrical Installations	Furniture & Fixtures	Laboratory Apparatus	Motor Car & Vehicle	Office Equipments	Plant & Machinery	Refrigeration & Cooling System	Trolleys & Trays	Tube Well	Weighing Scale	Total
<b>Gross Block</b>																
At April 1, 2017	35,737.74	-	166.87	13.91	1.04	159.73	28.45	1.19	82.96	5.35	732.81	543.93	140.53	2.33	2.90	37,619.74
Additions	-	257.91	67.67	5.23	-	23.90	2.02	3.20	132.25	19.63	50.29	146.97	5.70	-	1.05	715.82
Disposals / deductions	-	-	-	-	-	-	-	-	(9.30)	-	-	-	-	-	-	(9.30)
At March 31, 2018	35,737.74	257.91	234.54	19.14	1.04	183.63	30.47	4.39	205.91	24.98	783.10	690.90	146.23	2.33	3.95	38,326.26
Additions	-	-	94.85	4.64	29.01	0.33	68.72	0.28	196.83	3.09	112.27	117.32	16.03	2.76	0.64	646.77
Disposals / deductions	-	-	-	(0.75)	-	(1.39)	(0.82)	-	(0.38)	-	(3.07)	(9.80)	-	(0.18)	-	(16.39)
At March 31, 2019	35,737.74	257.91	329.39	23.03	30.05	182.57	98.37	4.67	402.36	28.07	892.30	798.42	162.26	4.91	4.59	38,956.64
<b>Accumulated Depreciation</b>																
At April 1, 2017	-	-	7.38	5.18	-	22.97	3.58	0.14	(4.50)	0.89	61.72	89.05	9.22	0.20	0.38	196.21
Charge for the year	-	0.53	7.89	4.67	-	24.51	3.44	0.14	29.05	3.64	103.83	90.47	9.37	0.15	0.32	278.01
Disposals	-	-	-	-	-	-	-	-	(8.66)	-	-	-	-	-	-	(8.66)
At March 31, 2018	-	0.53	15.27	9.85	-	47.48	7.02	0.28	15.89	4.53	165.55	179.52	18.59	0.35	0.70	465.56
Charge for the year	-	6.45	7.50	4.58	1.08	24.01	8.02	0.41	45.16	5.10	111.37	105.76	9.86	0.15	0.38	329.83
Disposals	-	-	-	(0.69)	-	(1.32)	(0.76)	-	(0.35)	-	(2.65)	(8.14)	-	(0.14)	-	(14.05)
At March 31, 2019	-	6.98	22.77	13.74	1.08	70.17	14.28	0.69	60.70	9.63	274.27	277.14	28.45	0.36	1.08	781.34
<b>Net Block</b>																
At March 31, 2018	35,737.74	257.38	219.27	9.29	1.04	136.15	23.45	4.11	190.02	20.45	617.55	511.38	127.64	1.98	3.25	37,860.70
At March 31, 2019	35,737.74	250.93	306.62	9.29	28.97	112.40	84.09	3.98	341.66	18.44	618.03	521.28	133.81	4.55	3.51	38,175.30

### 3 b - Capital Work-in-Progress

Particulars	Opening as on 01.04.2017	Additions	Capitalised	Closing as at 31.03.2018	Additions	Capitalised	Closing as at 31.03.2019
Capital Work-in-Progress	67.15	184.45	65.40	186.20	204.21	186.21	204.20



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

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

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Investment in Equity Shares, Unquoted</b>		
<b>Investment in Joint Venture (at Cost unless stated otherwise)</b>		
M/s. Agro & Spice Trading Pte Ltd, Singapore*		
11,50,050 (11,50,050) Equity Shares of USD 1	415.58	608.85
Share Application Pending Allotment	107.57	-
<b>Investment in Others (at Cost unless stated otherwise)</b>		
M/s. Vishnuhari Investment & Properties Ltd.		
Nil (339) Equity Shares of Rs 10/- each fully paid up	-	0.02
<b>Total Aggregate amount of Unquoted Investment</b>	<b>523.15</b>	<b>608.87</b>

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

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Unsecured and considered good</b>		
Security Deposits	49.12	47.93
Others		
Against Sales Tax (Refer Note 49)	2.64	2.64
Against Others Compliances	4.04	0.05
<b>Total</b>	<b>55.80</b>	<b>50.62</b>

### Note 6 - Other Non Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Capital Advances</b>	<b>175.37</b>	136.43
Advance other than capital advance		
Prepaid Expenses	3.38	2.33
Tax payment under Protest (Refer Note 49)	67.92	80.66
<b>Total</b>	<b>246.67</b>	<b>219.42</b>





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

(₹ in Lacs)

### Note 7 - Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>(At lower of cost and net realisable value)</b>		
Raw Materials	1,630.75	1,566.86
Work -in- progress	1,367.50	1,160.04
Finished Goods	1,377.51	2,063.70
Stores and Spares	347.37	183.41
Consumables	7.75	6.14
Tools and Implements	1.07	0.88
<b>Total</b>	<b>4,731.95</b>	<b>4,981.03</b>
Raw Material includes goods in transit	308.68	104.92

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unsecured, considered good	3,734.67	3,663.25
Less : Allowance for expected credit loss	0.30	4.43
<b>Total</b>	<b>3,734.37</b>	<b>3,658.82</b>

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance with banks		
In Current Account Balances	508.01	134.90
Cheques on hand	3.88	177.30
Cash on hand	11.16	9.59
<b>Total</b>	<b>523.05</b>	<b>321.79</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****Note 10 - Financial Assets - Current - Bank Balances other than Cash and Cash Equivalents** (₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Balance with banks		
In Restricted Bank Balance (Unclaimed Dividend)	17.28	11.79
In Deposit Account with Banks and Financial Institutions		
Against Margin Money for Letter of Credit	1.24	409.58
Margin Money with IL&FS	-	38.84
<b>Total</b>	<b>18.52</b>	<b>460.21</b>

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Unsecured Considered Good</b>		
Advance to employees	13.06	25.58
Others	4.05	-
<b>Total</b>	<b>17.11</b>	<b>25.58</b>

**Note 12 - Financial Assets - Current - Others**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Interest receivable	-	0.47
Insurance Claim receivable	2.44	-
<b>Total</b>	<b>2.44</b>	<b>0.47</b>



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

(₹ in Lacs)

### Note 13 - Other Current Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advance other than capital advance		
Advance to Suppliers	964.81	68.89
Other Advances	71.36	66.38
Prepaid Charges	29.65	10.20
Balances with Government Authorities	441.94	526.26
<b>Total</b>	<b>1,507.76</b>	<b>671.73</b>

### Note 14 - Equity Share Capital

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Authorised</b>		
Equity Shares 7,50,00,000 of Rs.2/- each (1,00,00,000 of Rs. 10/- each)	1,500.00	1,000.00
Preference Shares - Nil (5,00,000 of Rs. 100/- each)	-	500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>		
Equity Shares 6,39,72,720 of Rs.2/- each (63,97,272 of Rs. 10/- each)	1,279.45	639.73
Add: 5,682 (5,682) Equity Shares Forfeited (amount originally paid up)	0.30	0.30
<b>Total</b>	<b>1,279.75</b>	<b>640.03</b>

#### (a) Reconciliation of Equity Shares Outstanding

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Shares outstanding at the beginning of the year	6,397,272	639.73	6,397,272	639.73
Change during the year				
Split of Shares from FV of Rs. 10/- to Rs. 2/-	31,986,360	639.73	-	-
Issue of Bonus Shares of FV of Rs. 2/- in the ratio of 1:1	31,986,360	639.72	-	-
Shares outstanding at the end of the year	63,972,720	1,279.45	6,397,272	639.73

The Shareholders of the Company through Postal Ballot approved subdivision of Equity Shares having a Face Value of Rs. 10/- into 5 equity shares having a face value of Rs. 2/- each and further approved issue of Bonus Shares in the ratio of 1:1.

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

(₹ in Lacs)

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

The Company has only one class of Equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares	%	No. of shares	%
Security Company Limited	12,203,560	19.08	1,220,356	19.08
Savita Mohta	9,160,200	14.32	916,020	14.32
Bharat Mohta	7,589,000	11.86	758,900	11.86
Avanti Mohta	7,526,160	11.76	752,616	11.76
Bharat Mohta HUF	4,550,000	7.11	455,000	7.11

The Shareholders of the Company through Postal Ballot approved subdivision of Equity Shares having a Face Value of Rs. 10/- into 5 equity shares having a face value of Rs. 2/- each and further approved issue of Bonus Shares in the ratio of 1:1.

**Note 15 - Other Equity**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Capital Reserve</b>	<b>0.03</b>	0.03
Retained Earnings (Refer Note (i))	33,488.03	32,530.36
<b>Closing Balance</b>	<b>33,488.06</b>	32,530.39
Other Comprehensive Income Reserve - Opening	(68.78)	(65.99)
Add: During the year	(7.77)	2.76
Add: Share of Joint Venture	(102.67)	(4.59)
Less: Deferred tax	2.26	(0.96)
<b>Closing Balance</b>	<b>(176.96)</b>	(68.78)
<b>Total</b>	<b>33,311.10</b>	32,461.61



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

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

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
General Reserve - Opening	28,744.16	28,744.16
Less: Bonus paid during the year	639.73	-
<b>Closing Balance</b>	<b>28,104.43</b>	28,744.16
Profit & Loss Account - Opening	3,786.20	2,245.41
Add: Profit During the year	1,693.80	1,586.99
Less: Dividend & Dividend Tax	96.40	46.20
<b>Closing Balance</b>	<b>5,383.60</b>	3,786.20
<b>Total</b>	<b>33,488.03</b>	32,530.36

Note (ii) - The Board of Director has recommended a Dividend of Rs. 0.20 per Equity Share of Rs. 2/- each subject to the approval of Shareholders in the ensuing Annual General Meeting. Proposed Dividend as above amounting to Rs. 154.24 lakhs for the Financial Year 2018-19 and Dividend Distribution Tax thereon, has not been recognised as liability as on 31-03-2019 in term of Revised "IND AS 10 - Events after the Reporting Period". Consequently the same has not be appropriated from Surplus during the Year.

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Secured</b>		
Term Loan (Refer Note :- 36)		
From Banks	280.76	504.08
Vehicle Loan	240.82	124.77
	<b>521.58</b>	628.85
Less:- Current Maturities of Long term borrowings	235.88	274.85
	<b>285.70</b>	354.00
<b>Unsecured</b>		
From Bodies Corporate	66.50	394.00
<b>Total</b>	<b>352.20</b>	748.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****Note 17 - Non Current Financial Liabilities - Others**

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Deposits	10.27	5.05
<b>Total</b>	<b>10.27</b>	<b>5.05</b>

**Note 18 - Deferred Tax Liabilities (Net)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Deferred tax liability</b>		
on difference in tax base of Property, plant and Equipment other than land	74.89	88.38
on remeasurement of defined benefit liability	-	0.96
on revaluation of land	7,361.89	7,361.89
<b>Deferred tax Assets</b>		
on remeasurement of defined benefit liability	8.19	-
on Amortisation of upfront fees	2.17	1.42
on other taxable temporary difference	3.50	3.50
<b>Total Net Liability</b>	<b>7,422.92</b>	<b>7,446.31</b>

**Note 19 - Non Current Provisions**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Gratuity	0.11	44.59
Leave Encashment	47.85	110.69
<b>Total</b>	<b>47.96</b>	<b>155.28</b>



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

### Note 20 - Financial Liabilities - Current - Borrowings

(₹ in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Measured at Amortised Cost</b>		
<b>Loan repayable on demand</b>		
<b>Secured</b>		
From banks (Refer note :- 36)		
Cash Credit	2,273.26	417.82
Working Capital Demand Loan	2,800.00	2,500.00
Interest accrued but not due	11.24	12.23
<b>Unsecured</b>		
From Bodies Corporate	-	137.50
<b>Total</b>	<b>5,084.50</b>	<b>3,067.55</b>

### Note 21 - Financial Liabilities - Trade Payable

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Trade Payable</b>		
Total outstanding dues of micro enterprise and small enterprise	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	806.74	3,217.79
<b>Total</b>	<b>806.74</b>	<b>3,217.79</b>

### Note 22 - Financial Liabilities - Current - Others

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current Maturity of Long Term Borrowings (Refer Note :- 36)		
Term Loans from Banks	169.28	229.49
Vehicle Loans	66.59	45.36
Payable to Employees	155.45	173.02
Unclaimed Dividend	17.28	11.79
<b>Total</b>	<b>408.60</b>	<b>459.66</b>

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

(₹ in Lacs)

**Note 23 - Provisions**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Rates & Taxes	135.60	135.60
Leave Encashment	25.82	49.43
Gratuity	23.51	26.50
<b>Total</b>	<b>184.93</b>	<b>211.53</b>

**Note 24 - Current Tax Liabilities (Net)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for Income Tax (Net of Advance Tax)	320.18	571.54
<b>Total</b>	<b>320.18</b>	<b>571.54</b>

**Note 25 - Other Current Liabilities**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Contract Liability	8.86	0.64
Other statutory liabilities	502.32	60.46
<b>Total</b>	<b>511.18</b>	<b>61.10</b>

**Note 26 - Revenue from Operations**

Particulars	2018-19	2017-18
Sale of Katha	19,244.64	21,598.29
- Cutch	400.58	285.33
- Spices	404.61	-
<b>Total</b>	<b>20,049.83</b>	<b>21,883.62</b>





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

(₹ in Lacs)

### Note 27 - Other Income

Particulars	2018-19	2017-18
Interest Income on Bank Deposits	9.30	31.57
Net gain on disposal of property, plant and equipment	0.01	0.21
Liabilities no longer required(written back)	13.86	-
Insurance Claim	2.58	-
Scrap Sales	25.11	-
Gain on Currency Derivatives	33.36	-
Profit on Sale of Shares	0.34	-
Miscellaneous Income	25.01	40.78
<b>Total</b>	<b>109.57</b>	<b>72.56</b>

### Note 28 - Cost of Material Consumed

Particulars	2018-19	2017-18
Opening Stock	1,566.86	1,775.18
Purchases of Raw Materials	10,451.22	12,848.92
Add: Extraction Expenses	17.10	49.10
Foreign Exchange Fluctuations (Net)	121.81	(29.40)
	<b>12,156.99</b>	<b>14,643.80</b>
Less : Closing Stock	1,630.75	1,566.86
<b>Cost of Material Consumed</b>	<b>10,526.24</b>	<b>13,076.94</b>

### Note 29 - Change in inventories of finished goods and work-in-progress

Particulars	2018-19	2017-18
Opening stock (Finished Goods & Stock in Progress)	3,223.74	2,613.16
Closing stock (Finished Goods & Stock in Progress)	2,745.01	3,223.74
<b>Total</b>	<b>478.73</b>	<b>(610.58)</b>

### Note 30 - Employee Benefits Expense

Particulars	2018-19	2017-18
Salaries and Wages	2,008.77	1,899.68
Contribution to Provident and Other Fund	153.66	190.44
Staff welfare expenses	248.78	178.96
<b>Total</b>	<b>2,411.21</b>	<b>2,269.08</b>

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

(₹ in Lacs)

**Note 31 - Finance Cost**

Particulars	2018-19	2017-18
Interest on Borrowings	454.18	472.75
Other Interest Expenses	2.60	4.10
Other Borrowing Cost	37.48	73.00
<b>Total</b>	<b>494.26</b>	<b>549.85</b>

**Note 32 - Other Expenses**

Particulars	2018-19	2017-18
Stores and Spare parts consumed	546.21	512.15
Other Consumable and Chemicals Consumed	100.05	94.14
Machine Katha Expenses	581.58	637.28
Power and Fuel	856.16	669.67
Factory Maintenance Charges	123.22	101.41
Rates and Taxes	31.98	440.68
Rent	148.47	153.24
Insurance	9.75	33.61
Repairs		
Buildings	25.09	21.03
Plant & Machinery	64.99	65.72
Others	23.26	33.65
Traveling Expenses	158.27	131.22
CSR Expenses	36.10	20.30
Consultancy and Service Charges	219.05	273.26
Frieght and Selling Expenses	229.93	165.98
Miscellaneous Expenses	193.32	254.67
Net loss on Currency Derivatives	-	15.04
Directors sitting fees	2.75	2.29
Auditors Renumeration		
For Audit fees	3.84	3.84
For Other Services	1.83	2.33
<b>Total</b>	<b>3,355.85</b>	<b>3,631.51</b>



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

(₹ in Lacs)

### Note 33 - Tax Expenses

Particulars	2018-19	2017-18
(1) Current tax		
Current Tax Expenses	800.00	930.00
<b>Total</b>	<b>800.00</b>	<b>930.00</b>
(2) Deferred tax		
Income Tax Expenses	(21.12)	1.63
Income Tax Expenses on Other Comprehensive Income	2.26	(0.96)
<b>Total</b>	<b>(18.86)</b>	<b>0.67</b>

### Reconciliation of effective tax rate

The Income tax expenses for the year can be reconciled to the accounting profit as follows:-

Particulars	2018-19	2017-18
Profit Before Tax	2,472.68	2,518.62
Income Tax expenses calculated @ 29.12% (34.608%)	720.04	871.64
Effect of Non deductible expenses	13.58	11.94
Effect of additional Deduction under Income Tax Act, 1961	10.03	34.95
Other differences	56.34	11.46
Deferred Tax	(21.12)	1.63
<b>Tax Expenses recognised in Profit &amp; Loss Account</b>	<b>778.88</b>	<b>931.63</b>
<b>Effective Tax Rate</b>	<b>31.50%</b>	<b>36.99%</b>

### Note 34 -Earnings Per Share

Particulars	2018-19	2017-18
<b>Profit After Tax</b>		
(a) Net Profit for calculation of Basic and Diluted EPS (₹ in lakhs)	1,693.80	1,586.99
(b) Weighted Average Number of Equity Shares in calculation of Basic and Diluted EPS	63,972,720	63,972,720
<b>Basic and Diluted EPS (a) / (b)</b>	<b>2.65</b>	<b>2.48*</b>

The Company has issued and allotted 31986360 Equity shares to the eligible shareholders as on record date i.e. February 20, 2019, as Bonus Shares by capitalizing reserve. The Earning Per Share figures for the year ended 31.03.2018 have been adjusted to give effect to the allotment of bonus shares, as required by Ind AS - 33.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****Note 35 - Related Party Transaction****(i) Name of related parties and nature of relationship:-**

<b>Key Management Personnel (KMP)</b>	
<b>Name</b>	<b>Position Held</b>
Mr. Krishna Kumar Mohta	Chairman & Managing Director
Mr. Bharat Mohta	CEO & Whole Time Director
Mr. Krishna Kumar Damani	Executive Director
Mr. Raj Kumar Agarwal	Chief Financial Officer
Mr. Anup Gupta	Company Secretary

<b>Other Directors</b>	
<b>Name</b>	<b>Position Held</b>
Mr. Rajendra Prasad Chetani	Non-Executive Non Independent Director
Mr. Sanjay Kumar Maheswary	Independent Director
Mr. Vinod Kumar Maheshwary	Independent Director
Mr. Vinod Mimani	Independent Director
Ms. Drisha Poddar	Independent Director

<b>Relatives of Key Management Personnel</b>	
<b>Name</b>	<b>Position Held</b>
Mrs. Savita Mohta	Spouse of Mr. K. K. Mohta (Chairman & Managing Director)
Mrs. Avanti Mohta	Spouse of Mr. Bharat Mohta (CEO)
M/s Krishna Kumar Mohta HUF	Karta is Chairman & Managing Director
M/s Bharat Mohta HUF	Karta is CEO

<b>Enterprises having significant influence</b>	
<b>Name</b>	<b>Position Held</b>
ACMA Industrials Projects (P) Ltd	Significant Control
Arvind Engineering Works Ltd	Common Director
Security Company Limited	Common Director
Indian Glass & Electricals Ltd	Common Director



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

(₹ in Lacs)

### Note 35 - Related Party Transaction (Contd.)

#### (ii) The following transactions occurred with related parties:-

Particulars	KMP/Other Directors & Relatives of KMP		Parties with Control Entities		Enterprises having Significant Influence	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Remuneration and Employee Benefits</b>						
Krishna Kumar Mohta	167.90	156.19	-	-	-	-
Bharat Mohta	166.72	144.22	-	-	-	-
Krishna Kumar Damani	80.72	72.84	-	-	-	-
Raj Kumar Agarwal	21.59	20.01	-	-	-	-
Anup Gupta	8.23	4.31	-	-	-	-
<b>Director Sitting Fees</b>						
Mr. Rajendra Prasad Chetani	0.69	0.61	-	-	-	-
Mr. Sanjay Kumar Maheswary	0.62	0.61	-	-	-	-
Mr. Vinod Kumar Maheshwary	0.69	0.61	-	-	-	-
Mr. Vinod Mimani	0.53	0.43	-	-	-	-
Ms. Drisha Poddar	0.23	0.05	-	-	-	-
<b>Repayment of Unsecured Loans</b>						
ACMA Industrials Projects (P) Ltd	-	-	-	-	150.00	-
<b>Interest on Unsecured Loans Taken</b>						
ACMA Industrials Projects (P) Ltd	-	-	-	-	7.50	23.01
Indian Glass & Electricals Ltd	-	-	-	-	5.28	10.52
<b>Dividend Paid</b>						
Mr. Krishna Kumar Mohta	2.20	1.06	-	-	-	-
Mr. Bharat Mohta	9.49	4.55	-	-	-	-
Mrs. Savita Mohta	11.45	5.50	-	-	-	-
Mrs. Avanti Mohta	9.41	4.52	-	-	-	-
M/s Krishna Kumar Mohta HUF	0.35	0.17	-	-	-	-
M/s Bharat Mohta HUF	5.69	2.73	-	-	-	-
Arvind Engineering Works Ltd	-	-	-	-	0.76	0.37
Security Company Limited	-	-	-	-	15.25	7.32
Indian Glass & Electricals Ltd	-	-	-	-	1.50	0.72

Mr. R.P Chetani, Mr. R.K Agarwal Mr. Vinod Mimani and Mr. S.K. Maheswary have also been paid Dividend but the amount is below Rs. 1000/- hence not reported above.



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

(₹ in Lacs)

**Note 35 - Related Party Transaction (Contd.)**

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

Particulars	Key Management Personnel / Other Directors		Enterprises having Significant Influence	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March 2018

(i) Unsecured Loans Taken

ACMA Industrials Projects (P) Ltd	-	-	-	150.00
Indian Glass & Electricals Ltd	-	-	44.00	44.00

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

Banks	Rate of Interest	Non Current (₹ in lakhs)	Current (₹ in lakhs)
<b>DBS Bank</b>			
Term Loan	11.85%	-	44.13
Working Capital Demand Loan	MCLR + 0.15%	-	1,400.00
Cash Credit Account	MCLR + 0.8%	-	135.60
<b>Union Bank of India</b>			
Term Loan	MCLR + 2.20%	111.63	125.00
Cash Credit Account	MCLR + 0.70%	-	2,137.42
<b>CITI Bank</b>			
Working Capital Demand Loan	8.80%	-	1,400.00



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

(₹ in Lacs)

### 36 b) Vehicle Loans sanctioned by Banks against hypothecation of the respective vehicle

Banks	Rate of Interest	Non Current (₹ in lakhs)	Current (₹ in lakhs)
ICICI Bank Ltd.	10.24%	3.68	1.23
Kotak Mahindra Prime Ltd.	9.85%	28.20	17.54
Union Bank of India	7.70%	-	0.96
HDFC Bank Limited	9.50%	3.54	2.38
BMW India Finance Services Pvt. Ltd.	7.90%	1.09	12.51
Yes Bank Limited	8.50%	6.30	1.95
Axis Bank Limited	8.61%	71.05	16.79
Union Bank of India	9.15%	5.97	0.72
Yes Bank Limited	9.40%	6.03	1.25
Yes Bank Limited	8.50%	22.28	5.70
Yes Bank Limited	9.00%	18.51	3.87
Yes Bank Limited	9.00%	7.59	1.71

37 The Group has only one reportable operation segment i.e. manufacturing and trading of Katha as per Ind AS - 108. The group has considered following for the disclosure of geographical information:

#### Geographical Information

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Revenue from external customers</b>		
- within India	20,049.83	21,883.62
- Outside India	2,662.30	1,998.85
	<u>22,712.13</u>	<u>23,882.47</u>
<b>Non-Current Assets</b>		
- within India	39,205.13	38,925.82
- Outside India	503.70	501.62
	<u>39,708.83</u>	<u>39,427.44</u>

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

(₹ in Lacs)

**38** As at March 31, 2019, there are no outstanding dues to Micro, Small and Medium Enterprises. There are no interest due or outstanding on the same.

**39 Corporate Social Responsibility (CSR)**

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

- Amount of Rs. 32.53 lakhs required to be spend by the Company during the year.
- Revenue Expenditure incurred during the year directly or through Implementing agencies towards CSR Activities amounted to Rs. 36.10 lakhs.”

**40 Non Cancellable Operating Leases:**

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Lease rental payments recognized in the Statement of Profit and Loss.	137.96	89.90
<b>In respect of assets taken on non-cancellable operating lease:</b>		
<b>Lease obligations</b>		
<b><u>Future minimum lease rental payments</u></b>		
- not later than one year	154.41	141.64
- later than one year but not later than five years	442.98	494.70
- later than five years	376.09	218.82

**41 Employee Benefits****(a) Contribution to Defined Contribution Plans Recognised as Expense are as under**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provident and Other Funds	153.66	190.44

**(b) Defined Benefit Plan**

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

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





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

(₹ in Lacs)

### 41 Employee Benefits (Contd.)

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

Particulars	31st March, 2019		31st March, 2018	
	Leave	Gratuity	Leave	Gratuity
<b>Changes in Defined Benefit Obligation :</b>				
Present Value of Defined Benefit Obligation at the Beginning of the Year	160.12	418.06	132.08	392.09
Current Service Cost	33.13	26.50	38.63	25.21
Interest Cost	12.17	28.13	8.56	24.94
<b>Components of actuarial gain/losses on obligations:</b>				
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	-	-	(0.43)	(16.18)
Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments	(22.34)	9.68	4.71	17.25
Past service cost	-	-	-	41.23
Benefits Paid	(7.21)	(29.46)	(23.42)	(66.49)
Present Value of Defined Benefit Obligation at the end of the Year	175.88	452.93	160.13	418.06
<b>Change in Plan Assets :</b>				
Fair Value of Plan Assets at the Beginning of the Year	-	346.97	-	303.01
Interest Income	0.71	23.73	-	19.51
Re Measurements Gains/(Losses)	-	-	-	-
Return on Plan Assets, (Excluding Amount Included in net Interest Expense)"	3.59	1.91	-	3.84
Contribution by Employers	97.92	86.14	-	87.10
Benefits Paid	(29.46)	(66.49)		
Fair Value of Plan Assets at the End of the Year	102.21	429.30	-	346.97
<b>Service cost:</b>				
Current service cost	33.13	26.50	38.63	25.21
Past service cost and loss/(gain) on curtailments and settlement	-	41.23		
Net interest cost	11.46	4.40	8.56	5.43
Net Value of remeasurements on the obligation and plan assets	18.67	30.90	51.46	71.88
Expenses Recognized in the Statement of Profit and Loss	(25.92)	-	4.27	-

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

(₹ in Lacs)

**41 Employee Benefits (Contd.)**

Particulars	31st March, 2019		31st March, 2018	
	Leave	Gratuity	Leave	Gratuity
<b>Expenses Recognised in other Comprehensive Income</b>				
Return on Plan Assets, (Excluding Amount Included in net Interest Expense)	-	-	-	(3.84)
Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	-	-	-	-
Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	-	9.68	-	(16.18)
Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments on Plan Liabilities	-	(1.91)	-	17.25
Total Actuarial (Gains)/Losses Recognized in other Comprehensive Income	-	7.77	-	(2.76)
<b>The Major Categories of Plan Assets as a % of Total Plan</b>				
Qualifying Insurance Policy	100%		100%	
<b>The Principal Actuarial Assumption Used :</b>				
Discount Rate	7.6%		7.6%	
Salary Growth Rate	5%		5%	
Withdrawal Rate	5% at younger ages reducing to 1% at older ages		5% at younger ages reducing to 1% at older ages	

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

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

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



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

### 41 Employee Benefits (Contd.)

(₹ in Lacs)

Sensitivity Analysis for Significant Assumptions as on 31st March, 2019 are as Follows :

Particulars	31st March, 2019		31st March, 2019	
	Leave	Gratuity	Leave	Gratuity
<b>Assumptions</b>	<b>Discount Rate</b>			
Sensitivity Level	0.5% Increase		0.5% Decrease	
Impact on Defined Benefit Plan (INR)	170.62	435.83	181.50	471.28
<b>Assumptions</b>	<b>Future Salary Increase</b>			
Sensitivity Level	0.5% Increase		0.5% Decrease	
Impact on Defined Benefit Plan (INR)	181.61	471.02	170.47	435.77
<b>Assumptions</b>	<b>Withdrawal Rate</b>			
Sensitivity Level	<b>W.R. * 110%</b>		<b>W.R. * 90%</b>	
Impact on Defined Benefit Plan (INR)	175.96	454.98	175.73	450.81

Sensitivity Analysis for Significant Assumptions as on 31st March, 2018 are as Follows :

Particulars	31st March, 2018		31st March, 2018	
	Leave	Gratuity	Leave	Gratuity
<b>Assumptions</b>	<b>Discount Rate</b>			
Sensitivity Level	0.5% Increase		0.5% Decrease	
Impact on Defined Benefit Plan (INR)	152.59	402.99	161.65	434.24
<b>Assumptions</b>	<b>Future Salary Increase</b>			
Sensitivity Level	0.5% Increase		0.5% Decrease	
Impact on Defined Benefit Plan (INR)	161.75	434.11	152.47	402.98
<b>Assumptions</b>	<b>Withdrawal Rate</b>			
Sensitivity Level	<b>W.R. * 110%</b>		<b>W.R. * 90%</b>	
Impact on Defined Benefit Plan (INR)	157.14	419.90	156.80	416.18

The Weighted Average Duration of the Defined Benefit Obligation as at 31st March 2019 is 58 years.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****42 Fair Values**

(₹ in Lacs)

**Financial Instruments with category:**

Particulars	Carrying Value		Fair Value	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
<b>Financial Assets</b>				
Trade receivables - at amortised cost	<b>3734.37</b>	3658.82	<b>3734.37</b>	3658.82
Security Deposits - at amortised cost	<b>55.80</b>	50.62	<b>55.80</b>	50.62
Cash and Cash equivalents at amortised cost	<b>523.05</b>	321.79	<b>523.05</b>	321.79
Balance with Bank other than Cash and Cash Equivalent - amortised cost	<b>18.52</b>	460.21	<b>18.52</b>	460.21
Loans - at amortised cost	<b>17.11</b>	25.58	<b>17.11</b>	25.58
<b>Total</b>	<b>4,348.85</b>	4,517.02	<b>4,348.85</b>	4,517.02
<b>Financial Liabilities</b>				
Loans from Bank and others-at amortised cost	<b>5,672.57</b>	4,090.40	<b>5,672.57</b>	4,090.40
Security Deposits - at amortised cost	<b>10.27</b>	5.05	<b>10.27</b>	5.05
Payable to Employees	<b>155.45</b>	173.02	<b>155.45</b>	173.02
Unclaimed Dividend	<b>17.28</b>	11.79	<b>17.28</b>	11.79
Trade Payables	<b>806.74</b>	3,217.79	<b>806.74</b>	3,217.79
<b>Total</b>	<b>6,662.31</b>	7,498.05	<b>6,662.31</b>	7,498.05

**43 Financial Risk Management Objectives and Policies**

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

**a. Market Risk**

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

**i. Interest Rate Risk and Sensitivity**

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



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

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

Particulars	Increase/ decrease in Basis points	Effect on Profit before tax	Effect on Pre tax Equity
31.03.2019	+50	(19.55)	(19.55)
	-50	19.55	19.55
31.03.2018	+50	(10.42)	(10.42)
	-50	10.42	10.42

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

### ii. Foreign Currency Risk

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

### b. Credit Risk

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

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

### c. Liquidity Risk

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

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

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

As at 31st March' 2019

(₹ in lakhs)

Particulars	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans (including Current maturities)	5,073.26	235.87	352.20	-	5,661.33
Trade Payables	-	806.74	-	-	806.74
<b>Total</b>	<b>5,073.26</b>	<b>1,042.61</b>	<b>352.20</b>	<b>-</b>	<b>6,468.07</b>

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

As at 31st March' 2018

(₹ in lakhs)

Particulars	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans (including Current maturities)	3,055.32	274.85	748.00	-	4,078.17
Trade Payables	-	3,217.79	-	-	3,217.79
Total	3,055.32	3,492.64	748.00	-	7,295.96

**44 Capital Management**

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

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

(₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Borrowings	5,672.57	4,090.40
Trade Payables	806.74	3,217.79
Other financial liabilities	183.00	189.86
Net Debt	6,662.31	7,498.06
Equity	34,590.85	33,101.64
Total Capital	34,590.85	33,101.64
Gearing Ratio	19.26%	22.65%

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

**45** The main Products of the Company i.e. Katha & Cutch along with its Raw Materials like Khair Wood, Katha Lugdi, Cutch Lugdi, are covered under U. P. Forest Act and a transit fee has to be paid on movement of all these items. Uttar Pradesh Government by its various amendments changed the transit fee from Rs. 38/- Per M.T to Rs. 200/- Per Cubic Meter and Subsequently 5% advolrum.

Honorable Supreme Court in its interim order dated 26/04/2016, directed the Uttar Pradesh Government to collect transit fees @ 5% advolrum subject to final outcome of the case and also directed U. P. Government to keep the said amount in a separate account so that it can be paid back to the effected parties with interest @ 9% Per Annum if final order is in favour of the parties.

Subsequently Honorable Supreme Court by its final order dated 15/09/2017 directed Uttar Pradesh Government to collect transit fees @ Rs 38/- Per M.T only and refund the excess amount collected from parties along with interest @ 9% per annum.

In view of the above, an excess amount of Rs. 1000.29 lakhs paid as transit fees to the Forest Department of Uttar Pradesh is refundable with interest @ 9% per annum. The company has made necessary applications which is under process and will be accounted for as and when the company will get the refund.



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

### 46 Interest in Other Entities

The Consolidated Financial Statements present the Consolidated Accounts of The Indian Wood Products Company Limited with its following Joint Venture

Name of Company	Country of Incorporation	Activities	Proportion of ownership of interest as at 31.03.2019	Proportion of ownership of interest as at 31.03.2018
Agro and Spice Trading Pte Ltd	Singapore	Trading in Spices	50%	50%

### 47 Movement of Investment in Joint Venture and Associates using equity method

(₹ in Lakhs)

Particulars	AGRO AND SPICE TRADING PTE. LTD	
	2018-19	2017-18
Investment as at beginning of the Period	608.85	338.95
Add: Investment during the period	107.57	419.04
Add: Share of profit for the period	-90.60	-144.54
Add: Share of OCI for the period	-102.67	-4.59
Investment as at end of the Period	523.15	608.85

### 48 Additional Information pertaining to the Parent Company and Joint Venture as per Schedule III of Companies Act 2013

(₹ in Lakhs)

Name of the entity	Net Assets (Total assets minus total liabilities)		Share in Profit & Loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Net Assets	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount

#### Parent

The Indian Wood Product Company limited	100.98%	34,930.82	105.35%	1,784.40	-5.09%	-5.51	98.72%	1,778.89
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#### Joint Ventures

Foreign	-0.98%	-339.97	-5.35%	-90.60	105.09%	113.69	1.28%	23.09
TOTAL	100%	34,590.85	100%	1,693.80	100%	108.18	100%	1,801.98



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

### 49 Contingent Liabilities

a) Demand for sales tax amounting to Rs. 138.59 lacs (Rs. 139.98 lacs) which are not acknowledged as debts. Against the same company has paid under protest a total of Rs. 15.52 lacs (Rs. 27.32 lacs) included in loans and Advances and TDR of Rs. 2.64 lacs (Rs. 2.64 lacs) are deposited with the sales tax authorities.

b) Mandi Samitee demand on Katha amounting to Rs. 2.38 lacs (Rs. 2.38 Lacs) has been disputed by the Company and stayed by Honorable High Court, Allahabad.

c) During the FY 2017 - 18, Commissioner of Customs, Nhava Sheva had passed an Ex-Party Judgement and raised a demand of Rs. 341.78 Lacs and imposed a penalty of Rs 341.78 Lacs against a Show Cause Notice issued by the Additional Director General, Directorate of Revenue Intelligence, Kolkata in the year 2010. The said order passed by the Commissioner being contrary to law and against the principle of natural justice, based on assumption and presumptions without any evidence on record and was not acceptable to the Company, hence an appeal was preferred by the Company before CESTAT Nhava Sheva by producing evidence of pre-deposit of Rs.40.00 lacs being 11.7% of duty demanded against the requirement of 7.5% of the duty demanded while filing the appeal. Simultaneously, (2) two of the Whole Time Directors were also made liable in the above said order on whom a penalty of Rs.15.00 lacs and Rs.10.00 lacs respectively imposed. An appeal was also preferred on their behalf and a sum of Rs.1.90 lacs was deposited by the Company and the amount is appearing in Loans & Advances account. Consequently, as per the legal advice obtained, no provision is made at this stage. Final adjustment if any will be done as and when the matter is crystalized.

**50** For better presentation previous year's figures have been regrouped / re-arranged wherever necessary.

In terms of our Report attached  
For **Agrawal Tondon & Co.**  
Chartered Accountants  
Firm Registration Number - 329088E

**Radhakrishan Tondon**  
Partner  
Membership No.: 060534  
**Place: Kolkata**  
**Date: May 24, 2019**

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

**Krishna Kumar Mohta**  
Chairman & MD  
DIN: 00702306

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

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

**Anup Gupta**  
Company Secretary





# THE INDIAN WOOD PRODUCTS COMPANY LTD

CIN : L20101WB1919PLC003557

Regd Off : 9 Brabourne Road, 7th Floor, Kolkata – 700 001

Tel No.: +91 8232023820; Fax No.: +91 33 22426799; Email ID: iwpho@iwpkatha.co.in

Website : www.iwpkatha.com

## NOTICE

NOTICE is hereby given that the Ninety-Ninth Annual General Meeting of the Members of the Company will be held at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, 4th floor, Kolkata – 700017, on Tuesday, 17th day of September, 2019 at 3.30 P.M. to transact the following businesses:

### ORDINARY BUSINESS

- To receive, consider and adopt
  - The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
  - The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Auditors thereon.
- To declare final dividend of Re.0.20 per equity share for the year ended March 31, 2019.
- To appoint a Director in place of Mr. Rajendra Prasad Chetani (DIN: 00392215), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

- Reappointment of Mr. Sanjay Kumar Maheswary (DIN: 00497335) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any Statutory

modification(s) or re-enactment thereof, for the time being in force, Mr. Sanjay Kumar Maheswary (DIN: 00497335), who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for a Second Term of 5 (Five) years from September 17, 2019 till September 16, 2024 and that the pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the consent of the members of the Company be and is hereby also accorded for the continuation of directorship of Mr. Sanjay Kumar Maheswary (DIN: 00497335), as Independent Director of the Company during his term from September 17, 2019 till September 16, 2024 even on attainment of the age of 75 years.”

- Reappointment of Mr. Vinod Kumar Maheshwary (DIN: 02659320) as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution-

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any Statutory modification(s) or re-enactment thereof, for the time being in force, Mr. Vinod Kumar Maheshwary (DIN: 02659320), who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013 and in



respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for a Second Term of 5 (Five) years from September 17, 2019 till September 16, 2024 and that the pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the consent of the members of the Company be and is hereby also accorded for the continuation of directorship of Mr. Vinod Kumar Maheshwary (DIN: 02659320), as

Independent Director of the Company during his term from September 17, 2019 till September 16, 2024 even on attainment of the age of 75 years.”

**Registered Office:  
Bombay Mutual Building  
9, Brabourne Road  
Kolkata – 700 001**

**By Order of the Board  
For The Indian Wood Products Co Ltd  
Anup Gupta  
Company Secretary**

**Dated: 24th May, 2019      Membership No.: A36061**

#### NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company.
2. The Proxy form should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company can appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The Register of Member of the Company will remain closed from 11th September, 2019 to 17th September, 2019 (both days inclusive)
5. Dividend declared, will be paid to those shareholders whose names will appear in the Register of Shareholders / Beneficiary Owners Position List provided by the Depositories as at close of business on 10th September 2019.
6. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Niche Technologies Pvt Ltd, 3A, Auckland Place, Room No. 7A & 7B, 7th Floor, Kolkata – 700 017 (“RTA”) for assistance in this regard.
7. Instruction for e-voting, along with the attendance Slip and Proxy Form is annexed to this Notice of 99th Annual General Meeting for the convenience of Shareholders.
8. Members / Proxies / Authorized Representative are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. As a measure to save our natural resources, we request Members to registered their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. Niche Technologies Pvt Ltd, 3A, Auckland Place, Room No. 7A & 7B, 7th Floor, Kolkata – 700 017 the Registrar & Share Transfer Agent of the Company.



11. It is observed that a sizable number of Notices, Annual Report & Dividend warrants have returned undelivered with the remark as Left, Not known etc for the last few years. Members are therefore requested to furnish their Bank particulars, change of address if any to the Registrar and Share Transfer Agent as mentioned above for timely payment of Dividend and for proper communication.
12. Mandatory updation of PAN and Bank details – Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders whose ledger folios do not have / or have incomplete details with respect to PAN and Bank Account particulars are mandatorily required to furnish these details to the Company / RTA for registration in their folios. Accordingly, Company is taking necessary steps & issuing mandate form to the Shareholders to update their Pan /Bank details as required. Members are therefore requested to update their records as per format attached as Annexure A.
13. Members seeking any information with regard to accounts are requested to write to the Company Secretary at least ten days in advance of Annual General Meeting, to enable the Company to keep the information ready.
14. The notice of the 99th AGM and instructions for e-voting along with the attendance slip and proxy form is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
15. The Company is offering voting facility through electronic means (remote e-voting) to the members to cast their votes electronically on the Resolutions proposed at this AGM and for which purpose the Company has engaged the services of National Securities Depository Limited. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. The detailed instructions for e-voting are given as a separate attachment to this notice.
16. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination or cancelling/varying nomination are requested to send their requests in Form No. SH-13 / SH-14, to the Registrar and Transfer Agent of the Company. These forms will be made available on request.
17. All documents referred to in the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days up to the date of the AGM.
18. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/ Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details, please refer to corporate governance report which is a part of this Annual Report.
19. A route map to the AGM venue is appended to the Notice for reference of the members.
20. Additional Information pursuant to Regulation 36 of Listing Regulations on Director seeking re-appointment at this AGM is furnished here under. The director has furnished consent for their re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 4**

Mr. Sanjay Kumar Maheswary (DIN No. 00497335) was appointed by the shareholders through Postal Ballot on March 28, 2015 as Independent Director of the Company in term of Section 149 and other applicable provisions of the Companies Act, 2013 for a period of 5 year to hold office as such upto the conclusion of the 99th Annual General Meeting (AGM).

Mr. Sanjay Kumar Maheswary is the Chairperson of the Audit Committee, Nomination and Remuneration Committee and the member of the Stakeholder Relationship Committee. He is also the lead Independent Director of the Company.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment as an Independent Director on passing of a special resolution by the Company for another term of five years.

The present term of Mr. Maheswary will come to an end on the conclusion of the 99th AGM. Considering his expertise, experience and his contribution in the Boards process, it is considered that Mr. Maheswary shall be reappointed as an Independent Director for a second term of five years.

Mr. Sanjay Kumar Maheswary aged 73 years, is a Practicing Chartered Accountant by profession. He is having experience of more than 35 years in accounting, taxation and investment.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company recommend the reappointment of Mr. Maheswary, being eligible for re-appointment as an Independent Director and has offered himself for re-appointment, as an Independent Director for a Second Term of 5 (Five) years from September 17, 2019 till September 16, 2024 for approval by the shareholders. He shall not be liable to retire by rotation.

The Company has received (i) Intimation in form DIR-

8 pursuant to rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, from Mr. Sanjay Kumar Maheswary to the effect that he is not disqualified in accordance with Section 164(2) of the Companies Act, 2013; (ii) declaration that he meets the criteria of independence as provided in section 149 of the Companies Act 2013; and (iii) a notice in writing from a member under section 160 of the Act proposing the candidature of Mr. Sanjay Kumar Maheswary as director of the Company.

In the opinion of the Board of Directors, Mr. Sanjay Kumar Maheswary who is proposed to be reappointed as an Independent Director for a second term of 5 years, fulfills the conditions specified in the Act and Rules made thereunder.

Further as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. Mr. Sanjay Kumar Maheswary will attain the age of 75 years during the proposed term of his reappointment. Thus, the consent of the members of the Company through special resolution shall also be considered for continuation of directorship of Mr. Sanjay Kumar Maheswary as Independent Director of the Company during his term from September 17, 2019 till September 16, 2024 even on attainment of the age of 75 years.

The Board considers that Mr. Sanjay Kumar Maheswary's association as an Independent Director would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director.

A copy of the draft letter of reappointment, setting out the terms and conditions of appointment of Mr. Sanjay Kumar Maheswary, is available for inspection, without any fee, by the members at the Company's registered office during business hours on all working days up to the date of the AGM.

Except Mr. Sanjay Kumar Maheswary, none of the other directors or key managerial personnel of the Company are concerned or interested, financially or otherwise, in the resolution set out in item no. 4 of the notice



The Board recommended the resolution set forth in item no. 4 of the notice for approval of the members.

#### **Item No. 5**

Mr. Vinod Kumar Maheshwary (DIN: 02659320) was appointed by the shareholders through Postal Ballot on March 28, 2015 as Independent Director of the Company in term of Section 149 and other applicable provisions of the Companies Act, 2013 for a period of 5 year to hold office as such upto the conclusion of the 99th Annual General Meeting (AGM).

Mr. Vinod Kumar Maheshwary (DIN: 02659320) is the member of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. He is also the lead Independent Director of the Company.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment as an Independent Director on passing of a special resolution by the Company for another term of five years.

The present term of Mr. Maheshwary will come to an end on the conclusion of the 99th AGM. Considering his expertise, experience and his contribution in the Boards process, it is considered that Mr. Maheshwary shall be reappointed as an Independent Director for a second term of five years.

Mr. Vinod Kumar Maheshwary aged 70 years, is a B.com (Honrs). He is having experience of more than 35 years in accounting, Banking and investment.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company recommend the reappointment of Mr. Maheshwary, being eligible for re-appointment as an Independent Director and has offered himself for re-appointment, as an Independent Director for a Second Term of 5 (Five) years from September 17, 2019 till September 16, 2024 for approval by the shareholders. He shall not be liable to retire by rotation.

The Company has received (i) Intimation in form DIR-8 pursuant to rule 14 of the Companies (Appointment

and Qualification of Directors) Rules, 2014, from Mr. Vinod Kumar Maheshwary to the effect that he is not disqualified in accordance with Section 164(2) of the Companies Act, 2013; (ii) declaration that he meets the criteria of independence as provided in section 149 of the Companies Act 2013; and (iii) a notice in writing from a member under section 160 of the Act proposing the candidature of Mr. Vinod Kumar Maheshwary as director of the Company.

In the opinion of the Board of Directors, Mr. Vinod Kumar Maheshwary who is proposed to be reappointed as an Independent Director for a second term of 5 years, fulfills the conditions specified in the Act and Rules made thereunder.

Further as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. Mr. Vinod Kumar Maheshwary will attain the age of 75 years during the proposed term of his reappointment. Thus, the consent of the members of the Company through special resolution shall also be considered for continuation of directorship of Mr. Vinod Kumar Maheshwary as Independent Director of the Company during his term from September 17, 2019 till September 16, 2024 even on attainment of the age of 75 years.

The Board considers that Mr. Vinod Kumar Maheshwary's association as an Independent Director would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director.

A copy of the draft letter of reappointment, setting out the terms and conditions of appointment of Mr. Vinod Kumar Maheshwary, is available for inspection, without any fee, by the members at the Company's registered office during business hours on all working days up to the date of the AGM.

Except Mr. Vinod Kumar Maheshwary, none of the other directors or key managerial personnel of the Company are concerned or interested, financially or otherwise, in the resolution set out in item no. 5 of the notice

The Board recommended the resolution set forth in item no. 5 of the notice for approval of the members.

**Brief Resume of Directors seeking appointment / re-appointment**

Name of the Director	Mr. Rajendra Prasad Chetani	Mr. Sanjay Kumar Maheswary	Mr. Vinod Kumar Maheshwary
DIN	00392215	00497335	02659320
Date of Birth/ Age	28.10.1957 / 62 Years	06.02.1946 / 73 Years	30.01.1949 / 70 Years
Date of Appointment	27.04.2004	28.03.2015	28.03.2015
Qualifications	B.com Honrs	Chartered Accountant	B.com Honrs
Expertise in specific functional areas	Accounts, Taxation, Finance	Accounts, Taxation, Investment	Account, Banking
Key Terms and conditions of his appointment	Non-Executive Non-Independent	Non-Executive Independent	Non-Executive Independent
Number of Meetings of the Board attended during the financial year (2018-19)	8 out of 8	7 out of 8	8 out of 8
List of Directorship/ Membership / Chairmanship of Committees of other Board	1. Arvind Engineering Works Ltd – Executive Director 2. ACMA Industrial Project Pvt. Ltd.- Director	NIL	NIL
Shareholding in the Company	4560	3000	2000
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None



## Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 14th September 2019 (9:00 AM) and ends on 16th September 2019 (5:00 PM). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th September 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e- voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

i. Open email and open PDF file viz;

“remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and

password/PIN for remote e-voting. Please note that the password is an initial password.

ii. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>

iii. Click on Shareholder – Login

iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

vii. Select “EVEN” of “The Indian Wood Products Company Limited”.

viii. Now you are ready for remote e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

x. Upon confirmation, the message “Vote cast successfully” will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [msassociates16@gmail.com](mailto:msassociates16@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

I. Initial password is provided in the Annexure enclosed herewith with this AGM notice.



II. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 10th September, 2019. A person who is not a member as on cut off date should treat this notice for information purpose only.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 10th September 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222- 990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of 10th September, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Md. Shahnawaz, Company Secretary (in whole-

time practice) (Membership No. ACS 21427 and CP No-15076) of 16A, Abdul Hamid Street, 5th Floor, Room No. 501, Kolkata - 700069 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e- voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.iwpkatha.com](http://www.iwpkatha.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the company shares are listed.

XVII. Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.

**Registered Office:**  
**Bombay Mutual Building**  
**9, Brabourne Road**  
**Kolkata – 700 001**

**By Order of the Board**  
**For The Indian Wood Products Co Ltd**  
**Anup Gupta**  
**Company Secretary**

**Dated: 24th May, 2019**

**Membership No.: A36061**





## FORM FOR FURNISHING PAN AND BANK DETAILS

To,  
**NICHE TECHNOLOGIES PVT. LTD.**  
 (Registrar & Share Transfer Agent)  
 3A Auckland Place  
 7th Floor, Room No. 7A & 7B  
 Kolkata -700 017

**Dear Sir / Madam,**

**Unit: The Indian Wood Products Co Ltd**

I/we hereby furnish our folio details along with PAN and Bank Account details for update in your records.

I/we are enclosing herewith :

- 1) Self-attested copies of PAN Cards of all the Shareholder(s),
- 2) Original cancelled cheque leaf with name (if name is not printed on cheque - self attested copy of the first page of the pass book of the bank) and
- 3) Address Proof viz., Aadhaar Card of all the shareholder(s), duly self attested, as required for updation of the details :

Folio No.	
Address of the sole/first named shareholder as per the share certificate	
Mobile No.	
E-Mail id	

Bank Account Details of Sole/First Shareholder : (for electronic credit of dividends)									
Name of the Bank									
Name of the Branch									
Account Number (as appearing in your cheque book)									
Account Type (Please tick as applicable)	Saving			Current			Cash Credit		
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank)									
11 Digit IFSC Code									

	Name	PAN	Signature
First Holder :			
JointHolder1 :			
JointHolder2 :			

**Date:**

**Place:**

**NB: The above details will not be updated if the supporting documents are not attached and not duly signed by all the shareholders.**



## The Indian Wood Products Company Ltd

CIN L20101WB1919PLC003557

Regd off: 7th floor, 9 Brabourne Road, Kolkata – 700 001

Tel 033 8232023820, Fax No.033 22426799

Email: iwpho@iwpkatha.co.in; Website: iwp@iwpkatha.com

### ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Hall)

I hereby record my presence of the 99th Annual General Meeting of the Company held on Tuesday 17th September, 2019 at 3.30 PM at Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata – 700 017 or any adjournment thereof.

Full Name of the member (in BLOCK LETTERS) .....

Folio No.....DP ID No.....Client ID No.....

Name of Member (s) .....

Name of the Proxy holder .....

Registered Address .....

No. of shares Held .....

-----  
**Signature of the Member / Representative / Proxy Holder\***

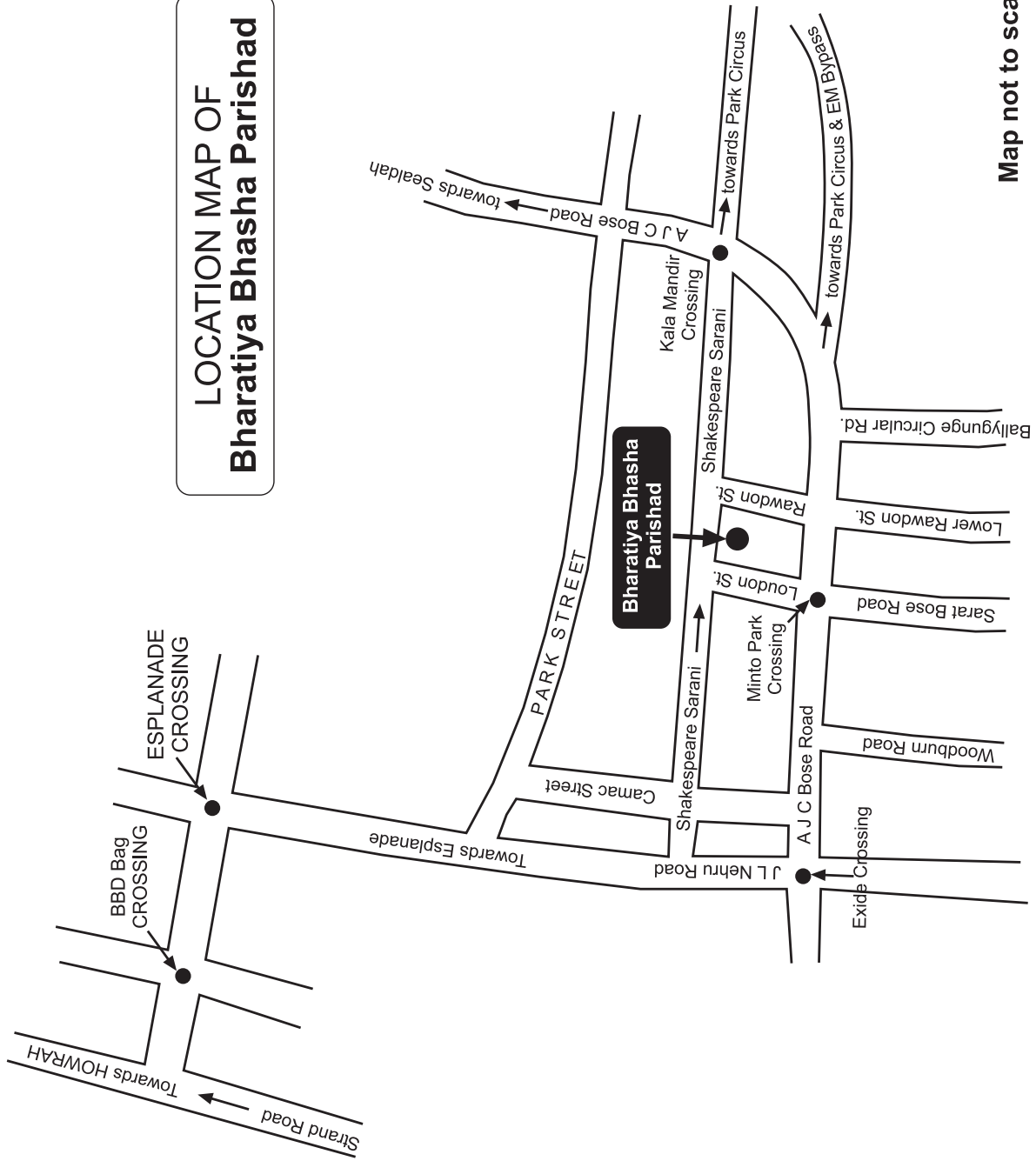
**\* Strike out whichever is not applicable.**

Note:

Shareholder / Proxy holder wishing to attend the meeting must bring this Attendance slip to the venue and hand over at the entrance duly signed.



**LOCATION MAP OF  
Bharatiya Bhasha Parishad**



Map not to scale



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[Pursuant to Section 105(6) of the Companies Act, 2013 of the Companies (Management and Administration) Rules 2014]

### PROXY FORM (FORM NO.MGT-11)

Folio No.....DP ID No.....Client ID No.....

Name of Member (s) .....email id.....

Registered address .....

I/We, being the Member(s) holding.....shares of the above named Company, hereby appoint

(1) Name.....

Address .....

E-Mail Id .....Signature.....OR failing him

(2) Name.....

Address .....

E-Mail Id .....Signature.....OR failing him

(3) Name.....

Address .....

E-Mail Id .....Signature.....

As my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 99th AGM of the Company, to be held on 17th day of September, 2019 at 3.30 PM at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017 and at any adjournment thereof in respect of such resolution(s) as are indicated below:



SI No	Resolution	For	Against
<b>Ordinary Business</b>			
1	a) To receive, Consider and Adopt the Audited Standalone Financial Statements for the Financial year ended 31st March,2019 together with the Report of the Directors and the Auditors thereon		
	b) To receive, Consider and Adopt the Audited Consolidated Financial Statements for the Financial year ended 31st March,2019 together with the Report of the Auditors thereon		
2	To Declare Dividend @ 10% on equity shares for the year ended 31st March, 2019		
3	To appoint Mr. Rajendra Prasad Chetani as a Director, liable to retire by rotation.		
<b>Special Business</b>			
4	Reappointment of Mr. Sanjay Kumar Maheswary (DIN 00497335) as an Independent Director		
5	Reappointment of Mr. Vinod Kumar Maheshwary (DIN. 02659320) as an Independent Director		

Signed this.....day of .....2019

Signature of Shareholder(s) .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

**Notes:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

# Corporate Social Responsibility



Renovation of Toilet & Wash Room under Swacch Bharat Abhiyan



Basic Life Support Ambulance provided to Bareilly Cancer Hospital

