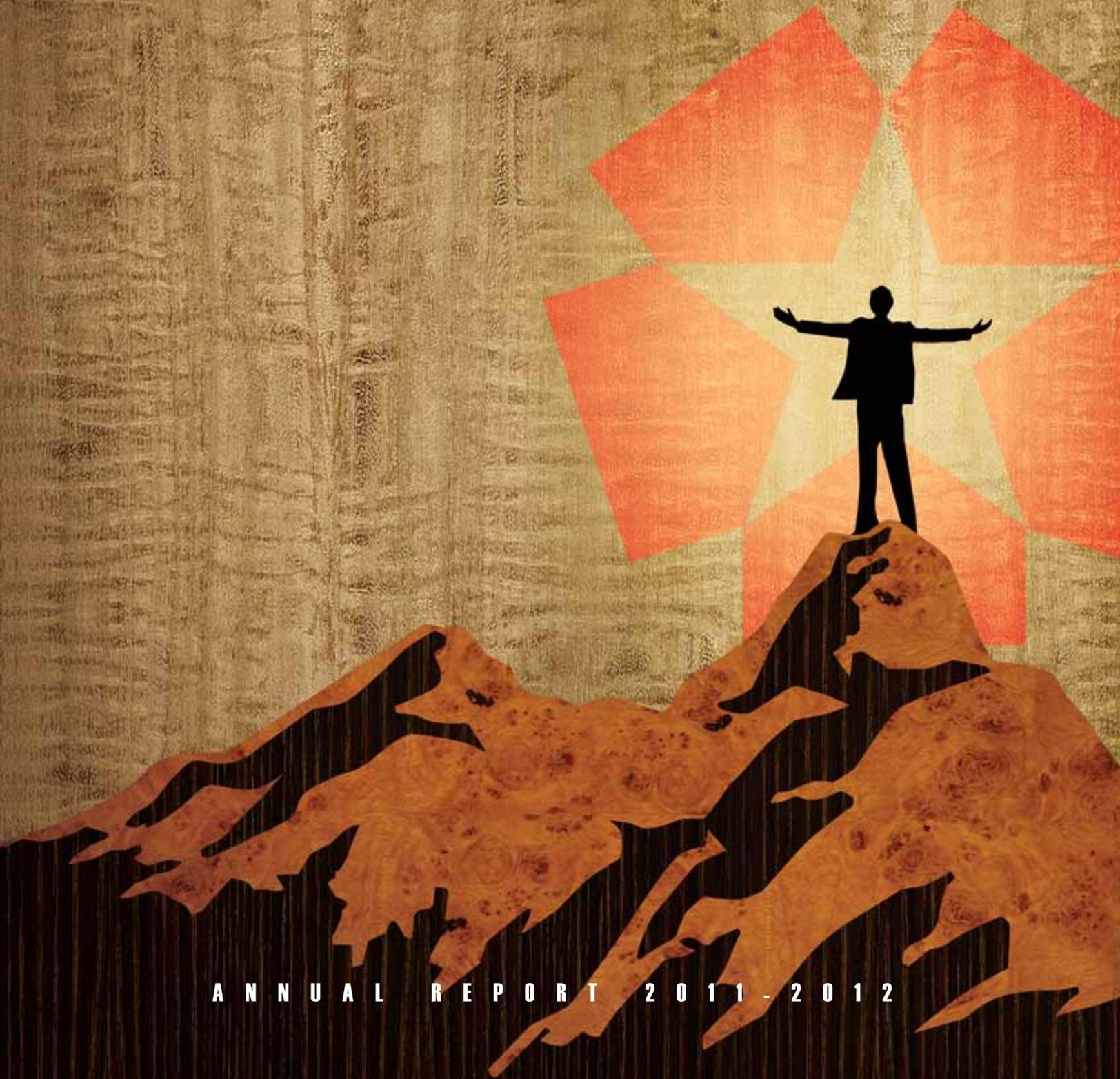


# CENTURYPLY

EXPLORING . EXPANDING . EXCELLING



A N N U A L R E P O R T 2 0 1 1 - 2 0 1 2

## Between the covers

Expanding excellence Spreading success	02
Soaring high across the global skies	03
Growing steady with the future	04
Recognizing efforts Rewarding contributions	05
Corporate Information	06
Notice	07
Directors' Report	15
Management Discussion and Analysis	23
Corporate Governance Report	29
Auditors' Report	44
Balance Sheet	48
Statement of Profit & Loss	49
Cash Flow Statement	50
Notes to Financial Statements	52
Statement relating to Subsidiaries	90
Consolidated Auditors' Report	91
Consolidated Balance Sheet	92
Consolidated Statement of Profit & Loss	93
Consolidated Cash Flow Statement	94
Notes to Consolidated Financial Statements	96



Growth has always been the mantra for us at Centuryply. In the last twenty-five years we have become the No.1 plywood company. And success has only motivated us to set bigger goals and raise the bar constantly. The recognition and rewards that our hard work brought us, always inspired us to spread our wings, fly higher and expand with every opportunity. With a progressive outlook, aggressive development plans and rising profits, we hope to continue increasing our presence in various fields, be it laminates, veneers, cement or newer ventures like exterior laminates and furniture. Armed with the latest technological advancements and increased capacity, we are getting bigger each day, and hope to keep growing constantly, each year.



# Expanding excellence Spreading success

**'There are only two ingredients to sustain in a market: get big & create a niche.'**

Centuryply has over the last two & a half decades has undoubtedly created a leadership position for itself and has retained it. Today, the prerequisite for the organization is to grow and expand its horizon because without continual growth and increase in market share, words as improvement, achievement, and success will have no meaning.

The winners in the market place always tend to generate substantial demand which compels the organization to not only expand the production capacity but also the infrastructure and work force.

**Business growth compels expansion; therefore the success formula in business is: Do what you do better, do more of what you do... and we continuously intend to do so.**

The success in our current projects has created ripples that are spreading far and wide, creating an unceasing demand for our products. That's why the year was dedicated to fierce expansion plans which are already underway in most of our manufacturing units.

Taking the onus to meet the ever increasing demand for quality products from the house of Centuryply, a very challenging endeavour has been taken. The company has laid out the fine prints to increase the Plywood and Veneer capacity by 30,000 CBM at our plant in Kandla, Gujarat. This will augment our existing plywood capacity from current 124,820 CBM to 154,820 CBM. Similarly in laminates we intend to amplify the capacity by 1.2 million sheets to the current 2.4 million sheets. This would take our total laminate installed capacity to 3.6 million sheets in Joka, Kolkata. The Pre-Laminated boards' capacity will be going up from 800,000 sqm to 1600000 sqm at the Chennai plant.

The organization has also taken a very daring step to install a brand new MDF plant in Nellore which shall have a capacity of 1 lakh CBM.

To serve the customers on time and make the delivery system more flawless, new depots were opened at Nasik and Jabalpur. The regional distribution centers were realigned to provide better service to the

customers. Development and implementation of customer portal, implementation of SAP in all fields of activity, implementation of customer complaint handling process, complaint login, readdress, credit note, auto alert mailing system and MIS report, auto SMS and mailing to vendor on final approval of PO & payment, centralization of IT operations with robust network set up, all these steps has increased the output of the entire system as well as has worked towards the smoothening of the processes.

Apart from plywood, laminates, veneer & logistics we are also present in cement, Ferro alloy and power through our subsidiaries.

In the cement plant the company intends to increase the present capacity from 1.2 MT to 2.8 MT. This includes a Clinker unit of 1.75 MT and a grinding unit with capacity of 1.6 MT at Guwahati.

It's only possible for a leader to look beyond the familiar and explore the unknown and Centuryply is a leader. Centuryply, being the daredevil, has dared to venture into newer projects and tread the uncharted road.

Venturing into a challenging field is what Centuryply does the best and has once again proven it by working towards launching its very own furniture brand in the very near future. In the next three years the company intends to open 111 stores around the nation, each store to spread around a space of 3500 sqft.

Centuryply is all set to launch the exterior laminates. Under the brand name 'Exteria', the team is extremely confident to take the market by storm with a stunning range of laminates that will transform the façade of all kinds of buildings.

Apart from this the company is also extending the product line as well with new products like

**OpulenzaRomana, Terrific 25 - a special range of Decorative Veneers, Sainikrelaunched with new attributes, Technopine and Kleanwud (breath safe plywood).**

# Soaring high across the global skies

While we expand nationally we are spreading our wings across the global skies as well, with foreign collaborations, co-creations and exhibitions which not only expose us to the international market but open newer channels.

'Think Tank 2', a initiative that gave an opportunity to the esteemed business partners of CenturyLaminates, a chance to meet laminate manufacturers from across the world at 'Interzum' - an international trade fair organized for the wood-working and interior industry, at Guangzhou, China. Using the expertise of our distributors who know the market best, we selected our new range of designs for 2012 which would be best suited to Indian taste and culture.

The Power of co - creation, was introduced in the plywood and panel industry by Centuryply on its Silver Jubilee year. An exotic range of co created designer veneer was launched for the first time in the lifestyle product segment; co creating designs with the customers. This emphasized the fact that the end user need not necessarily be just the recipient of the products - but can also be a part of the creation of the same.

A unique workshop, "Terrific 25" Design Workshop, was engineered in a way where the architects and the international designers put their heads together to co-create 25 new design veneers. So named to mark 25 years of the company's experience in the market, the workshop aimed at providing an interactive platform where the customers became the creators. "Designed by the architects for the architects", it was a first of its kind undertaking for the design of decorative wood veneers in the country, where the architects worked closely with the manufacturers in coming up with products they would like to use in their projects. The session brought together leading Indian and international names like Karan Grover, PremNath, ReboniSaha, Rahul Gore, SonalSancheti , Kazunori Matsumura (Japan), Rojas Velenzuela (Chile) and Federico Horecia Mirabel Pietra (Italy) from the business. Through this workshop Centuryply took its first step towards introducing the revolutionary concept of customized veneers.

# Growing steady with the future

India is going through a phase where there is relatively higher economic growth in Tier 1 and Tier 2 cities. Lifestyles are changing rapidly as urbanization increases every minute due to nuclear households. There is renewed focus on interior decoration as it is fast becoming the new means for home owners to express themselves and make a style statement. Keeping this growing demand in mind, the wood manufacturing industry is poised for greater growth. According to a report published in Economic Times the IMF has declared 6.9% growth for India for 2012, while it was 7.2% in 2011 and 10.6% in 2010. The Decorative Laminate industry is currently estimated around Rs 4000 Crores and is on the brink of 18% increase in volumes this year. With all round development on the cards, it had to impact our financial performance. The unwavering faith of our shareholders continues to strengthen our resolve as we keep enhancing our shareholders value. With our products performing well we have added 22 new distributors for CenturyLaminates. And being a talked about brand in all leading industry magazines and business journals like Dun & Bradstreet, Dalal Street and Economic Times has only helped us strengthen our position further. With renewed inspiration we hope to keep expanding across newer horizons.

# Recognizing efforts Rewarding contributions

At Centuryply, we give the credit of our growth to each and every Centurion. They are like the wind beneath our wings. They lift us and carry us forward. That's why we make sure that all our employees, associates and partners feel like the star that they have helped create. The Saradiya Sera 25 programme recognized 25 best channel partners with top performances in Decorative Veneers, laminates and Ply along with 25 best Centurions. Our Shop Boy initiative helped institutionalize many and helped them sharpen their skills with new training. 'Monsoon Dhamaka - GadiyonkiBarsaat', a lucky draw session that the Century Laminates retailers participated in was a huge hit. The event started with an exciting football match between the invitees, followed by an interactive session of extempore, humorous pieces and songs. Finally winners from four regions (pan-India) took home their i10 cars and Pulsars after enjoying a delicious dinner, having had a great time. With these and many more such initiative we hope to keep connecting with our dealers, retailers, employees, partners because we treasure their contributions towards the company growth.

Growth is never by mere chance; it is the result of multiple forces working together!!!

# Corporate Information

## BOARD OF DIRECTORS

<b>Sri Sajjan Bhajanka</b>	<i>Chairman</i>
<b>Sri Hari Prasad Agarwal</b>	<i>Vice Chairman</i>
<b>Sri Sanjay Agarwal</b>	<i>Managing Director</i>
<b>Sri Prem Kumar Bhajanka</b>	<i>Managing Director</i>
<b>Sri Vishnu Khemani</b>	<i>Managing Director</i>
<b>Sri Ajay Baldawa</b>	<i>Executive Director</i>
<b>Sri Manindra Nath Banerjee</b>	<i>Director</i>
<b>Sri Mangi Lal Jain</b>	<i>Director</i>
<b>Ms. Plistina Dkhar</b>	<i>Director</i>
<b>Sri Samarendra Mitra</b>	<i>Director</i>
<b>Sri Santanu Ray</b>	<i>Director</i>
<b>Sri Asit Pal</b>	<i>Director</i>

### CFO & COMPANY SECRETARY

Sri Arun Kumar Julasaria

### AUDITORS

S. R. Batliboi & Co.  
*Chartered Accountants*  
22, Camac Street  
Block 'C', 3rd Floor  
Kolkata - 700 016

### BANKERS

State Bank of India  
Commercial Branch  
N. S. Road, Kolkata - 700 001

DBS Bank Ltd.  
Kolkata Branch  
Nanda Lal Basu Sarani, Kolkata - 700 071

Oriental Bank of Commerce  
Park Street Branch  
Park Street, Kolkata - 700 016

Corporation Bank  
Brabourne Road Branch  
Brabourne Road, Kolkata - 700 001

### Registrar & Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata - 700 001

### REGISTERED OFFICE

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

### WORKS

#### Plywood, Veneer and Laminate Units

Diamond Harbour Road Kanchowki, Bishnupur Dist : 24 Parganas (S) West Bengal	Mirza Palasbari Road Kamrup Assam
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Rambha Road Taraori Haryana	Chinnappolapuram Gummidipoondi Tamil Nadu
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#### Ferro Alloy & Power Units

EPIP Area, Byrnihat  
Dist : Ri-Bhoi  
Meghalaya

#### Container Freight Station

Block B & C, Sonai Khidderpore  
Kolkata - 700 088  
Hide Road, Brace Bridge, Khidderpore  
Kolkata - 700 088



## Notice

**NOTICE** is hereby given that the **Thirty-first Annual General Meeting** of the Members of Century Plyboards (India) Limited will be held at **Indian Chamber of Commerce Auditorium, 10th Floor, 4, India Exchange Place, Kolkata - 700 001 on Thursday, 27th September, 2012 at 11.00 A.M.**, to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To confirm declaration and payment of Interim Dividend on Equity Shares and to declare Dividend on Preference Shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Sri Prem Kumar Bhajanka, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri Vishnu Khemani, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Ms. Plistina Dkhar, who retires by rotation and, being eligible, offers herself for re-appointment.
6. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

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

7. "**RESOLVED** that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to appoint auditors in respect of its branch offices in consultation with Company's Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting of the Company and that the Board of Directors of the Company is hereby authorised to fix their remuneration for the said period."
8. "**RESOLVED** that Sri Santanu Ray, who was appointed as an Additional Director of the Company by the Board of Directors and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member of the Company, proposing the candidature of Sri Ray to the office of Director of the Company and who has consented, if appointed, to act as a Director of the Company, is hereby appointed as a Director of the Company, liable to retire by rotation."
9. "**RESOLVED** that Sri Samarendra Mitra, who was appointed as an Additional Director of the Company by the Board of Directors and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member of the Company, proposing the candidature of Sri Mitra to the office of Director of the Company and who has consented, if appointed, to act as a Director of the Company, is hereby appointed as a Director of the Company, liable to retire by rotation."
10. "**RESOLVED** that Sri Asit Pal, who was appointed as an Additional Director of the Company by the Board of Directors and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member of the Company, proposing the candidature of Sri Pal to the office of Director of the Company and who has consented, if appointed, to act as a Director of the Company, is hereby appointed as a Director of the Company, liable to retire by rotation."

## Notice

11. **"RESOLVED** that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) the Company hereby approves the reappointment of Sri Hari Prasad Agarwal as Executive Director of the Company for a period of five years from 1st June, 2012 to 31st May, 2017 (both days inclusive), on terms and conditions including remuneration, as set out in the explanatory statement and agreement entered into by the Company and Sri Hari Prasad Agarwal, a copy whereof duly authenticated by the Chairman is placed before this meeting."

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

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

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

12. **"RESOLVED** that pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956 and other provisions, if any of the Companies Act, 1956 or rules made there-under, consent of the members of the Company be and is hereby granted to the Board of Directors to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, benevolent or general fund, society, association, institution, trust, organization, not directly relating to the business of the Company or the welfare of its employees, an amount not exceeding ₹ 5,00,00,000/- (Rupees Five Crores) in aggregate, in a financial year, notwithstanding the fact that the said amount may exceed the limits prescribed in the aforesaid section.

13. **To consider and, if thought fit, to pass with or without modification/s, the following resolution as Special Resolution :**

**"RESOLVED** that pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and the Directors' Relatives (Office or Place of Profit) Rules, 2003, as amended from time to time and as approved by the Board of Directors at their Meeting held on 30th July, 2011 and subject to such other approvals, as may be necessary, consent of the Company be and is hereby accorded to Ms. Nikita Agarwal, who is a relative of a Director to hold an office or place of profit under the Company as an executive or with such designation as the Board of Directors of the Company may, from time to time, decide, for a period of five years from 1st August, 2011 at a total remuneration (excluding reimbursement of expenses, if any) of ₹ 50,000/- per month, with such increments as the Board may, from time to time decide, subject to a maximum of ₹ 2,50,000/- per month and on such other terms and conditions as set out in the Appointment Letter, a copy whereof is placed before this meeting."

**"RESOLVED FURTHER** that the Board of Directors of the Company be and they are hereby authorised to alter and vary the terms and conditions of the said appointment and remuneration from time to time and to take, perform and



## Notice

execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution."

*Registered Office :*

6, Lyons Range  
Kolkata - 700 001  
24th July, 2012

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

### NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ONLY ON POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY COMPLETED AND SIGNED PROXY FORM SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.**
- Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars for printing on the dividend warrants, if any, under their signatures to Maheshwari Datamatics Pvt. Ltd., 6 Mangoe Lane, Kolkata - 700 001, the Registrar and Share Transfer Agent, quoting Folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.
- The Board of Directors at its meeting held on 19th August, 2011 declared Interim Dividend @ ₹ 1 per equity share and the same was duly paid to the members as per record date announced.
- The Dividend on preference shares shall be paid at coupon rate.
- The share transfer books of the Company will remain closed from 21st September, 2012 to 27th September, 2012 (both days inclusive).
- SEBI vide Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009 has made it mandatory to furnish copy of PAN Card to the Company/RTA for registration of transfer of shares, for securities market transactions and off-market/private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN card along with the Transfer Deed.
- Members seeking any information regarding accounts should write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.
- All documents meant for inspection and referred in the Notice and the accompanying Annual Report are open for inspection at the Registered Office of the Company during office hours between 11.00 A.M. to 1.00 P.M. on all working days till the date of this Annual General Meeting.
- Members are required to bring their admission slip along-with copy of the Annual Report at the Annual General Meeting.
- Pursuant to Section 205A of the Companies Act, 1956, dividends, which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund of the Central Government. Section 205C of the Act, declares that no claims shall lie against the Fund or Company in respect of individual amounts which were unclaimed and unpaid for seven

# Notice

years as aforesaid and transferred to the Fund. Shareholders who have not encashed/received dividend warrants relating to final dividend for financial year ended on 31st March, 2005 or for subsequent years may approach the Company for payment thereof.

12. An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
13. Relevant information, pursuant to Clause 49 of the Listing Agreement, in respect of Directors who are retiring by rotation and are eligible for re-appointment at the ensuing Annual General Meeting is given below :

### **Sri Prem Kumar Bhajanka**

Sri Prem Kumar Bhajanka, 54 years, is a commerce graduate. He has an experience of over 34 years in plywood industry. He is also a Director of Cement Manufacturing Company Ltd., Star India Cement Ltd., Namchic Tea Estates Pvt. Ltd., Lal Pahar Tea Estates Pvt. Ltd., Auro Sundram Ply and Door Pvt. Ltd., Star Cement Meghalaya Ltd. and Meghalaya Power Ltd. Sri Prem Kumar Bhajanka is presently Managing Director of the Company and holds 1,52,08,510 equity shares of face value of ₹ 1/- each in the Company as on date.

### **Sri Vishnu Khemani**

Sri Vishnu Khemani, 60 years, is a science graduate. He is having an experience of over 34 years in plywood industry. He is also a Director of Sharon International Services Pvt. Ltd. and Century MDF Ltd. Sri Vishnu Khemani is presently Managing Director of the Company and holds 74,86,857 equity shares of face value of ₹ 1/- each and 5,00,000 preference shares of face value of ₹ 10/- each in the Company as on date.

### **Ms. Plistina Dkhar**

Ms. Plistina Dkhar, 52 years, is an undergraduate. She has an experience of over 25 years and has been associated with various companies. Ms. Dkhar is stationed at Meghalaya and had been instrumental in successful installation and operation of Company's ferro alloy and power plant at Meghalaya. She is also Director of Century Plyboards (Meghalaya) Limited, Riangdo Veneers Pvt. Ltd. and Megha Bidyut Pvt. Ltd. She is holding 750 shares of face value of ₹ 1/- each in the Company as on date.



## Notice

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

#### **Item No. 7**

The Company, at present has 23 marketing branches, five manufacturing locations and two container freight stations spread all over the country. Further manufacturing locations/branches may have to be established from time to time. In view of such a large network of locations it is recommended to authorize the Board of Directors to appoint Branch Auditors in consultation with Statutory Auditors of the Company.

#### **Item No. 8**

Sri Santanu Ray was appointed Additional Director of the Company on 31st October, 2011 by the Board of Directors of the Company and is to hold office till the ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the Directorship of the Company. Sri Santanu Ray is a Chartered Accountant having vast experience in the field of research and education. He has been the Chief Mentor at various business schools like Bengal Institute of Business Studies, NSHM Knowledge Campus and ICFAI Business School. Presently, he is also a Director of B. P. Poddar Hospital & Medical Research Ltd.

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

Except Sri Santanu Ray, no other Director of the Company is interested or concerned in the aforesaid resolution.

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

#### **Item No. 9**

Sri Samarendra Mitra was appointed Additional Director of the Company on 31st October, 2011 by the Board of Directors of the Company and is to hold office till the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the Directorship of the Company. Sri Samarendra Mitra has worked in various capacities with State Bank of India. He has extensive experience and exposure in corporate finance across a variety of industries and businesses covering manufacturing, agri-business, food processing, pharmaceuticals, construction, infrastructure, tea plantations & jewellery to name a few.

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

Except Sri Samarendra Mitra, no other Director of the Company is interested or concerned in the aforesaid resolution.

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

#### **Item No. 10**

Sri Asit Pal was appointed Additional Director of the Company on 30th March, 2012 by the Board of Directors of the Company and is to hold office till ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the Directorship of the Company. Sri Asit Pal is a Chartered Accountant having vast experience in Commercial Banking of which 30 years in Bank of Baroda in corporate credit, risk management, etc. and 4 years in Bank's UK/Brussels operations and 2 years in Corporation Bank as Executive Director. He was associated with IBA as member of various committees like Fair Practice Code, Risk Management Committee of implementation of Basel II, Banking Code & Standards Board of India, Banker's Group on Basel II. He is also a Director of Cottstown Fashions Ltd.

# Notice

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

Except Sri Asit Pal no other Director of the Company is interested or concerned in the aforesaid resolutions.

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

## Item No. 11

Shri Hari Prasad Agarwal was re-appointed as Executive Director of the Company for a period of five years from 1st June, 2007. As the tenure of his appointment expired on 31st May, 2012, the Board of Directors, at its meeting held on 9th May, 2012, subject to the approval of members, re-appointed him as Executive Director for a further period of five years commencing on 1st June, 2012. The terms and conditions of reappointment including remuneration has been recommended by the Remuneration Committee and set out in the Agreement entered into with him are also reproduced below :

- A. Tenure of Appointment : For a period of 5 years from 1st June, 2012 to 31st May, 2017.
- B. Remuneration :
- i. Salary - ₹ 2,50,000/- per month subject to such periodical increments as may be decided by the Board of Directors on recommendation of the Remuneration Committee subject however that the aggregate remuneration on account of salary shall not exceed ₹ 10,00,000/- per month.
  - ii. Perquisites - To be decided by the Board of Directors on recommendation of the Remuneration Committee, subject however that the aggregate remuneration on account of such perquisites shall not exceed ₹ 1,00,000/- per month.  
  
The Executive Director shall also be entitled to the following perquisites which shall not be included in the remuneration as stated above :-
    - a) Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per Rules of the Company, to the extent these either singly or together are not taxable under Income Tax Act, 1961.
    - b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
    - c) Encashment of leave at the end of the tenure.
  - iii. In addition to the above, the following amenities and facilities, if provided, shall not be considered as perquisites :
    - a) Provision of car for use on Company's business. Use of car for personal purposes shall be billed by the Company to him.
    - b) Mobile phone and telephone facilities at the residence for official use. Personal long distance calls shall be billed by the Company to him.
    - c) Reimbursement of entertainment and other expenses actually incurred in connection with the business of the Company.

Sri Hari Prasad Agarwal, 64 years, is a commerce graduate having 39 years of rich experience in various industries. He has been associated with the Company since incorporation. He is presently Vice Chairman and Executive Director of the Company. He is holding 24,35,760 shares of face value of ₹ 1/- each in the Company. Sri Agarwal is also a Director of Century Plantations Ltd., Century Infotech Ltd., Century Plyboards (Meghalaya) Ltd., Century Crop Sciences Pvt. Ltd., Landmark Veneers Pvt. Ltd., Megha Technical & Engineers Pvt. Ltd., Shyam Century Cement Industries Ltd., NE Hills Hydro Ltd., Shyam



## Notice

Century Metallic Ltd., Pushpanjali Abasan Pvt. Ltd., Century Sumeru Development Ltd., Century Sumeru Infrastructure Ltd., Amul Boards Pvt. Ltd., Star Ferro and Cement Ltd., MCC Chamber of Commerce and Industry, Shyam Century Ferrous Ltd. and Century MDF Ltd.

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

An abstract of the terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956 has been circulated to the Members on 30th May, 2012.

Except Sri Hari Prasad Agarwal, no other Director of the Company is interested or concerned in the aforesaid resolutions.

Copy of Agreement entered into between the Company and Sri Hari Prasad Agarwal is available for inspection at the Registered Office of the Company.

### Item No. 12

With the view to conduct business that achieves a balance or integration of economic, environmental and social imperatives while at the same time addressing stakeholders' expectations, your Company has evolved the Corporate Social Responsibility (CSR) policy under which the Company affirms its commitments of seamless integration of marketplace, workplace and environment and community concerns with business operations. The Company uses CSR as an integral business process in order to support sustainable development and constantly endeavors to be a good corporate citizen.

It is therefore proposed to obtain the approval of members of the Company authorizing Board of Directors to contribute an amount upto ₹ 5,00,00,000/- (Rupees Five Crores) in aggregate, in a financial year, to any charitable, public, social, benevolent, or general fund, society, association, institution, trust, organization, not directly relating to the business of the Company or the welfare of its employees, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large, notwithstanding the fact that said amount may exceed ₹ 50,000 or 5% of the Company's average net profit as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding the current Financial Year, whichever is greater.

The Directors recommend the resolution for approval of the shareholders as an Ordinary Resolution.

None of the Directors of the Company is deemed to be concerned or interested in the above said resolution.

### Item No. 13

The Board of Directors, at their meeting held on 20th July, 2011 have appointed Ms. Nikita Agarwal who is the daughter of Sri Sanjay Agarwal, Managing Director, as an executive or with such designation as the Board of Directors of the Company may, from time to time, decide, for a period of five years from 1st August, 2011 at a total remuneration (excluding reimbursement of expenses, if any) of ₹ 50,000/- per month, with such increments as the Board may, from time to time decide, subject to a maximum of ₹ 2,50,000/- per month and on such other terms and conditions as set out in the Appointment Letter, a copy whereof is placed before this meeting. Ms. Nikita Agarwal has graduated in economics from New York University and has been actively participating and adding value to the functioning of various departments.

Ms. Nikita Agarwal being the daughter of Managing Director, her appointment would require approval of the members of the Company by way of special resolution in terms of revised Section 314(1)(b) of the Companies Act, 1956 read with Directors Relatives (Office or Place of Profit) Rules, 2003. Accordingly, the Board recommends her appointment on the following terms and conditions :

- i) Remuneration - ₹ 50,000 p.m. with such increments as the Board may, from time to time decide, subject to a maximum of ₹ 2,50,000/- per month.

## Notice

- ii) Phone rental and call charges will be paid by the Company at actuals for telephone at the residence/mobile phone subject to limit of ₹ 5000 p.m.
- iii) Reimbursement of actual entertainment and travelling expenses incurred by her for business purposes.
- iv) Provision of car for use on Company's business. Use of car for personal purposes shall be billed by the Company to her.

Other terms :

The assignment may be terminated by either party by giving three months' notice in writing.

The Board of Directors recommends the Special Resolution for your approval.

None of the Directors other than Sri Sanjay Agarwal is concerned or interested in the Resolution.

*Registered Office :*

6, Lyons Range  
Kolkata - 700 001  
24th July, 2012

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



# Directors' Report

*Dear Shareholders,*

Your Directors have great pleasure in presenting the 31st Annual Report together with the audited Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date.

## FINANCIAL RESULTS

(₹ in Crores)

Particulars	CONSOLIDATED		STAND ALONE	
	2011-12	2010-11	2011-12	2010-11
Gross Income	1,784.78	1,447.09	1,202.40	953.75
Net Income	1,672.41	1,368.54	1,122.46	892.91
Profit before Depreciation, Interest & Tax	290.32	257.80	142.65	113.52
Depreciation	55.62	50.79	26.51	24.18
Interest & Finance Charges	58.54	23.18	39.96	13.56
Exceptional Items	20.64	–	13.22	–
Profit before Tax	155.52	183.83	62.96	75.78
Tax Expenses	5.76	(5.86)	2.87	1.27
Profit after Tax before Minority Interest	149.76	189.69	60.09	74.51
Less : Minority Interest	26.96	35.11	–	–
Less : Proportionate share of loss in associates	0.04	–	–	–
Net Profit after Minority Interest and share of loss of associates	122.76	154.58	60.09	74.51

## PERFORMANCE AND OPERATIONS REVIEW

2011-12 being the year under review was a year of recovery interrupted. In the year 2010-11 the challenges were many, but there was a sense that the world economy was on the mend and there was glimmer of hope. But reality turned out to be different. The sovereign debt crisis in the Euro zone intensified, political turmoil in Middle East injected widespread uncertainty, crude oil prices rose, an earthquake struck Japan and the overall gloom refused to lift. Now India is a global economy and we will be misled if we ignore the ground realities of the world. The global crisis has affected India's Gross Domestic Product (GDP) adversely. There is a significant slowdown in comparison to the preceding two years, primarily due to deceleration in industrial growth, more specifically in private investment. Rising cost of credit and weak domestic business sentiment, added to this decline. Though India has been able to limit the adverse impact of this slowdown on our economy, this year's economic performance has been disappointing. The Indian rupee depreciated significantly against the US Dollar marking a new risk for Indian economy. Till the beginning of the year under review very few had expected Rupee to depreciate with most hinting towards either appreciation or status quo in the rupee levels. Those few who had even anticipated may not have imagined the scale of depreciation with rupee touching a new low of around ₹ 54 per US Dollar.

Despite all odds year under review was a satisfactory year for the company. The Company continued its dominance in all its business segments and further increased its market share. Gross Income rose from ₹ 953.75 Crores to ₹ 1202.40 Crores reflecting a growth of 26%. Profit before Tax and exceptional items (loss on account of foreign exchange difference) increased from ₹ 75.78 Crores to ₹ 76.18 Crores reflecting a growth of 1%. Net Profit after Tax was adversely impacted due to unprecedented loss on account of foreign exchange difference and was ₹ 60.09 Crores compared to ₹ 74.51 Crores in previous year, reflecting a fall of 19%.

On consolidated basis also, your Company's operations grew significantly. During the year under review, your Company achieved Gross Income of ₹ 1784.78 crores against ₹ 1447.09 crores during the previous year, reflecting a growth of over 23%. The Net Profit after minority interest and share of loss of associates was ₹ 122.76 crores against ₹ 154.58 crores in

# Directors' Report

previous year. Fall in profit was primarily due to unprecedented loss on account of foreign exchange difference and sunset of transport subsidy in one of the subsidiary company.

## DIVIDEND

In view of the consistent financial performance of the Company during the financial year 2011-12, the Board of Directors already declared and paid an interim dividend @ ₹ 1/- per equity share, which is at par with the dividend paid last year. Dividend on 9% Preference Shares shall be paid as per coupon rate. All dividend amounts are exclusive of tax on dividend.

## INTERNAL CONTROL SYSTEMS

Your Company's internal control systems are commensurate with its size and nature of business. Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets. Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across your Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of your Company, validation of IT security continues to receive focused attention of the internal audit team which includes IT specialists. The Internal Audit function, consisting of qualified professionals reviews the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate to yield optimum results. Your Company runs on SAP, which ensures integrated accounting, information and control systems.

## SUBSIDIARIES & ASSOCIATES

As a purposeful strategy, your Company carries a part of its business operations through several subsidiaries which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of majority stake in existing companies. As on 31st March, 2012, Cement Manufacturing Co. Ltd (CMCL), Auro Sundram Ply & Door Pvt. Ltd. (ASPDPL), Aegis Business Ltd. (ABL), Star Ferro and Cement Ltd. (SFCL), Meghalaya Power Ltd. (MPL), Megha Technical & Engineers Pvt. Ltd (MTEPL), Star Cement Meghalaya Ltd. (SCML), NE Hills Hydro Ltd. (NHHL) and Aegis Overseas Ltd. (AOL) continued to remain subsidiaries of the Company.

CMCL along with its subsidiary MTEPL operates integrated Cement plant at Meghalaya with aggregate annual installed capacity of 1.20 Million Tonne. CMCL along with SCML is setting up a 1.75 Million Tonne per annum capacity clinker unit at Meghalaya and 1.60 Million Tonne per annum cement grinding unit at Assam. After giving effect to all these expansions, the Company's consolidated cement manufacturing capacity will go up to 2.80 Million Tonne per annum.

ASPDPL is operating a plywood unit at Raipur Industrial Area, Uttarakhand. This unit is manufacturing plywood and allied products from eco-friendly agro-forestry timber and is entitled to various incentives including excise duty and income tax exemption.

MPL is setting up a 51 MW power generation capacity near Company's existing and proposed clinker unit at Meghalaya. Most of the power generated will be used for upcoming cement and clinker units. Out of such 51 MW, 8 MW capacity is already operational. Remaining 43 MW capacity is expected to become operational in the current financial year.

ABL and AOL are engaged in logistic and trading of mineral and other commodities. They are exploring feasibility of acquiring ships for logistic and mines in Thailand and Middle-east countries to develop these business.

SFCL is incorporated for the purpose of demerging Ferro Alloy and Cement business of the Company, scheme for which is under process.

NHHL is exploring possibilities of power generation in the North-east.

During the year, the Company acquired 29.39% stake each in Ara Suppliers Pvt. Ltd., Arham Sales Pvt. Ltd., Adonis Vyaper Pvt. Ltd. and Apnapan Viniyog Pvt. Ltd. These companies have since become our Associate Companies. These companies are to engage in real estate activities.



# Directors' Report

## CONSOLIDATED FINANCIAL STATEMENTS

In view of the general exemption granted by the Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956, the report and accounts of subsidiary companies are not required to be attached to your Company's Accounts. Shareholders desirous of obtaining the report and accounts of your Company's subsidiaries may obtain the same upon request. The report and accounts of the subsidiary companies will be kept for inspection at your Company's registered office and those of the subsidiary companies. Further, the report and accounts of the subsidiary companies will also be available on the Company's website, [www.centuryply.com](http://www.centuryply.com).

Financial information of the subsidiary companies, as required by the said general exemption circular of Ministry of Corporate Affairs, Government of India, is annexed to this report. A statement of holding company's interest in subsidiaries is also furnished separately.

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

## FUTURE OUTLOOK

The global economic outlook is still very uncertain, with the risk of a renewed recession in advanced countries and widespread financial crisis growing. Further deterioration of economic crisis cannot be ruled out and it won't be a good news for emerging economies including India. However, we expect current scenario to be a temporary scenario. Considering strong fundamentals India enjoys, India is well positioned to outperform. Despite all odds, it is also a fact that in any cross-country comparison, India still remains among the front runners in economic growth. If India can continue to build on its economic strength, it can be a source of stability for the world economy and provide a safe destination for restless global capital.

The rupee movement will be dictated by the capital flows and rising current account deficit and will be both ways. Movement in rupee will remain a major concern. Although GAAR and reversal of Vodafone judgement are likely to remain an issue, foreign investment inflow, which gathered pace since the beginning of 2012, is likely to continue. The fact that, despite a slowdown, the Indian economy's expected growth of 7% in 2012-13, will make India much more attractive destination of investment than elsewhere in the world.

Provision of quality and efficient infrastructure is essential to accelerate growth and utilize full potential of the emerging Indian economy. In India, escalating infrastructure expenditure is inevitable. The rapid growth of economy has put a lot of strain on infrastructure like road, railways, power, ports, airports, water supply and housing. The pattern of inclusive growth projected for the 11th plan, with GDP growth averaging 9% per annum can be achieved only if this infrastructure deficit is overcome and adequate investment are in place to support the growth. What we need is an improved quality of life for both our urban and rural populace. With the Government's continued focus on infrastructure development, it seems very probable that the country's economic survival will be driven by infrastructure growth, which in turn will accelerate real estate activities.

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

Since cement, plywood, laminate and steel related products are essential part of construction right from initial brick and mortar stage to final stage of furnishing, the demand for these products is directly related to the growth of infrastructure and real estate sector. With continued government focus on infrastructure and real estate sector the demand for Company's products is expected to remain buoyant. With strong and preferred "Centuryply" brand under its fold, the Company is expected to perform better in current fiscal.

# Directors' Report

## FUTURE PLANS OF EXPANSION

Considering buoyant demand for the products and marketing strength of "Centuryply" brand, the Company has plans for capacity expansions through organic and inorganic routes. The Company is now setting up a green-field plywood unit in Gujarat, production from which is expected in current financial year. The Company is also entering into ready-made furniture business, initially with trading format and two mega show rooms at Kolkata and Bangalore. The Company is also planning to promote a green-field Medium Density Fiber Board and Particle Board Unit in Andhra Pradesh.

The Company is continuing its focus on logistic service sector. The two Container Freight Stations (CFS) of the Company near Kolkata Port are already operational. The combined capacity of these two CFS is 1,30,000 TEUs per annum, which is almost 2/3rd of total CFS capacity available at Kolkata Port. The Company is exploring further possibilities in logistic service sector.

The subsidiaries of the Company are also having ambitious growth plans. CMCL along-with its subsidiaries is expanding its cement manufacturing capacity from 1.20 million MT to 2.80 million MT per annum, with adequate captive power capacity.

## DIRECTORS

Sri Brij Bhushan Agarwal resigned from the Directorship of the Company with effect from 10th May, 2011. Sri Satya Brata Ganguly resigned from the Directorship of the Company with effect from 12th March, 2012. Your Directors appreciate the services rendered by them to the Company.

Sri Santanu Ray and Sri Samarendra Mitra were appointed as Additional Directors of the Company on 31st October, 2011 by the Board of Directors of the Company. Sri Asit Pal was appointed as Additional Director of the Company on 30th March, 2012 by the Board of Directors. Sri Ray, Sri Mitra and Sri Pal would hold such office till the ensuing Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their candidature to the office of Director of the Company. In view of considerable experience of Sri Ray, Sri Mitra and Sri Pal, your Directors recommend their appointment.

In accordance with Articles of Association of the Company, Sri Prem Kumar Bhajanka, Sri Vishnu Khemani and Ms. Plistina Dkhar retire by rotation, and being eligible, offer themselves for re-appointment. In view of their considerable experience and contribution to the company, your Directors recommend their re-appointment.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable Accounting Standards have been followed and that no material departures are made from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts for the financial year ended March 31, 2012, on a going concern basis.

## CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is the basis of stakeholder satisfaction. A detailed report on your Company's Corporate Governance practices is provided separately in this Annual Report.



## Directors' Report

The certificate of the Auditors, M/s. S. R. Batliboi & Co. confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is annexed. This Certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS

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

### CEO/CFO CERTIFICATION

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

### AUDITORS & AUDITORS' REPORT

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

Auditors in their audit report read with note no. 38 have observed that exchange fluctuation loss of ₹ 921.78 Lacs (Previous year's loss of ₹ 11.73 Lacs) (Net) towards creditors/debtors pertaining to specific segments has been included as unallocable income/expenses as the amount of such exchange loss for different segments is not ascertainable. The loss arising on account of foreign exchange difference is not operational in nature, as cost of material purchased or supplied is calculated on the basis of prevailing foreign exchange rates. Any subsequent difference which may be gain or loss is on account of carrying foreign exchange risk and as such does not relate to product costing and consequently operational profit. Such difference is purely financial in nature and its impact on different business segments is unascertainable and as such considered unallocable. This policy of the company is also endorsed by the newly introduced and revised Schedule VI to the Companies Act, 1956. As per revised Schedule VI, Foreign Exchange Loss to the extent of interest saving is to be treated as borrowing cost, unallocable item as per Accounting Standard 16. The Company has been constantly following the policy of treating the same as unallocable income/expenditure. Accordingly in the year 2011-12 also, for the reasons mentioned above and to maintain consistency in accounting policies followed, the loss arising out of foreign exchange has been considered as unallocable expense. However, as pointed out by auditors, such treatment has no impact on the company's profit for the year ended 31st March, 2012. Other observations made in the Auditors' Report are self explanatory and as such do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

### GREEN INITIATIVES IN CORPORATE GOVERNANCE

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

### HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

The human resource philosophy and strategy of your Company has been designed to attract and retain the best talent on offer. Employees are your Company's most valuable assets and your Company's processes are designed to empower

# Directors' Report

employees and support creative approaches in order to create enduring value. Your Company's human resource management systems and processes aim to enhance organisational performances. The Company focuses on quick grievance resolution mechanisms and maintains absolute harmony with its work force and as such it has not faced any labour trouble since inception.

## **PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956**

### **Particulars of Employees**

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

### **Information as to conservation of energy**

The Company has always been conscious of the need of conservation of energy. Adequate energy conservation steps are being taken in all plants and offices of the Company. The additional information on Conservation of Energy for Company's ferro-alloy unit is set out in a separate statement, attached to this report and forms a part of it.

### **Information as to technology absorption**

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

### **Foreign Exchange earnings and outgo**

Foreign Exchange Earning	₹ 34.13 Crores
Foreign Exchange Outgo	₹ 348.11 Crores

## **PUBLIC DEPOSITS**

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

## **APPRECIATION**

Directors wish to place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry.

The Board places on record their appreciation for the support and co-operation your Company has been receiving from its suppliers, redistribution stockists, retailers, business partners and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect to and co-operation with each other, consistent with consumer interests. Your Directors also take this opportunity to thank all investors, clients, vendors, banks, regulatory and government authorities and stock exchanges, for their continued support.

For and on behalf of the Board of Directors

Kolkata  
9th May, 2012

**Sajjan Bhajanka**  
Chairman & Whole-Time Director



## Annexure to the Directors Report

### ANNEXURE I

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

Name	Designation	Qualification	Nature of employment	Nature of duties	Age (years)	Date of joining	Experience (years)	Gross Remuneration (Total) (₹)	Previous Employment	Designation at Previous Employment
Sri Sajjan Bhajanka	Chairman & Wholetime Director	Commerce Graduate	Permanent	Management & Administration	60	5th February, 1986	33	60,00,000	None	N.A.
Sri Sanjay Agarwal	Managing Director	Commerce Graduate	Permanent	Marketing & Sales Promotion	51	5th January, 1982	25	60,00,000	None	N.A.
Sri Vishnu Khemani	Managing Director	Science Graduate	Permanent	Management & Administration	60	16th April, 2008	34	60,00,000	Sharon Veneers Pvt. Ltd.	Managing Director
Sri Anoop Hoon	President – Marketing & OD	B.A. (Economics) PGDM (XLRI Jamshedpur)	Permanent	Marketing & Human Resource	57	1st March, 2008	32	72,89,113	Invigorsys Consultancy Pvt. Ltd.	Director

# Annexure to the Directors Report

## ANNEXURE II

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the directors' report for the year ended 31st March, 2012.

Disclosure of particulars with respect to conservation of energy :

Sl. No.	Particulars	2011-12	2010-11
<b>A</b>	<b>Power and Fuel Consumption</b>		
	<b>Electricity</b>		
	i. Purchased		
	- Units (Lacs KWH)	53.10	53.74
	- Total Amount (₹ in Lacs)	205.31	206.07
	- Rate/unit (₹)	3.87	3.83
	ii. Own Generation		
	Through Diesel Generator :		
	- Units (Lacs KWH)	0.38	0.08
	- Unit/Ltr. of HSD	5.14	4.09
	- Total Amount (₹ in Lacs)	3.01	0.66
	- HSD cost/unit generated (₹/unit)	7.85	8.81
	- HSD Rate/Litre (₹)	40.30	36.12
	iii. Through Captive Power Unit		
	- Units (Lacs KWH)	696.43	808.45
	- Total Cost (₹ in Lacs)	2,841.33	2,173.96
	- Rate/unit (₹)	4.08	2.69
<b>B</b>	<b>Consumption per unit of production</b>		
	Electricity (KWH/T of Ferro Silicon)	7746	8317
	HSD (Ltr./T of Ferro Silicon)	0.85	0.18



# Management Discussion and Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENT

The projected growth of Company's products (Plywood, Laminates, Cement and Ferro Alloys) is based on the push-and-pull effects of supply and demand determinants like the economic trends in India, growth of infrastructure and housing.

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

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

Provision of quality and efficient infrastructure is essential to achieve growth and utilize full potential of the emerging Indian economy. Economic and population growth place additional pressure on existing infrastructure facilities and unless they are developed further to cope growth, they become constraint to development. Hence, given the importance of infrastructure for growth, the 12th plan period has pegged the investment in infrastructure at ₹ 50 trillion. In order to improve the flow of funds to the infrastructure sector, a host of measures are announced in the budget. Tax-free bonds of ₹ 600 billion will be allowed for infrastructure projects in 2012-13, while India Infrastructure Finance Company Limited has established a structure for credit enhancement and take out finance to ease access of credit to various infrastructure projects. One of the primary vehicle of the Government to address infrastructure insufficiencies in the urban areas is the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) whose allocation has almost trebled to ₹ 880 million in 2012-13, as compared to the revised estimate of 2011-12. With the Government's continued focus on infrastructure development, it seems very probable that the country's economic survival will be driven by infrastructure growth.

# Management Discussion and Analysis

## OPPORTUNITIES AND THREATS

### Plywood and Laminate Segment

In view of potential growth of housing and infrastructure, the overall demand for Plywood and Laminates is expected to remain buoyant. The Indian plywood and panel market is estimated around ₹ 12,000 crores, with expected growth of 15% year on year basis. The market is highly fragmented, with unorganized sector controlling major market share. The organized segment is highly concentrated, with only few players constituting around 30% of the market. The unorganized segment has advantages in terms of excise waivers and other benefits due to their SSI status. In the year 2007-08 the excise duty on plywood related products was reduced by half to 8% and is now pegged at 10%. Narrowing excise differences and the eligibility to claim MODVAT benefits on inputs have put the organized sector not only at par compared to the unorganized sector, but also in an advantageous position due to volume, quality and the brand. Now the growth of organized sector is estimated to be 20-25% compared to the overall market growth of 15%. Organized sector growth will partly come from conversion of some of unorganized sector players as organized sector players.

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

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

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

### Ferro Alloy

In view of potential growth of housing and infrastructure, the overall demand for Ferro Alloy which is one of the ingredients of steel is expected to remain buoyant.

Ferro Alloy market is dependent on steel market and witnessed short cycles of boom and bust, which can happen more than once in one financial year. During boom period demand is at peak and industry makes handsome profit. When demand dampens the price of product comes down and it becomes unviable to keep production on.

The company's ferro alloy unit is situated in Meghalaya, where there is abundant availability of raw material. The only problem which can disrupt production is availability of power, as production process of ferro alloy is highly power intensive and supply of power in Meghalaya is not comfortable. In order to combat this problem, the Company has installed a captive power plant to ensure un-interrupted production. When the demand of ferro alloy dampens, the company stops ferro alloy production and start to sell power generated out of its captive power unit. This helps Company to recover its overheads and ensure overall yearly performance of the ferro alloy division.



# Management Discussion and Analysis

## Cement

In view of potential growth of housing and infrastructure, the overall demand for Cement, which is basic to any construction project, is expected to remain tilted towards demand.

The Company's major subsidiary Cement Manufacturing Company Limited (CMCL), along with its subsidiaries, has the cement and clinker units situated at Lumshnong in Meghalaya. CMCL sells its cement under the brand name 'STAR CEMENT'. STAR CEMENT is today the leading and the highest selling cement brand in the North Eastern part of the country. This unit has the advantage of its own captive lime stone mines and is situated at a close proximity of large reserves of coal at a distance of only 25 kms. CMCL's lime stone mines has reserves of 300 Million Tonnes, enough to meet all its' raw material requirements (based on expanded capacity) for the next 70 years. The unit is also entitled to various fiscal incentives as per the North East policy of the Central Government and the State Government. The unit uses state of the art dry process rotary kiln technology and manufactures high grade Ordinary Portland Cement (OPC), Pozzoland Portland Cement (PPC) and other specialty grades required for infrastructure projects.

Cement is a highly localized/regionalized industry due to its unique characteristic of being a bulky but low value product. Proximity to either source of raw material (limestone) or end market is imperative to keep cost of end product (cement) competitive. Overall cement market of north east is estimated to be a 5 MTPA against which the total cement production in north east is 3 MTPA, with the deficit being met from outside north east. This demand supply mismatch and high logistic cost of bringing cement from outside north east has resulted in north east being a high price-end market. Based on the developments envisaged to take place in the North Eastern region the cement demand in the region is expected to grow at a CAGR of 12-15% per annum. A big spurt in demand is also expected after two years when many of the Hydel Power Plants will be launched in the North East, particularly in Arunachal Pradesh. At present CMCL cement unit is the biggest cement unit of north east and has twin advantage of proximity to raw material and close proximity to the highest price-end market. On comparison of peers it is found that CMCL EBIDTA margin has been highest in the industry.

The present combined capacity of CMCL and its subsidiaries is now 1.20 MTPA of Cement. CMCL is also adding further 1.75 MTPA Clinker capacity, through its wholly owned subsidiary Star Cement Meghalaya Limited. The clinker so produced will be taken to CMCL's proposed grinding units at Guwahati (Assam). After effecting these expansions CMCL cement production capacity will go up from present 1.20 MTPA to 2.80 MTPA. The projects are under implementation and are expected to commence production within the current financial year. Meghalaya Power Limited is setting up a 51 MW Power plant, which will be a captive power plant to its existing as well as planned clinker unit of SCML. The grinding units at Guwahati will also have captive power plant of adequate capacity.

Cement is considered to be a cyclical industry. Addition of new capacities particularly in north east may tilt industry more towards supply situation. Cement is highly capital intensive and fairly long gestation industry. The expansion plans may make the Company very high leveraged to face any demand set back.

With strong brand image and early mover advantages, the Company does not expect to face any problem in near and fairly distant future.

## Logistic

The ports and international cargo handling facility are important part of physical infrastructure of a country. Ports and cargo handling facilities play a crucial role in facilitating India's international trade. India with a coastline of 7,517 km is added with 12 major ports and 60 non-major ports, which handle traffic. Average turnaround time of Indian ports is 3.5 days compared to 10 hours in Hong Kong. This high turnaround time undermines the competitiveness of Indian Ports. Congestion at ports is primarily due to the slow evacuation of cargo rather than a lack of handling facility. More than half

# Management Discussion and Analysis

of the world's traded goods are containerized and this is expected to increase further. In order to decongest ports it is imperative that dwelling time of containers at ports is decreased by developing Container Freight Stations (CFS), where containers can be moved after maximum decided dwelling time. In order to decongest congested Kolkata Port the Kolkata Port Trust is encouraging development of CFS.

The Company ventured into CFS business in the year 2008, when it was allotted approx 1 lac square meter land near port by Kolkata Port Trust for developing same as CFS. In view of the heavy congestion at the Kolkata Port and the emerging opportunity in this sector the Company established a full fledged logistic division to develop this business segment. The Company's two first private sector state of the art CFS (consisting of approximately 1,00,000 sq meter area) are already operational and can handle 1,30,000 containers of 20 feet each annually. This capacity is approximately 2/3rd of total container handling capacity of Kolkata Port.

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

## Others

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

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

### Plywood

The turnover of Plywood segment was up from ₹ 657.75 Crores in 2010-11 to ₹ 855.14 Crores in 2011-12 showing growth of over 30%. This is mainly due to improved demand, Company's strong brand image and marketing strategies.

### Laminates

Laminate division also performed quite well. The Company's focus remained to grab premium market share. The 'CENTURLAMINATES' the brand under which Company's laminates are being sold is today a symbol of quality and is attaining consumer preference. The turnover of Laminate segment was up from ₹ 139.21 Crores in 2010-11 to ₹ 197.30 Crores in 2011-12 showing growth of 42%.

### Ferro Alloys & Power

Ferro Alloys segment posted a turnover of ₹ 62.95 Crores in 2011-12 against ₹ 79.11 Crores in 2010-11 while Power segment posted a turnover of ₹ 37.42 Crores against ₹ 41.14 Crores last year.

### Cement

The cement capacities run by Company's subsidiaries also posted impressive performance. The turnover increased from ₹ 488.21 Crores to ₹ 569.64 Crores showing growth of over 17%. Segment profit however reduced from ₹ 113.34 Crores to ₹ 110.52 Crores.

### Logistics

Logistics division also performed quite well. During current financial year this segment recorded a turnover of ₹ 54.72 Crores as against ₹ 33.83 Crores last year showing growth of 62%. Profit from this segment also increased phenomenally from ₹ 7.67 Crores to ₹ 18.85 Crores showing growth of over 146%.



# Management Discussion and Analysis

## OUTLOOK

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

## RISKS AND CONCERNS

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

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

### Foreign Exchange Risk

Your Company's imports exceed exports. At any given time your company has substantial foreign exchange liability. Adverse fluctuations as happened in financial year 2008-09 and 2010-11 may expose Company to substantial foreign exchange risk. The Company has policy of reviewing foreign exchange risk on regular basis and decide about hedging as per situation prevailing and expected. In adverse times company defers its forex liabilities by availing buyers' credits overseas, thereby avoiding immediate exchange losses and substantially lowering borrowing cost.

### Interest Rate Risk

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

### Manpower retention Risk

Your Company has a wide marketing network spread across the country. Your Company deals in consumer goods through large dealers' network and has to maintain large marketing and administrative team. Your Company can not be an exception to man power attrition.

Your Company has devised a simulative HR policy and performance based incentive system to address this.

### Government Policy Change Risk

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

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

# Management Discussion and Analysis

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year the total income of your company increased from ₹ 953.75 Crores to ₹ 1202.40 Crores reflecting growth of over 26%. Profit before Tax and Exceptional Items increased marginally from ₹ 75.78 Crores last year to ₹ 76.18 Crores this year. The increase in turnover reflects increasing market share for the Company's products.

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

The Company strictly adheres to ISO 9001:2000 mandated training. All employees receive on going learning opportunities through customized programs that are designed in-house. Company encourages its employees to attend outside seminars. The employees are encouraged to offer constructive suggestions for improvement in their respective areas which are thoroughly discussed in departmental meetings. Employees are covered by incentive system encouraging them to perform to their best.

The Company maintains absolute harmony with its work force. Since inception there has not been even a single instance of strike or lock-out at any of the Company's manufacturing establishments.

The total manpower strength of the Company as on 31st March, 2012 was 4658.

## CAUTIONARY STATEMENT

The statements in the "Management Discussion and Analysis" section describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements". All statements that address expectation or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are based on certain assumptions and expectations of future events. The Company can not guarantee that these assumptions and expectations are accurate or will be realized.

The Company's actual results, performance or achievement may thus differ materially from those projected in such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or event.

For and on behalf of the Board of Directors

Kolkata  
9th May, 2012

**Sajjan Bhajanka**  
*Chairman & Whole-Time Director*



# Corporate Governance Report

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

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance. Corporate Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices and regulatory compliance. For Century Plyboards (India) Ltd., Corporate Governance is not a destination, but a journey wherein we seek to perpetually improve the conscience of the well balanced interests of all the stakeholders as we walk the miles, spend the years, do more projects and spread our presence through continents to touch more and more lives. The Company recognises the importance of Corporate Governance, ensuring good governance through disclosures, transparency, integrity, accountability, responsibility and fairness in all its dealings with employees, shareholders, customers, suppliers and society at large.

## 1. BOARD OF DIRECTORS

### Composition

The Company's policy towards composition of the Board is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board, and to separate its functions of governance and management. As on March 31, 2012, the Board consisted of twelve Directors, including and headed by an Executive Chairman. The Board of the Company has an optimum combination of Promoter, Independent, Executive and Non-Executive Directors. For effective operations of the Company there are three Managing Directors. Sri Sanjay Agarwal, Sri Prem Kumar Bhajanka and Sri Vishnu Khemani were re-designated as Managing Directors while Sri Sajjan Bhajanka was re-designated as Chairman and Whole-Time Director with effect from 31st October, 2011. There are six Non-Executive Independent Directors. The Board members are expert in different disciplines of corporate working i.e. finance, technical, marketing, administration, etc. The Independent Directors are expert professionals with high credentials and actively contribute in the deliberations of the Board.

As on 31st March, 2012, the Board consisted of the following members :

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

\* Sri Brij Bhushan Agarwal resigned from the Directorship of the Company w.e.f. 10th May, 2011.

\*\* Sri Satya Brata Ganguly resigned from the Directorship of the Company w.e.f. 12th March, 2012.

# Corporate Governance Report

## Directorship, Committee Membership and Chairmanship

The details about positions held by Board of Directors as Directors of Public Limited Companies, Committee Membership and Committee Chairmanship as on 31st March, 2012 are as under :

Sl. No.	Name	Number of		
		Directorship of Public Limited Companies*	Committee Membership** Committee	Committee Chairmanship**
1	Sri Sajjan Bhajanka	8	–	–
2	Sri Hari Prasad Agarwal	12	2	–
3	Sri Sanjay Agarwal	8	–	–
4	Sri Prem Kumar Bhajanka	6	–	–
5	Sri Vishnu Khemani	1	–	–
6	Sri Ajay Baldawa	2	–	–
7	Sri Manindra Nath Banerjee	2	1	1
8	Sri Mangi Lal Jain	7	1	1
9	Ms. Plistina Dkhar	2	–	–
10	Sri Santanu Ray	2	1	–
11	Sri Samarendra Mitra	1	–	–
12	Sri Asit Pal	2	–	–

\* includes Private Companies which are subsidiaries of Public companies, but excludes private, foreign, unlimited liability companies and companies registered under Section 25 of the Companies Act, 1956.

\*\* indicates membership/chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee.

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

## Board Meetings & Procedure

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



# Corporate Governance Report

## Number and Dates of Board Meetings held during the year

Seven Board Meetings were held during the financial year ended 31st March, 2012. These were held on 24th May, 2011, 30th June, 2011, 20th July, 2011, 19th August, 2011, 31st October, 2011, 19th January, 2012 and 30th March, 2012. Attendance at the Board Meetings during the financial year 2011-12 and at the previous Annual General Meeting are as under :

Sl. No.	Name	No. of Board Meeting Attended	Last AGM Attended
1	Sri Sajjan Bhajanka	7	Yes
2	Sri Hari Prasad Agarwal	6	Yes
3	Sri Sanjay Agarwal	6	Yes
4	Sri Prem Kumar Bhajanka	3	No
5	Sri Vishnu Khemani	–	No
6	Sri Ajay Baldawa	4	No
7	Sri Manindra Nath Banerjee	7	Yes
8	Sri Mangi Lal Jain	7	No
9	Ms. Plistina Dkhar	–	No
10	Sri Santanu Ray #	3	–
11	Sri Samarendra Mitra #	3	–
12	Sri Asit Pal \$	–	–
13	Sri Brij Bhushan Agarwal*	–	No
14	Sri Satya Brata Ganguly**	4	Yes

\* resigned from the Directorship of the Company w.e.f. 10th May, 2011.

\*\*resigned from the Directorship of the Company w.e.f. 12th March, 2012.

# appointed w.e.f. 31st October, 2011.

\$ appointed w.e.f. 30th March, 2012.

## Resume of Directors proposed to be re-appointed

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

## Changes during the financial year 2011-12

Sri Brij Bhushan Agarwal resigned from the Directorship of the Company with effect from 10th May, 2011. Sri Satya Brata Ganguly resigned from the Directorship of the Company with effect from 12th March, 2012.

Sri Santanu Ray and Sri Samarendra Mitra were appointed as Additional Directors of the Company on 31st October, 2011 while Sri Asit Pal was appointed as Additional Director of the Company on 30th March, 2012 by the Board of Directors.

## 2. COMMITTEES OF THE BOARD

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

# Corporate Governance Report

## Audit Committee

The Audit Committee is responsible for the effective supervision of the financial reporting processes to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

### Terms of reference

Terms of reference of the Audit Committee includes the following :

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

### Composition

The Audit Committee comprises of the following four members :

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

The Audit Committee was re-constituted on 30th March, 2012 with the appointment of Sri Santanu Ray as Member consequent upon resignation of Sri Satya Brata Ganguly from the Board.

All the members of the Committee are financially literate. The Committee is headed by Sri Mangi Lal Jain. Sri Mangi Lal Jain and Sri Santanu Ray are both fellow members of the Institute of Chartered Accountants of India and have vast and



# Corporate Governance Report

diverse experience in financial management, corporate affairs, accounting and audit matters. Sri Manindra Nath Banerjee is a retired IAS Officer with over 45 years of experience. Sri Hari Prasad Agarwal is Commerce Graduate with over 39 years of experience in finance and accounts. The Composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

The Company Secretary acts as Secretary to the Committee.

## Meetings and Attendance

Four Audit Committee Meetings were held during the financial year ended 31st March, 2012. These were held on 24th May, 2011, 20th July, 2011, 31st October, 2011 and 19th January, 2012. Attendance at the Audit Committee Meetings during the financial year 2011-12 are as under :

Sl. No.	Name	No. of Audit Committee Meetings attended
1	Sri Mangi Lal Jain	4
2	Sri Satya Brata Ganguly	2
3	Sri Manindra Nath Banerjee	4
4	Sri Hari Prasad Agarwal	4

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

## Remuneration Committee

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

### Terms of Reference :

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

### Remuneration Policy

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

### Composition

The Remuneration Committee comprises of the following three members :

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

The Remuneration Committee was re-constituted on 30th March, 2012 with the appointment of Sri Santanu Ray as Member consequent upon resignation of Sri Satya Brata Ganguly from the Board.

# Corporate Governance Report

The Company Secretary acts as Secretary to the Committee.

## Meetings and Attendance

There was no meeting of the Remuneration Committee during the financial year ended 31st March, 2012.

## Details of remuneration paid to Directors

Sl. No.	Name of the Director	Designation	Salary (₹)	Sitting Fee (₹)	No. of shares held
<b>Executive Directors :</b>					
1	Sri Sajjan Bhajanka	Chairman & Whole-Time Director	60,00,000	Nil	2,45,71,570
2	Sri Sanjay Agarwal	Managing Director	60,00,000	Nil	2,32,18,740
3	Sri Prem Kumar Bhajanka	Managing Director	36,00,000	Nil	1,52,08,510
4	Sri Vishnu Khemani	Managing Director	60,00,000	Nil	74,86,857
5	Sri Hari Prasad Agarwal*	Vice Chairman & Executive Director	30,00,000	Nil	24,35,760
6	Sri Ajay Baldawa	Executive Director	24,00,000	Nil	76,000
<b>Non-Executive Directors :</b>					
1	Sri Manindra Nath Banerjee	Independent Director	Nil	70,000	Nil
2	Sri Mangi Lal Jain	Independent Director	Nil	70,000	4,100
3	Ms. Plistina Dkhar	Independent Director	Nil	Nil	750
4	Sri Santanu Ray	Independent Director	Nil	30,000	Nil
5	Sri Samarendra Mitra	Independent Director	Nil	30,000	Nil
6	Sri Asit Pal	Independent Director	Nil	Nil	Nil
7	Sri Satya Brata Ganguly **	Independent Chairman	7,00,000	40,000	Nil

\* Re-appointed for a further period of 5 years from 1st June, 2012 to 31st May, 2017, subject to approval of members.

\*\* Sri Satya Brata Ganguly, who was Non-Executive Chairman and who carries with him significant professional expertise and rich business experience, has been paid remuneration of ₹ 7,00,000/- for a period up to 31st October, 2011. Necessary approvals have been obtained from the Ministry of Corporate Affairs in terms of Section 309(4) of the Companies Act, 1956. He resigned from the Chairmanship of the Board on 31st October, 2011 and from Directorship of the Company on 12th March, 2012.

## Service Contracts, Severance Fee, Notice Period and Stock Options

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



# Corporate Governance Report

## Share Transfer cum Investor Grievance Committee

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

### Terms of Reference :

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

### Composition

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

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

The Company Secretary acts as Secretary to the Committee.

### Meetings and Attendance

During the year the Share Transfer cum Investor Grievance Committee met twenty-four times on 18th April, 2011, 30th April, 2011, 15th May, 2011, 31st May, 2011, 15th June, 2011, 30th June, 2011, 15th July, 2011, 30th July, 2011, 16th August, 2011, 31st August, 2011, 15th September, 2011, 30th September, 2011, 15th October, 2011, 31st October, 2011, 15th November, 2011, 30th November, 2011, 15th December, 2011, 31st December, 2011, 16th January, 2012, 31st January, 2012, 15th February, 2012, 29th February, 2012, 15th March, 2012 and 30th March, 2012. Both members attended all the meetings.

### Status of pending Complaints

Sri Arun Kumar Julasaria, Company Secretary is Compliance Officer of the Company for attending to Complaints/Grievances of the members. During the year under review, 8 complaints were received from investors and were replied/resolved to their satisfaction. There were no complaints pending at the beginning and at the close of the financial year.

## 3. GENERAL BODY MEETINGS

### Particulars of last three Annual General Meetings :

AGM	Year ended	Venue	Date	Time
28th	31.03.2009	Gyan Manch, 11 Pretoria Street, Kolkata - 700 071	28.08.2009	11.00 A.M.
29th	31.03.2010	Indian Chamber of Commerce Auditorium, 10th Floor 4, India Exchange Place, Kolkata - 700 001	27.08.2010	11.00 A.M.
30th	31.03.2011	Indian Chamber of Commerce Auditorium, 10th Floor 4, India Exchange Place, Kolkata - 700 001	09.07.2011	11.00 A.M.

# Corporate Governance Report

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

AGM	Date	Subject Matter
28th	28.08.2009	i. Payment of remuneration to Sri Sajjan Bhajanka, Sri Sanjay Agarwal, Sri Prem Kumar Bhajanka and Sri Brij Bhushan Agarwal from a subsidiary company
		ii. Payment of Minimum Remuneration to Sri Sajjan Bhajanka, Sri Sanjay Agarwal, Sri Ajay Baldawa, Sri Hari Prasad Agarwal, Sri Prem Kumar Bhajanka, Sri Vishnu Khemani and Sri Satya Brata Ganguly in terms of Part-II, Section-II(B) of Schedule - XIII of the Companies Act, 1956.
29th	27.08.2010	None
30th	09.07.2011	i. Payment of commission to Sri Brij Bhushan Agarwal and Sri Sajan Kumar Bansal from a subsidiary Company.
		ii. Appointment of Sri Keshav Bhajanka, son of Sri Sajjan Bhajanka as an Executive and payment of remuneration to him.

During the financial year 2011-12, no Special Resolution was passed through postal ballot.

## 4. DISCLOSURES

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

## 5. CODE OF CONDUCT

The Board of Directors has adopted a Code of Business Conduct and Ethics for all Board Members and senior management personnel and the same has been posted on the Company's website [www.centuryply.com](http://www.centuryply.com). All the Board members and Senior Management Personnel have affirmed compliance with the Code for the year ended 31st March, 2012. A declaration to this effect signed by the CEO of the Company is given hereunder :



# Corporate Governance Report

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2011-12.

Kolkata, 9th May, 2012

**Sanjay Agarwal**  
Managing Director & CEO

## 6. CEO/CFO CERTIFICATION

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

## 7. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are considered by the Board and are published in prominent English and Bengali newspapers usually in The Economic Times, Times of India and Aarthik Lipi. The financial results are also posted on the website of the Company [www.centuryply.com](http://www.centuryply.com).

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

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

## 9. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting :

<b>Date</b>	27th September, 2012 (Thursday)
<b>Time</b>	11.00 A.M.
<b>Venue</b>	Indian Chamber of Commerce Auditorium, 10th Floor, 4, India Exchange Place Kolkata - 700 001
<b>Financial Year</b>	2011-12
<b>Book Closure Date</b>	21st September, 2012 to 27th September, 2012 (both days inclusive)

### Listing on Stock Exchanges

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

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

The Company has paid listing fees to NSE and BSE for the year 2011-12 & 2012-13.

**ISIN** : INE348B01021

### Market Price Data :

Monthly high and low quotations as well as the volume of shares traded at Bombay Stock Exchange and National Stock Exchange, where the shares are regularly traded, for the financial year 2011-12 are as follows :

# Corporate Governance Report

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
<b>2011</b>						
April	77.20	63.10	16,73,487	77.30	65.20	24,07,875
May	76.70	63.80	14,28,722	76.50	61.10	29,86,823
June	69.00	58.20	3,25,326	68.00	63.10	4,68,859
July	73.90	65.00	5,02,933	73.80	65.00	17,99,738
August	72.50	59.50	2,47,992	72.40	59.75	6,44,108
September	66.25	57.00	1,12,774	67.00	57.35	4,40,860
October	70.00	57.05	42,363	66.00	57.50	1,13,867
November	62.10	47.50	2,95,053	63.00	46.30	6,81,224
December	51.00	46.00	2,58,582	51.45	45.55	4,14,918
<b>2012</b>						
January	57.00	44.00	6,39,347	60.00	44.50	5,53,997
February	61.40	52.75	4,09,260	61.35	52.50	5,68,430
March	61.85	55.00	1,72,648	61.75	52.80	6,16,867

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

Month	BSE Sensex		Company's Shares	
	Closing	% Change	Closing	% Change
<b>2011</b>				
April	19135.96	(1.59)	74.25	12.41
May	18503.28	(3.31)	65.95	(11.18)
June	18845.87	1.85	65.00	(1.44)
July	18197.20	(3.44)	71.00	9.23
August	16676.75	(8.36)	64.85	(8.66)
September	16453.76	(1.34)	59.60	(8.10)
October	17705.01	7.60	59.50	(0.17)
November	16123.46	(8.93)	48.40	(18.66)
December	15454.92	(4.15)	46.75	(3.41)
<b>2012</b>				
January	17193.55	11.25	53.20	13.80
February	17752.68	3.25	57.50	8.08
March	17404.20	(1.96)	59.10	2.78

**Note :** Figures in bracket indicate negative value.



# Corporate Governance Report

## Registrar and Share Transfer Agent :

M/s. Maheshwari Datamatics Private Ltd.  
6, Mangoe Lane, Kolkata - 700 001  
Phone No. 033-2243 5029/5809, Fax : 033-2248 4787  
Email : mdpl@cal.vsnl.net.in

## Share Transfer System

Requests for transfer of shares in physical form received either at the office of the Company or at the office of the Registrar are generally approved by the Share Transfer cum Investor Grievance Committee within a maximum period of 3 weeks from the date of receipt provided the documents are complete in all respects.

Transfer of shares in dematerialised form are duly processed by NSDL/CDSL in electronic form through the respective Depository Participants. Dematerialisation is done within 20 days of receipt of request along with the share certificates through the Depository Participant of the shareholder.

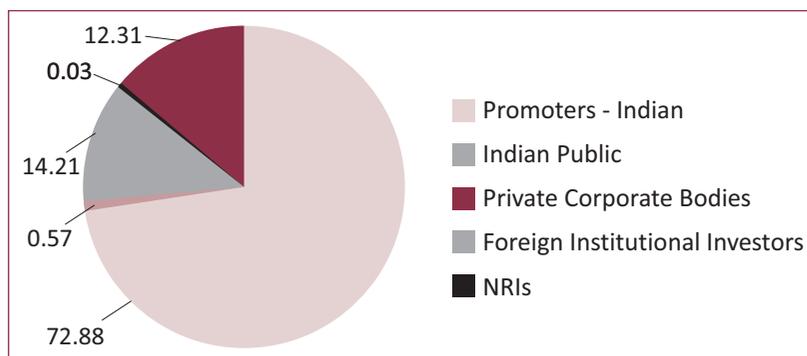
The Share Transfer cum Investor Grievance Committee generally meets once in a fortnight for approving share transfers. A summary of the transfer, transmissions, de-materialisation, re-materialisation requests is placed before the Committee at every meeting. The Company obtains half-yearly certificate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

## Distribution of shareholding

Category	As on 31st March, 2012			
	No. of Shareholders		No. of Shares	
	Total	%	Total	%
1 - 500	7,178	79.24	8,45,611	0.38
501 - 1000	526	5.81	4,72,898	0.21
1001 - 2000	489	5.40	7,76,734	0.35
2001 - 3000	244	2.69	6,78,582	0.31
3001 - 4000	56	0.62	2,04,501	0.09
4001 - 5000	119	1.31	5,60,004	0.25
5001 - 10000	193	2.13	14,16,418	0.64
10001 and above	254	2.80	21,72,18,242	97.77
<b>TOTAL</b>	<b>9,059</b>	<b>100.00</b>	<b>22,21,72,990</b>	<b>100.00</b>

# Corporate Governance Report

## Shareholding pattern - Distribution by category



Category	As on 31st March, 2012	
	No. of Shares	% to Share Capital
Promoters - Indian	16,19,29,377	72.88
Mutual Funds	1,534	–
Foreign Institutional Investors	12,71,202	0.57
Private Corporate Bodies	2,73,47,713	12.31
NRIs	58,152	0.03
Indian Public	3,15,65,012	14.21
<b>TOTAL</b>	<b>22,21,72,990</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity

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

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

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

As on 31st March, 2012, 22,08,88,790 number of equity shares, which form 99.42% of the Share Capital of the Company, stood dematerialised.



# Corporate Governance Report

## Plant Locations

<b>A</b>	<b>Veneer and Plywood</b>	<b>Kolkata Unit</b> Kanchowki, Bishnupur, District : 24 Parganas (S) West Bengal
		<b>Chennai Unit</b> Chinnappolapuram, Gummidipoondi Tamil Nadu
		<b>Karnal Unit</b> Rambha Road, Taraori Haryana
		<b>Cent Ply Unit</b> Mirza Palasbari Road, Kamrup Assam
<b>B</b>	<b>Laminate</b>	<b>Kolkata Unit</b> Kanchowki, Bishnupur, District : 24 Parganas (S) West Bengal
<b>C</b>	<b>Ferro Alloy &amp; Power</b>	<b>EPIP Area</b> Byrnihat, District : Ri-Bhoi Meghalaya
<b>D</b>	<b>Logistic</b>	<b>Century Sonai CFS</b> Block-B & C, Sonai, Khidderpore, Kolkata West Bengal
		<b>Century Jinjira Pole CFS</b> Hide Road, Brace Bridge, Khidderpore, Kolkata West Bengal

### Address for correspondence

The Company Secretary & Compliance Officer  
 Century Plyboards (India) Limited  
 6, Lyons Range, Kolkata 700 001  
 Phone : 033-39403950  
 Fax : 033-2248 3539  
 Email : arun@centuryply.com  
 Website : www.centuryply.com  
 E Mail ID for Investors Grievances : arun@centuryply.com

For and on behalf of the Board of Directors

Kolkata  
 9th May, 2012

**Sajjan Bhajanka**  
 Chairman & Whole-Time Director

# Corporate Governance Report

## CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

1. We hereby certify for the financial year ended 31st March, 2012, on the basis of review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year 2011-12, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design and operation of the internal control systems and that we have taken the required steps to rectify those deficiencies.

### We further certify that :

- a) There have been no significant changes in internal control over financial reporting during the year.
- b) There have been no significant changes in accounting policies during the year.
- c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

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

Kolkata  
9th May, 2012

**Sanjay Agarwal**                      **Arun Kumar Julasaria**  
*Managing Director & CEO*      *CFO and Company Secretary*



# Corporate Governance Report

## AUDITORS' CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by Century Plyboards (India) Limited, for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, *subject to the following*:

1. *During the period from 1st April 2011 to 29th October 2011 and from 12th March 2012 to 29th March 2012, the Company's Board of Directors did not have adequate number of non-executive directors.*
2. *During the period from 12th March 2012 to 29th March 2012, the Board of Directors did not have adequate number of independent directors.*

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

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

Place : Kolkata  
Date : 9th May, 2012

For **S. R. BATLIBOI & CO.**  
Firm Registration Number : 301003E  
*Chartered Accountants*  
per **R. K. AGRAWAL**  
*a Partner*  
Membership No. : 16667

# Auditors' Report

## TO THE MEMBERS OF CENTURY PLYBOARDS (INDIA) LIMITED

1. We have audited the attached Balance Sheet of CENTURY PLYBOARDS (INDIA) LIMITED ("the Company") as at 31st March, 2012 and also the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is drawn to Note No. 38 regarding exchange fluctuation loss of ₹ 921.78 Lacs (net)(previous year ₹ 11.73 Lacs) towards creditors/debtors pertaining to specific segments which has been included as unallocable expenses, which has no impact on profit for the year.*  
*In respect of above, our report for the previous year was similarly modified.*
5. Further to our comments in the Annexure referred to above :-
  - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from sales branches not visited by us. The Branch Auditor's Report(s) in respect of Plywood units at Chennai, Karnal & Guwahati and Ferro Alloy unit at Meghalaya have been forwarded to us and have been appropriately dealt with;
  - (iii) The Balance Sheet, the Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches as submitted to us;
  - (iv) In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 *except for the matter referred to in para 4 above;*
  - (v) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said statements of account, *except for our comments in para 4 above*, which has no impact on the Company's profit for the year, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
    - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - (ii) in the case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date; and
    - (iii) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For **S. R. BATLIBOI & CO.**  
Firm Registration Number : 301003E  
Chartered Accountants  
per **R. K. AGRAWAL**  
a Partner  
Membership No. : 16667

Place : Kolkata  
Date : 9th May, 2012



## Annexure to the Auditors' Report

### (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF CENTURY PLYBOARDS (INDIA) LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2012)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A part of the fixed assets have been physically verified by the management during the year, based on a phased programme of verifying all the assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loan to a Subsidiary Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2,300 Lacs and the year-end balance of loan granted to such party was ₹ NIL.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan were not prima facie prejudicial to the interest of the Company.
- (c) There was no stipulation for repayment of above loan but the same was stated to be repayable on demand. The above loan was fully received back during the year. The payment of interest on such loan had been regular.
- (d) The Company has taken loans from five companies and a director covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding against such loans during the year was ₹ 3,782 Lacs and the year-end balance due to such parties was ₹ 300 Lacs.
- (e) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (f) There are no stipulations for repayment of the above loans but the same are stated to be repayable on demand. The above loans were fully repaid during the year except loan from a director who has not demanded repayment of such loan during the year, and thus, there has been no default on the part of the Company. Further, interest on the above loans, as informed, was regularly paid by the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under the above section, have been so entered.

## Annexure to the Auditors' Report

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public within the preview of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of Power Generation and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, and other material statutory dues have generally been regularly deposited with appropriate authorities *though there had been slight delays in a few cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty & cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Period to which amount relates	Amount (₹ in Lacs)	Forum where dispute is pending
Central Excise & Customs Act, 1944	Input Service credit reversal and SAD reversal	2006-07 & 2007-08	359.17	CESTAT
Central Excise & Customs Act, 1944	Availment & Utilisation of Service Tax on GTA	2005-06 to 2007-08	33.37	Commissioner (Appeals)
Various State Sales Tax / VAT Act	Sales Tax/Penalty/ Interest	1999-00 & 2004-05 to 2010-11	327.14	Asst./Additional Commissioner/ Deputy Commissioner/ Joint Commissioner/ revision Board
Income Tax Act, 1961	Income Tax	2003-04 to 2004-05, 2006-07 to 2007-08	313.38	Commissioner Appeals/Appellate Tribunal/ Highcourt

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions or banks. There were no debentures outstanding during the year.



## Annexure to the Auditors' Report

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society and therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle funds of ₹ 1,000 Lacs which were not required for immediate utilization, has been invested in short term fixed deposits with the Bank and outstanding at the end of the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

Place : Kolkata  
Date : 9th May, 2012

For **S. R. BATLIBOI & CO.**  
Firm Registration Number : 301003E  
*Chartered Accountants*  
per **R. K. AGRAWAL**  
*a Partner*  
Membership No. : 16667

# Balance Sheet

as at 31st March, 2012

(₹ in Lacs)

	Notes	31st March, 2012	31st March, 2011
<b>A. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	2,275.27	2,275.27
Reserves & Surplus	3	28,977.54	25,562.90
		<b>31,252.81</b>	<b>27,838.17</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	6,434.95	1,282.79
Long Term Provisions	5	–	83.51
		<b>6,434.95</b>	<b>1,366.30</b>
<b>Current Liabilities</b>			
Short Term Borrowings	6	27,274.17	19,260.14
Trade Payables	7	8,622.20	9,326.92
Other Current Liabilities	7	4,442.55	2,452.41
Short Term Provisions	5	151.60	2,666.09
		<b>40,490.52</b>	<b>33,705.56</b>
<b>TOTAL</b>		<b>78,178.28</b>	<b>62,910.03</b>
<b>B. ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets :</b>			
Tangible Assets	8	17,379.43	16,541.06
Intangible Assets	9	59.22	47.70
Capital Work-in-Progress		1,328.40	364.15
Capital Expenditure on New/Expansion Projects	10	2,299.58	587.03
Non Current Investments	11	7,328.82	5,561.82
Deferred Tax Assets (Net)	12	40.38	21.45
Long term Loans and Advances	13	3,490.47	3,862.38
Other Non Current Assets	14	351.78	432.87
<b>Current Assets</b>			
Inventories	15	19,665.56	17,117.04
Trade Receivables	14	16,674.12	12,081.01
Cash and Bank Balances	16	4,206.02	1,093.01
Short Term Loans and Advances	13	4,226.52	3,813.24
Other Current Assets	14	1,127.98	1,387.27
<b>TOTAL</b>		<b>78,178.28</b>	<b>62,910.03</b>
Summary of Significant Accounting Policies	1.1		

The accompanying notes are an integral part of the financial statements

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

For and on behalf of the Board of Directors

Per **R. K. Agrawal**  
a Partner

**Arun Kumar Julasaria**  
CFO & Company Secretary

**Sajjan Bhajanka**  
Chairman & Whole-Time Director

**Sanjay Agarwal**  
Managing Director

Membership No. 16667

Place : Kolkata

Date : 9th May, 2012



# Statement of Profit & Loss

for the year ended 31st March, 2012

(₹ in Lacs)

	Notes	2011-12	2010-11
<b>INCOME</b>			
Gross Revenue from Operations	17	1,19,828.65	93,789.36
Less : Excise Duty		7,993.79	6,083.72
<b>Net Revenue from Operations</b>		<b>1,11,834.86</b>	<b>87,705.64</b>
Other Income	18	411.53	1,585.57
<b>Total Revenue (I)</b>		<b>1,12,246.39</b>	<b>89,291.21</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	19	56,880.94	45,694.72
Purchase of Traded Goods	20	11,439.99	8,074.31
(Increase)/Decrease in inventories of Finished Goods, Work in Progress and Traded Goods	20	(354.47)	(669.56)
Employee Benefits Expense	21	9,436.98	7,529.40
Other Expenses	22	20,577.34	17,310.69
Depreciation and Amortisation Expense	23	2,651.29	2,417.58
Finance Cost	24	3,996.33	1,355.97
<b>Total Expenses (II)</b>		<b>1,04,628.40</b>	<b>81,713.11</b>
<b>Profit before Tax and Exceptional Items</b>		<b>7,617.99</b>	<b>7,578.10</b>
Exceptional Items	25	1,322.27	–
<b>Profit before Taxation</b>		<b>6,295.72</b>	<b>7,578.10</b>
Tax Expenses :			
Current Tax		1,258.00	1,290.80
Less : MAT credit entitlement		952.00	972.00
Net Current Tax Expense		306.00	318.80
Deferred Tax		(18.93)	(191.46)
<b>Total Tax Expenses</b>		<b>287.07</b>	<b>127.34</b>
<b>Profit for the year</b>		<b>6,008.65</b>	<b>7,450.76</b>
Earnings Per Equity Share (nominal value of share ₹ 1/- (₹ 1/-) Basic and Diluted	33	2.70	3.35
Summary of significant Accounting Policies	1.1		

The accompanying notes are an integral part of the financial statements

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

Per **R. K. Agrawal**  
a Partner  
Membership No. 16667  
Place : Kolkata  
Date : 9th May, 2012

**Arun Kumar Julasaria**  
CFO & Company Secretary

**Sajjan Bhajanka**  
Chairman & Whole-Time Director

**Sanjay Agarwal**  
Managing Director

For and on behalf of the Board of Directors

# Cash Flow Statement

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	6,295.72	7,578.10
<b>Adjustments for :</b>		
Depreciation/Amortisation	2651.29	2,417.58
Finance Cost	3996.33	1,355.97
Dividend Income	(1.80)	(1,182.85)
Irrecoverable Debts Written Off	81.58	54.68
Unspent/Unclaimed Balances Written Back	(55.75)	(21.20)
(Profit)/Loss on Sale of Fixed Assets	0.60	(3.75)
Profit on Sale of Investments	(35.89)	(0.34)
Interest Income	(263.78)	(338.52)
Provision for Doubtful Debts	12.32	50.57
Unrealised Foreign Exchange Fluctuations Loss	829.35	70.81
<b>Operating Profit before Working Capital changes</b>	<b>13,509.97</b>	<b>9,981.05</b>
<b>Adjustments for :</b>		
(Increase) in Trade Receivables	(4,687.01)	(1,595.29)
(Increase) in Loans & Advances and Other Assets	(1,348.28)	(1,213.34)
(Increase) in Inventories	(2,548.52)	(2,174.08)
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	(1,197.65)	1,512.35
<b>Cash Generated from Operations</b>	<b>3,728.51</b>	<b>6,510.69</b>
Direct Taxes Paid (Net of Refunds)	(1,353.91)	(1061.24)
<b>Net Cash generated from Operating Activities</b>	<b>2,374.60</b>	<b>5,449.45</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6,414.59)	(4,291.68)
Sale of Fixed Assets	20.34	44.70
Purchase of Investments	(20,206.95)	(1,066.54)
Sale of Investments	20,242.84	550.37
Share Application Money (Given)/Refund	243.00	(1656.00)
Loans (Given)/Refunds (Net)	600.00	91.51
Fixed Deposits/Margin Money (Given)/Refund	(145.00)	100.00
Dividend Received	592.75	591.90
Interest Received	262.76	327.72
<b>Net Cash used in Investing Activities</b>	<b>(4,804.85)</b>	<b>(5,308.02)</b>



# Cash Flow Statement

for the year ended 31st March, 2012

		(₹ in Lacs)	
		2011-12	2010-11
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings	14190.20	8152.98
	Repayment of Loans	(1175.28)	(6669.62)
	Interest Paid	(1316.91)	(1069.48)
	Other Borrowing Cost Paid	(1233.44)	(356.98)
	Dividend paid	(4440.60)	(561.41)
	Dividend Tax Paid	(625.70)	-
	<b>Net Cash used in Financing Activities</b>	<b>5398.26</b>	<b>(504.51)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>2968.01</b>	<b>(363.08)</b>
	*Cash and Cash Equivalents as on 1st April, 2011	1093.01	1456.09
	*Cash and Cash Equivalents as on 31st March, 2012	4061.02 #	1093.01

\* Represents Cash and Bank Balances as indicated in Note-16 and excludes ₹ 145.00 Lacs (₹ Nil) being Bank Balances with restricted use.

# Includes ₹ 17.57 Lacs (₹ 10.21 Lacs) lying in Unpaid Dividend Account.

As per our Report of even Date

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

Firm Registration No. 301003E

Chartered Accountants

Per **R. K. Agrawal**

a Partner

Membership No. 16667

Place : Kolkata

Date : 9th May, 2012

For and on behalf of the Board of Directors

**Arun Kumar Julasaria**

CFO & Company Secretary

**Sajjan Bhajanka**

Chairman & Whole-Time Director

**Sanjay Agarwal**

Managing Director

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

## 1. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in respect of insurance and other claims, which on the grounds of prudence or uncertainty in realization, are accounted for as and when accepted/received. The accounting policies applied by the Company are consistent with those used in the previous year, except for the change in accounting policy explained in 1.1(i) below.

### 1.1 Summary of Significant Accounting Policies

#### (i) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements of revised Schedule VI applicable in the current year.

#### (ii) Use of Estimates

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

#### (iii) Revenue Recognition

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

(a) Revenue from sale of goods and services rendered is recognized upon passage of title which generally coincides with delivery of materials and rendering of services to the customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

Hence, they are excluded from revenues. Excise duty deducted from revenue (Gross) is the amount that is included in the revenue (Gross) and not the entire amount of liability arising during the year.

Sales are net of rebates and discounts.

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

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



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

## (iv) Fixed Assets

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

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

## (v) Impairment of Assets

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

## (vi) Depreciation/Amortization

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

## (vii) Foreign Currency Transactions

### (a) Initial Recognition :

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(b) Conversion :**

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

**(c) Exchange Differences :**

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

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

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

**(viii) Investments**

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

**(ix) Inventories**

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

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

Cost of Inventories is computed on Weighted Average/FIFO basis.

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

**(x) Government Grants and Subsidies**

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

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

match them on a systematic basis to the costs, which it is intended to compensate.

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

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

## (xi) Retirement and other employee benefits

(a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company has no obligations other than the contribution payable to the respective funds.

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

(c) Short Term compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation which is done as per projected unit credit method at the end of each financial year.

(d) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

## (xii) Earning Per Share

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

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

## (xiii) Excise Duty and Custom Duty

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

## (xiv) Borrowing Costs

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

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

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

## (xv) Taxation

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

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

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

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

## (xvi) Segment Reporting

### a) Identification of segments :

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

### b) Inter segment transfers :

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

### c) Allocation of Common Costs :

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

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



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

## (xvii) Fixed Assets acquired under Lease

### (a) Finance Lease :

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

### (b) Operating Lease :

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit & loss.

## (xviii) Derivative Instruments

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

## (xix) Cash and Cash Equivalents

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

## (xx) Provision

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

## (xxi) Contingent Liabilities

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

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	31st March, 2012	31st March, 2011
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
65,05,00,000 (65,05,00,000) Equity Shares of ₹ 1/- each	6,505.00	6,505.00
15,00,000 (15,00,000) Preference Shares of ₹ 10/- each	150.00	150.00
50,000 (50,000) Preference Shares of ₹ 100/- each	50.00	50.00
<b>Total</b>	<b>6,705.00</b>	<b>6,705.00</b>
<b>Issued</b>		
22,35,52,990 (22,35,52,990) Equity Shares of ₹ 1/- each	2,235.53	2,235.53
5,00,000 (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
<b>Total</b>	<b>2,285.53</b>	<b>2,285.53</b>
<b>Subscribed and Paid-up</b>		
22,21,72,990 (22,21,72,990) Equity Shares of ₹ 1/- each	2,221.73	2,221.73
Add : Amount received on forfeited shares	3.54	3.54
5,00,000 (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
<b>Total</b>	<b>2,275.27</b>	<b>2,275.27</b>

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

Equity Shares	31st March, 2012		31st March, 2011	
	No of Shares	₹ in Lacs	No of Shares	₹ in Lacs
At the Beginning of the year	22,21,72,990	2,221.73	22,21,72,990	2,221.73
Issued during the year	–	–	–	–
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>22,21,72,990</b>	<b>2,221.73</b>

Preference Shares	31st March, 2012		31st March, 2011	
	No of Shares	₹ in Lacs	No of Shares	₹ in Lacs
At the Beginning of the year	5,00,000	50.00	5,00,000	50.00
Issued during the year	–	–	–	–
<b>Outstanding at the end of the year</b>	<b>5,00,000</b>	<b>50.00</b>	<b>5,00,000</b>	<b>50.00</b>

**b) Terms/Rights attached to the Equity Shares :**

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

The Company declares and pays dividends in Indian rupees. The Company has paid an interim dividend of ₹ 1/- per share during the year ended 31st March, 2012.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

### c) Terms of Redeemable Cumulative Preference Shares :

The Company has only one class of preference shares having par value of ₹ 10/- per share and carry cumulative dividend @ 9% p.a. The Company declares and pays dividends 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. Each holder of Preference Shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the right attached to Preference shares.

The above cumulative Preference Shares are redeemable at par on 18-09-2012.

In the event of liquidation of the Company before redemption of Preference shares, the holder of Preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

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

	31st March, 2012	31st March, 2011
	No. of Shares	No. of Shares
Preference Shares allotted as fully paid -up pursuant to contracts for consideration other than cash	5,00,000	5,00,000
Equity Shares allotted as fully paid-up pursuant to contracts for consideration other than cash	2,45,18,860	11,97,37,510

### e) Details of Shareholders holding more than 5% shares in the Company :

	31st March, 2012		31st March, 2011	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹ 1/- each fully paid-up :				
- Sri Sajjan Bhajanka	2,45,71,590	11.06%	2,45,71,590	11.06%
- Sri Sanjay Agarwal	2,32,18,940	10.45%	2,12,22,240	9.55%
- Smt. Divya Agarwal	1,67,49,750	7.54%	1,67,49,750	7.54%
- Smt. Santosh Bhajanka	1,56,49,500	7.04%	1,56,49,500	7.04%
- Sri Prem Kumar Bhajanka	1,52,08,510	6.85%	1,53,08,510	6.89%
Preference Shares of ₹ 10/- each fully paid-up :				
- Sri Vishnu Khemani	5,00,000	100.00%	5,00,000	100.00%

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

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	31st March, 2012	31st March, 2011
<b>3. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per the last Financial Statements	1,933.81	2,019.88
Less : Capital Subsidy Written off	–	86.07
<b>Closing Balance</b>	<b>1,933.81</b>	<b>1,933.81</b>
<b>Amalgamation Reserve</b>		
Balance as per the last Financial Statements	<b>317.40</b>	<b>317.40</b>
<b>Securities Premium</b>		
Balance as per the last Financial Statements	<b>1,892.77</b>	<b>1,892.77</b>
<b>Revaluation Reserve</b>		
Balance as per the last Financial Statements	173.27	178.83
Less : Amount transferred to the Statement of Profit & Loss as reduction from depreciation	6.63	5.56
<b>Closing Balance</b>	<b>166.64</b>	<b>173.27</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	3,385.63	2,585.63
Add : Transferred from statement of Profit & Loss	625.00	800.00
<b>Closing Balance</b>	<b>4,010.63</b>	<b>3,385.63</b>
<b>Surplus in the statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	17,860.02	13,607.75
Add : Profit for the year	6,008.65	7,450.76
<b>Less : Appropriations</b>		
- Interim Equity Dividend ₹ 1 /- (₹ Nil) per share	2,221.73	–
- Tax on Interim Equity Dividend	360.42	–
- Proposed Final Equity Dividend ₹ Nil (₹ 1/-) per share	–	2,221.73
- Tax on Proposed Equity Dividend	–	264.55
- Tax on Equity Dividend written Back	–	(93.02)
- Dividend on Preference Shares ₹ 0.90 (₹ 0.90) per share	4.50	4.50
- Tax on Preference Dividend	0.73	0.73
- Transfer to General Reserve	625.00	800.00
<b>Total Appropriations</b>	<b>3,212.38</b>	<b>3,198.49</b>
Net Surplus in the Statement of Profit & Loss	20,656.29	17,860.02
<b>Total Reserves and Surplus</b>	<b>28,977.54</b>	<b>25,562.90</b>



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Non Current Portion		Current Maturities	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>4. LONG TERM BORROWINGS</b>				
<b>Term Loans (Secured)</b>				
Indian Rupee Loan from Banks	169.70	412.57	248.00	248.00
Indian Rupee Loan from a Financial Institution	509.32	–	–	125.00
Foreign Currency Loan from Banks	5,425.57	448.15	1,227.84	–
<b>Other Loans and Advances (Secured)</b>				
Financial Lease obligations :				
- From banks	118.26	58.59	59.06	24.41
- From Bodies Corporate	212.10	363.48	200.39	163.62
	<b>6,434.95</b>	<b>1,282.79</b>	<b>1,735.29</b>	<b>561.03</b>
Amount disclosed under the head "Other Current Liabilities" (Note - 7)	–	–	(1,735.79)	(561.03)
<b>Net Amount</b>	<b>6,434.95</b>	<b>1,282.79</b>	<b>–</b>	<b>–</b>

## Notes :

- 1(a) Term loan of ₹ 6,139.20 Lacs (Nil) carries interest @ 4.07% p.a. The loan is repayable in 5 equal annual installments starting from 21st August, 2012 and is secured by hypothecation/equitable mortgage of all the moveable and immovable fixed assets pertaining to the Container Freight Stations of the Company.
- (b) Term Loans of ₹ 514.21 Lacs (₹ 448.15 Lacs) and ₹ 417.70 Lacs. (₹ 660.57 Lacs) carry interest @ 6 month LIBOR + 7.25% p.a. and interest @ 12.25% p.a respectively. The above loans are repayable in 24 quarterly installments starting from 25th December 2009, first 16 installments of ₹ 62 Lacs each and next 8 installments of ₹ 61 Lacs each. The loans are secured by a first charge on fixed assets and second charge on current assets (both present and future) pertaining to the Company's Plywood Unit at Mirza, Assam.
- 2 Term loan of ₹ 509.32 Lacs (Nil) from a financial institution carry interest rate of PLR + 1% p.a. The loan is repayable in 28 quarterly installments starting from 1st April, 2014, first 27 installments of ₹ 39.28 Lacs each and next one installment of ₹ 39.44 Lacs. The loan is secured by equitable mortgage of leasehold rights of land and first charge on fixed assets and second charge on the current assets (on pari passu basis) of the Company's Ferro Alloy Unit at Byrnihat, Meghalaya.
- 3 Finance lease obligations are secured by hypothecation of the assets purchased there against.

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Long Term		Short Term	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>5. PROVISIONS</b>				
<b>Provision for Employee Benefits</b>				
Gratuity (Note no. 32)	–	83.51	–	–
Leave Encashment	–	–	146.37	174.58
	–	<b>83.51</b>	<b>146.37</b>	<b>174.58</b>
<b>Other Provisions</b>				
Proposed Equity Dividend	–	–	–	2,221.73
Tax on Proposed Equity Dividend	–	–	–	264.55
Proposed Preference Dividend	–	–	4.50	4.50
Tax on Proposed Preference Dividend	–	–	0.73	0.73
	–	–	<b>5.23</b>	<b>2,491.51</b>
<b>Total Amount</b>	–	<b>83.51</b>	<b>151.60</b>	<b>2,666.09</b>

	31st March, 2012	31st March, 2011
<b>6. SHORT TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
- Cash Credit from banks (Secured)	4,205.24	4,504.85
<b>Loans from related parties (Unsecured)</b>		
- From a Subsidiary Company	–	500.00
- From a Director	300.00	–
- From Bodies Corporate	–	18.20
<b>Other Loans and Advances (Secured)</b>		
Buyers Credit from banks :		
- For Capital Expenditure	390.96	342.06
- For Raw Materials	22,377.97	13,895.03
<b>Total Amount</b>	<b>27,274.17</b>	<b>19,260.14</b>

## Notes :

- Working Capital facilities (including buyers' credit) from Banks are secured/to be secured by a first charge on the current assets and second charge on the fixed assets of the Company's of the respective units as given below :

### Amount (₹ in Lacs)

25,630.97 (17,303.91)

### Location

Plywood units at Kanchowki, District - 24 Parganas (S), West Bengal;

Chinnappoopuram, Gummidipoondi, Tamil Nadu;

Taraori, Haryana and Laminate unit at Kanchowki, District - 24 Parganas (S), West Bengal

1,173.40 (1,150.98)

Ferro Alloy Unit at Byrnihat, Meghalaya

169.80 (287.05)

Plywood Unit at Mirza, Assam

Further, the working capital facilities are also guaranteed by three Directors of the Company.

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

(9% to 12% p.a)

- Unsecured Loan from a Director is repayable on demand and carries interest @ 8% p.a.

- Buyers credit carries interest @ Libor plus 1% to 3.5% and is repayable in 90-365 days.



## Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	31st March, 2012	31st March, 2011
<b>7. OTHER CURRENT LIABILITIES</b>		
<b>Trade Payables</b>		
- Dues to Micro and Small Enterprises (Refer Note no 30)	0.46	5.69
- Dues to Others	8,621.74	9,321.23
	<b>8,622.20</b>	<b>9,326.92</b>
<b>Other Liabilities</b>		
Payable against purchase of Fixed Assets	735.72	452.21
Current Maturities of Long Term Borrowings (Note - 4)	1,735.29	561.03
Interest accrued but not due on Borrowings	203.33	74.97
Advances from Customers	445.86	384.22
Investor Education and Protection Fund (To be paid as and when due)		
- Unpaid Dividend	17.57	10.21
Statutory Dues Payable	1,226.25	903.22
Trade Deposits	78.53	66.55
	<b>4,442.55</b>	<b>2,452.41</b>
<b>Total Amount</b>	<b>13,064.75</b>	<b>11,779.33</b>

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

		(₹ in Lacs)										Total		
		Free Hold	Lease Hold	Factory Buildings	Non-Factory Buildings		Storage Yard on Leasehold Land	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles (b)	Total
					On Freehold Land	On Leasehold Land								
<b>8.</b>	<b>TANGIBLE ASSETS</b>													
	<b>Cost or Valuation</b>													
	At 1st April, 2010	746.65	177.24	3,493.09	624.43	297.98	387.82	10,773.59	1,380.53	353.94	426.10	557.25	1,501.13	20,719.75
	Additions	441.71	739.80	305.93	170.51	601.74	3,084.07	1,684.92	177.88	72.64	84.87	81.05	482.07	7,927.19
	Less : Disposals	-	-	-	-	-	-	48.06	2.40	4.04	25.64	10.76	45.98	136.88
	<b>At 31st March, 2011</b>	<b>1,188.36</b>	<b>917.04</b>	<b>3,799.02</b>	<b>794.94</b>	<b>899.72</b>	<b>3,471.89</b>	<b>12,410.45</b>	<b>1,556.01</b>	<b>427.54</b>	<b>485.33</b>	<b>627.54</b>	<b>1,937.22</b>	<b>28,510.06</b>
	Additions	299.70	152.84	189.18	492.21	41.49	263.05	1,548.20	76.42	34.94	42.56	92.88	249.41	3,482.88
	Less : Disposals	-	-	-	0.05	-	-	9.03	-	1.48	9.08	12.86	56.36	88.86
	<b>At 31st March, 2012</b>	<b>1,488.06</b>	<b>1,069.88</b>	<b>3,988.20</b>	<b>1,287.10</b>	<b>941.21</b>	<b>3,734.94</b>	<b>13,949.62</b>	<b>1,632.43</b>	<b>456.00</b>	<b>518.81</b>	<b>707.56</b>	<b>2,130.27</b>	<b>31,904.08</b>
	<b>Depreciation</b>													
	As at 1st April, 2010	-	29.35	1,273.45	217.44	26.48	33.86	6,128.32	694.38	162.44	164.68	345.59	617.61	9,693.60
	Charge for the Year	-	48.68	209.41	36.93	58.29	193.36	1,211.25	121.10	43.83	46.12	101.42	301.07	2,371.46
	Less : Disposals	-	-	-	-	-	-	34.75	0.58	2.43	14.52	9.74	34.04	96.06
	<b>As at 31st March, 2011</b>	<b>-</b>	<b>78.03</b>	<b>1,482.86</b>	<b>254.37</b>	<b>84.77</b>	<b>227.22</b>	<b>7,304.82</b>	<b>814.90</b>	<b>203.84</b>	<b>196.28</b>	<b>437.27</b>	<b>884.64</b>	<b>11,969.00</b>
	Charge for the Year	-	71.08	224.82	42.58	67.92	275.07	1,315.49	115.93	42.57	46.97	96.46	324.67	2,623.56
	Less : Disposals	-	-	-	0.01	-	-	3.27	-	1.19	5.86	11.68	45.90	67.91
	<b>As at 31st March, 2012</b>	<b>-</b>	<b>149.11</b>	<b>1,707.68</b>	<b>296.94</b>	<b>152.69</b>	<b>502.29</b>	<b>8,617.04</b>	<b>930.83</b>	<b>245.22</b>	<b>237.39</b>	<b>522.05</b>	<b>1,163.41</b>	<b>14,524.65</b>
	<b>Net Block</b>													
	As at 31st March, 2011	1,188.36	839.01	2,316.16	540.57	814.95	3,244.67	5,105.63	741.11	218.70	289.05	190.27	1,052.58	16,541.06
	As at 31st March, 2012	1,488.06	920.77	2,280.52	990.16	788.52	3,232.65	5,332.58	701.60	210.78	281.42	185.51	966.86	17,379.43

## Notes :

- a) Certain Land, Buildings and Plant & Machinery of the Kolkata & Chennai Units were revalued in 1991-92 & 1995-96 respectively and the resultant surplus thereon was transferred to Revaluation Reserve.
- b) Includes Assets taken on finance lease ₹ 900.38 Lacs (₹ 788.25 Lacs), written down Value ₹ 434.92 Lacs (₹ 436.78 Lacs) [Refer Note no 31(b)].



## Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Computer Software	Trade Mark & Patent Rights	Goodwill	Total
<b>9. INTANGIBLE ASSETS</b>				
<b>Cost or Valuation</b>				
At 1st April, 2010	242.08	0.98	10.00	253.06
Addition	15.04	–	–	15.04
Less : Disposals	0.64	–	–	0.64
<b>At 31st March, 2011</b>	<b>256.48</b>	<b>0.98</b>	<b>10.00</b>	<b>267.46</b>
Addition	45.88	–	–	45.88
Less : Disposals	–	–	–	–
<b>At 31st March, 2012</b>	<b>302.36</b>	<b>0.98</b>	<b>10.00</b>	<b>313.34</b>
<b>Depreciation</b>				
As at 1st April, 2010	157.61	0.98	10.00	168.59
Charge for the Year	51.68	–	–	51.68
Less : on Disposals	0.51	–	–	0.51
<b>As at 31st March, 2011</b>	<b>208.78</b>	<b>0.98</b>	<b>10.00</b>	<b>219.76</b>
Charge for the Year	34.36	–	–	34.36
Less : on Disposals	–	–	–	–
<b>As at 31st March, 2012</b>	<b>243.14</b>	<b>0.98</b>	<b>10.00</b>	<b>254.12</b>
<b>Net Block</b>				
As at 31st March, 2011	47.70	–	–	47.70
As at 31st March, 2012	59.22	–	–	59.22

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

		As at 31.03.2012		As at 31.03.2011	
<b>10.</b>	<b>CAPITAL EXPENDITURE ON NEW/EXPANSION PROJECTS</b>				
<b>A.</b>	<b>Fixed Assets</b>				
	Balance Brought forward from previous year		418.14		1,602.34
	Freehold Land	578.88		217.08	
	Leasehold Land	–		958.06	
	Electrical Installations	0.84		59.08	
	Furniture & Fixtures	3.83		0.13	
	Office Equipments	3.00		21.67	
	Vehicles	22.08		–	
	Computer Software	–		3.78	
	Computers	3.47		5.45	
	Less : Depreciation (Charged to pre-operative expenses)	(3.47)		–	
	Less : Amortisation (Charged to pre-operative expenses)	(17.51)		(129.65)	
	<b>Fixed Assets - Under Erection</b>				
	Factory Building	529.94		–	
	Non-Factory Building	18.87		20.08	
	Plant & Machinery [including in transit ₹ 400.99 Lacs (₹ Nil)]	558.69		502.60	
	Storage Yard	106.20	1,804.81	1695.40	3,353.68
			<b>2,222.95</b>		<b>4,956.02</b>
	Less : Transferred to Fixed Assets during the year		175.60		4,537.88
			<b>2,047.35</b>		<b>418.14</b>
<b>B.</b>	<b>Materials at Site</b>		4.44		19.42
			<b>2,051.79</b>		<b>437.56</b>
<b>C.</b>	<b>Incidental Expenditure pending allocation to Fixed Assets</b>				
	Balance Brought forward from previous year		149.47		751.73
	Interest and Finance Charges	9.30		9.96	
	Lease Rent	–		133.92	
	Salary & Bonus	45.38		5.11	
	Travelling & Conveyance	20.55		0.02	
	Consultancy Charges	28.92		4.76	
	Miscellaneous Expenses	1.50		4.92	
	Depreciation	3.47		–	
	Amortisation	17.51	126.63	129.65	288.34
			<b>276.10</b>		<b>1,040.07</b>
	Less : Allocated to Fixed Assets during the year		28.31		890.60
			<b>247.79</b>		<b>149.47</b>
			<b>2,299.58</b>		<b>587.03</b>



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Face Value per shares	No. of Shares	As at 31.03.2012	As at 31.03.2011
<b>11. NON-CURRENT INVESTMENTS (FULLY PAID UP) (AT COST)</b>				
<b>A Non-Trade Investments</b>				
<b>(a) Quoted Equity Shares</b>				
Bharat Commerce & Industries Ltd.	10	19,000	0.73	0.73
Corporation Bank	10	600	0.48	0.48
Greenply Industries Ltd.	5	100	0.09	0.09
Kitply Industries Ltd.	10	100	0.02	0.02
Pidilite Industries Ltd.	1	2,000	0.27	0.27
Mahindra Satyam Computer Services Ltd.	2	100	0.11	0.11
Tata Iron & Steel Co. Ltd.	10	17	0.07	0.07
UCO Bank Ltd.	10	54,500	7.95	7.95
Reliance Broadcast Network Ltd.	5	6,00,000	510.00	510.00
<b>Sub Total</b>			<b>519.72</b>	<b>519.72</b>
<b>(b) Unquoted Equity Shares</b>				
Changlang Plywood Pvt. Ltd.	100	2,000	2.00	2.00
Manmao Plywood Pvt. Ltd.	100	1,000	1.00	1.00
<b>Sub Total</b>			<b>3.00</b>	<b>3.00</b>
<b>B Trade Investments</b>				
<b>Unquoted Equity Shares</b>				
<b>(a) Investments in Subsidiaries</b>				
Cement Manufacturing Company Ltd.	10	2,95,47,500	2,954.75	2,954.75
Meghalaya Power Ltd.	10	83,58,998 (52,04,998)	3,373.50	1,796.50
Star Ferro and Cement Ltd.	1	5,00,000	5.00	5.00
Auro Sundram Ply & Door Pvt. Ltd.	10	5,10,000	231.80	231.80
Aegis Business Ltd.	10	5,10,000	51.00	51.00
			<b>6,616.05</b>	<b>5,039.05</b>
<b>(b) Investments in Associates</b>				
Ara Suppliers Pvt. Ltd.	10	4,75,000 (-)	47.50	-
Arham Sales Pvt. Ltd.	10	4,75,000 (-)	47.50	-
Adonis Vyapar Pvt. Ltd.	10	4,75,000 (-)	47.50	-
Apanapan Viniyog Pvt. Ltd.	10	4,75,000 (-)	47.50	-
			<b>190.00</b>	<b>-</b>
<b>(c) Investment in government Securities</b>				
National Savings Certificate (VII Issue)*			0.05	0.05
<b>Total</b>			<b>7,328.82</b>	<b>5,561.82</b>

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Face Value per shares	No. of Shares	As at 31.03.2012	As at 31.03.2011
<b>Aggregate Amount of Investments</b>				
Quoted			519.72	519.72
Unquoted			6,809.10	5,042.10
Market Value of Quoted Investments			372.07	506.11

\* Lodged with Government Departments as Security Deposit.

	31st March, 2012	31st March, 2011
<b>12. DEFERRED TAX ASSET (NET)</b>		
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	114.33	150.57
Provision for doubtful debts and advances	74.31	75.92
	<b>188.64</b>	<b>226.49</b>
<b>Deferred Tax Liability</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	148.26	205.04
	<b>148.26</b>	<b>205.04</b>
<b>Net Deferred Tax Asset</b>	<b>40.38</b>	<b>21.45</b>

	Non-Current		Current	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>13. LOANS AND ADVANCES (Unsecured - Considered Good)</b>				
<b>Capital Advances</b>	775.19	270.47	–	–
<b>Security Deposits</b>	756.21	584.42	189.83	120.53
<b>Loans</b>				
- To a Subsidiary Company	–	–	400.00	400.00
- To other Bodies corporate	–	–	100.00	700.00
<b>Share Application Money</b>				
- To related parties	–	2,010.00	–	–
<b>Advances recoverable in cash or kind</b>	34.80	24.09	1,347.60	629.34
<b>Other Loans and Advances</b>				
- Prepaid Expenses	0.27	1.40	371.32	378.56
- Anti Dumping Duty Receivable	–	–	156.73	74.88
- Advance Income Tax (Net of Provisions)	–	–	242.86	146.95
- Minimum Alternative Tax Credit Entitlement	1,924.00	972.00	–	–
- Balance with Statutory/Government Authorities	–	–	1,418.18	1,362.98
	<b>3,490.47</b>	<b>3862.38</b>	<b>4,226.52</b>	<b>3,813.24</b>
Advances due from Directors of the Company	–	–	2.42	1.65



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

		Non-Current		Current	
		31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>14.</b>	<b>TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>14.1</b>	<b>Trade Receivables (Unsecured)</b>				
	Debts outstanding for a period exceeding six months from the date they are due for payment :				
	- Considered Good	–	–	528.27	501.97
	- Considered Doubtful	–	–	229.02	233.99
		–	–	<b>757.29</b>	<b>735.96</b>
	Provision for doubtful trade receivables	–	–	229.02	233.99
	<b>A</b>	–	–	<b>528.27</b>	<b>501.97</b>
	Other Debts :				
	- Considered Good	–	–	16,145.85	11,579.04
	<b>B</b>	–	–	<b>16,145.85</b>	<b>11,579.04</b>
	<b>Total (A+B)</b>	–	–	<b>16,674.12</b>	<b>12,081.01</b>
<b>14.2</b>	<b>Other Assets</b>				
	Unsecured, Considered Good :				
	- Central/State Government Subsidies Receivable	351.78	432.87	1,080.41	749.77
	- Interest accrued on Loans, Deposits, etc.	–	–	47.57	46.55
	- Dividend receivable (From a subsidiary Company)	–	–	–	590.95
		<b>351.78</b>	<b>432.87</b>	<b>1,127.98</b>	<b>1,387.27</b>

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Notes	31st March 2012	31st March 2011
<b>15. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)</b>			
Raw Materials	19	12,115.61	9,983.82
Work in Progress	20	1,940.81	1,847.40
Traded Goods	20	832.42	896.15
Finished Goods	20	3,157.75	2,832.96
Stores & Spares Parts, etc.		1,602.19	1,467.63
Loose Tools		16.78	89.08
		<b>19,665.56</b>	<b>17,117.04</b>
<b>Note :</b>			
The above includes Stock in Transit :			
- Raw Materials		190.38	31.16
- Traded Goods		57.24	92.52
- Finished Goods		155.41	268.63

		Current	
		31st March, 2012	31st March, 2011
<b>16. CASH AND BANK BALANCES</b>			
<b>Cash and Cash Equivalents</b>			
Balances with Banks :			
- On Current Accounts		2,935.12	958.34
- Deposits with Original Maturity of less than three months		1,000.29	0.29
- On Unpaid Dividend Account		17.57	10.21
Cheques/Drafts on Hand		49.74	78.30
Cash on Hand		58.30	45.87
		<b>4061.02</b>	<b>1093.01</b>
<b>Other Bank Balances</b>			
Margin Money Deposits		145.00	-
		<b>145.00</b>	<b>-</b>
		<b>4,206.02</b>	<b>1,093.01</b>



# Notes to Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>17. REVENUE FROM OPERATIONS</b>		
<b>Revenue from Operations</b>		
Sale of Products :		
- Finished Goods	98,778.08	78,787.31
- Traded Goods	14,950.50	11,086.37
- Income from Logistic Services	5,328.76	3,333.26
<b>Other Operating Revenue</b>		
Scrap Sales	314.21	258.92
Export Incentives	219.61	154.93
Sales Tax Subsidy	191.35	152.02
Miscellaneous Income	46.14	16.55
<b>Revenue from Operations (Gross)</b>	<b>1,19,828.65</b>	<b>93,789.36</b>
Less : Excise Duty	7,993.79	6,083.72
<b>Revenue from Operations (Net)</b>	<b>1,11,834.86</b>	<b>87,705.64</b>

**Note :**

Excise Duty on sales amounting to ₹ 7993.79 Lacs (₹ 6083.72 Lacs) has been reduced from sales in the statement of profit & loss, while excise duty on increase/decrease in stock amounting to ₹ 56.33 Lacs (₹ 38.83 Lacs) has been considered as expense in note 22 of Financial Statements.

	2011-12	2010-11
<b>Details of Products Sold</b>		
<b>Finished Goods Sold</b>		
Plywood & Blockboard	63,557.65	49,799.89
Laminates	15,329.83	11,705.08
Pre-Laminated Particle Boards	4,081.73	2,033.90
Veneer	8,564.73	6,058.52
Ferro Silicon	6,294.58	7,889.90
Silicon Manganese	-	21.26
Power	949.56	1,278.76
	<b>98,778.08</b>	<b>78,787.31</b>
<b>Traded Goods Sold</b>		
Plywood & Blockboard	13,502.04	9,727.86
MDF	343.92	359.60
Agri Products	593.59	748.74
Others	510.95	250.17
	<b>14,950.50</b>	<b>11,086.37</b>
	<b>1,13,728.58</b>	<b>89,873.68</b>
<b>Details of Income from Logistic Services</b>		
Container Freight Station Services	5,050.38	3,176.60
Jetty Services	278.38	156.66
	<b>5,328.76</b>	<b>3,333.26</b>

# Notes to Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

		2011-12	2010-11
<b>18.</b>	<b>OTHER INCOME</b>		
	Dividend Income on Long Term Investments		
	- Subsidiaries	–	1,181.90
	- Others	1.80	0.95
	Interest Income on		
	- Fixed Deposits, Loans, etc.	263.78	338.52
	Insurance and Other Claims	35.14	30.94
	Unspent/Unclaimed liabilities written back	55.75	21.20
	Profit on Fixed Assets Sold/Discarded (net)	–	3.75
	Bad Debts Recovered	17.00	5.00
	Net gain on Sale of Current Investments	35.89	0.34
	Miscellaneous Receipts	2.17	2.97
		<b>411.53</b>	<b>1,585.57</b>

		2011-12	2010-11
<b>19.</b>	<b>COST OF RAW MATERIALS CONSUMED</b>		
	Inventory at the beginning of the year	9,983.82	8,257.34
	Add : Purchases	59,012.73	47,421.20
		68,996.55	55,678.54
	Less : Inventory at the end of the year	12,115.61	9,983.82
		<b>56,880.94</b>	<b>45,694.72</b>
	<b>Details of Raw Material consumed</b>		
	Timber Logs	23,102.40	21,053.92
	Veneer	16,342.55	10,192.79
	Chemicals	7,745.36	6,781.16
	Paper	5,379.67	4,361.31
	Particle Board	2,083.22	1,035.60
	Coal/Charcoal/Lame Coke	874.59	1,336.70
	Super Screen Coal	897.16	502.39
	Quartz	261.47	263.82
	Mill Scale	181.81	164.68
	Others	12.71	2.35
		<b>56,880.94</b>	<b>45,694.72</b>



# Notes to Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>Details of Closing Stock of Raw Materials</b>		
Timber Logs	3,753.44	3,221.72
Veneer	4,910.81	3,649.14
Chemicals	342.02	645.39
Paper	2,248.06	2,004.70
Particle Board	660.19	358.23
Coal/Charcoal/Lame Coke	171.33	54.26
Quartz	4.47	12.63
Mill Scale	22.15	35.31
Others	3.14	2.44
	<b>12,115.61</b>	<b>9,983.82</b>

	2011-12	2010-11
<b>20. (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Inventories at the beginning of the year</b>		
Traded Goods	896.15	794.97
Finished Goods	2,832.96	2,555.19
Work in Progress	1,847.40	1,556.79
	<b>5,576.51</b>	<b>4,906.95</b>
<b>Inventories at the end of the year</b>		
Traded Goods	832.42	896.15
Finished Goods	3,157.75	2,832.96
Work in Progress	1,940.81	1,847.40
	<b>5,930.98</b>	<b>5,576.51</b>
	<b>(354.47)</b>	<b>(669.56)</b>
<b>Details of Purchase of Traded Goods</b>		
Plywood and Blockboards	10,082.92	6,971.80
Veneer	0.40	5.54
Medium Density Fibre Board/Plain Particle Boards	186.47	257.76
Chemicals	608.01	499.42
Pest Control Kits	66.72	94.12
Others	495.47	245.67
	<b>11,439.99</b>	<b>8,074.31</b>

# Notes to Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>Details of Inventory</b>		
<b>Traded Goods</b>		
Veneer	0.45	5.54
Adhesive	–	0.17
Plywood and Blockboard	668.37	687.96
Medium Density Fibre Board/Plain Particle Boards	13.37	50.42
Chemicals	83.41	89.83
Pest Control Kits	66.82	62.23
	<b>832.42</b>	<b>896.15</b>
<b>Finished Goods</b>		
Plywood and Blockboard	1,426.43	1,289.49
Laminates	934.04	1,028.71
Pre-Laminated Particle Boards	56.82	36.10
Veneer	196.14	185.49
Ferro Silicon	534.77	283.62
Silicon Manganese	9.55	9.55
	<b>3,157.75</b>	<b>2,832.96</b>
<b>Work in Progress</b>		
Plywood and Blockboard	1,526.04	1,416.90
Laminates	413.03	425.37
Pre-Laminated Particle Boards	1.74	5.13
	<b>1,940.81</b>	<b>1,847.40</b>

	2011-12	2010-11
<b>21. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus, etc.	8,526.61	6,718.84
Contribution to Provident, Gratuity and Other Funds	609.92	562.21
Employees Welfare Expenses	300.45	248.35
	<b>9,436.98</b>	<b>7,529.40</b>



# Notes to Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>22. OTHER EXPENSES</b>		
Stores & Spare parts consumed	1,296.30	1,313.27
Loose Tools consumed	63.42	46.46
Power and Fuel	5,145.91	4,215.00
(Increase)/Decrease of Excise Duty on Inventory	56.33	38.83
Insurance	230.27	160.95
Jetty Expenses	19.81	29.49
Container Freight Station Operating Expenses (Note 40)	918.79	712.51
Rent	703.50	488.58
Rates & Taxes	101.49	123.13
<b>Repairs &amp; Maintenance</b>		
- Buildings	144.90	83.44
- Plant & Machinery	760.51	554.57
- Others	314.12	294.59
Transport & Freight	3,522.65	3,043.34
Commission on Sales	644.47	449.86
Advertisement, Publicity and Sales Promotion	3,290.61	3,008.35
Communication Expenses	237.98	226.10
Directors' Remuneration	279.40	193.28
Auditors' Remuneration	37.93	35.00
Charity and Donations	191.58	241.56
Octroi	305.47	318.55
Sales Tax for earlier years	23.45	9.47
Foreign Exchange Fluctuations (Net)	172.42	11.73
Loss on Fixed Assets Sold/Discarded (net)	0.60	-
Irrecoverable Debts written off	81.58	54.68
Provision for Doubtful Debts	12.32	50.57
Miscellaneous Expenses	2,021.53	1,607.38
	<b>20,577.34</b>	<b>17,310.69</b>
<b>Payment to Auditors</b>		
As Auditor :		
- Audit Fees	15.00	15.00
- Limited Review	9.00	9.00
In other Capacity :		
- For Certificate and other Services	5.20	4.70
- Reimbursement of Expenses	0.86	0.64
Payment to Branch Auditors :		
- Audit Fees	7.87	5.66
	<b>37.93</b>	<b>35.00</b>

# Notes to Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

		2011-12	2010-11
<b>23.</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
	Depreciation on Tangible Assets	2,623.56	2,371.46
	Depreciation on Intangible Assets	34.36	51.68
		<b>2,657.92</b>	<b>2,423.14</b>
	Less : Recoupment from Revaluation Reserve	6.63	5.56
		<b>2,651.29</b>	<b>2,417.58</b>

		2011-12	2010-11
<b>24.</b>	<b>FINANCE COST</b>		
	Interest Expenses [Net of Capitalisation ₹ 12.18 Lacs (₹ 9.96 Lacs)]	1433.09	998.99
	Exchange difference to the extent considered as an adjustment to borrowing costs	2120.55	79.17
	Bank Charges	442.69	277.81
		<b>3,996.33</b>	<b>1,355.97</b>

		2011-12	2010-11
<b>25.</b>	<b>EXCEPTIONAL ITEMS</b>		
	Foreign Exchange Fluctuation	3442.82	–
	Less : Exchange difference to the extent considered as an adjustment to borrowing costs (Note - 24)	2120.55	–
		<b>1,322.27</b>	<b>–</b>

**Note :**

The Company has treated loss arisen on account of foreign exchange fluctuations and on re-instatement of forex assets and liabilities as on 31st March, 2012, as exceptional item, since the same has resulted from exceptionally volatile global market developments during the period from July, 2011 to March, 2012.



## Notes to Financial Statements

as at and for the year ended 31st March, 2012

### 26. Capital & Other Commitments

- Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for ₹ 1,395.35 Lacs (₹ 271.89 Lacs).
- For commitment relating to lease arrangements, please refer note no. 31.

### 27. Contingent Liabilities

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Contingent Liabilities not provided for in respect of :-		
(a) Demands/Claims by various Government Authorities and others not acknowledged as debt :		
(i) Excise Duty/Service Tax	392.54	537.40
(ii) Sales Tax/VAT	327.14	316.20
(iii) Income Tax	313.38	285.52
(iv) Others	–	34.32
<b>Total</b>	<b>1,033.06</b>	<b>1,173.44</b>
(b) Guarantees in favour of a bank against facilities granted to a Subsidiary Company	641.00	641.00
(c) Un-redeemed bank guarantees	557.29	507.11
(d) Bills discounted with banks	9.29	751.31
(e) Letters of credit issued by the banks	3,102.55	2,086.46
(f) Custom Duty on import under EPCG Scheme against which Export obligation is to be fulfilled	68.12	24.39

#### Note :

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

- There is a diminution of ₹ 185.70 lacs (₹ 66.30 Lacs) in the value of a quoted investment based on the last quoted price. The above investment being long term and strategic in nature, the said diminution, in the opinion of the management, is temporary in nature and hence no provision is considered necessary.
- Excise Duty debited to Statement of Profit & Loss is Net of Subsidy ₹ 687.93 Lacs (₹ 436.67 Lacs).
- Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under :

(₹ in Lacs)

	2011-2012	2010-2011
(i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance)	0.46	5.69
(ii) Interest due on above	–	–
<b>Total of (i) &amp; (ii)</b>	<b>0.46</b>	<b>5.69</b>

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	2011-2012	2010-2011
(iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	–	–
(iv) Amount paid to the suppliers beyond the respective appointed date.	–	–
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	–	–
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	–	–
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	–	–

## 31. (a) Operating Lease :

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

(₹ in Lacs)

Particulars	2011-2012	2010-2011
Lease payments made for the year*	236.29	219.27

\* Excluding lease rent for use of Land ₹ 467.21 Lacs (₹ 269.31 Lacs).

- (b) Fixed Assets include certain Vehicles obtained on finance lease. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. The year-wise break-up and future obligation towards minimum lease payments of ₹ 662.66 Lacs (₹ 707.25 Lacs) consisting of present value of lease payments of ₹ 589.82 Lacs (₹ 610.10 Lacs) and financial charges ₹ 72.84 Lacs (₹ 97.15 Lacs) under the respective agreements as on 31st March, 2012, is given below :

(₹ in Lacs)

Particulars	Not later than 1 year		Later than 1 year but not later than 5 years	
	Minimum lease payments	Present value as on 31.03.2012	Minimum lease payments	Present value as on 31.03.2012
Finance Lease	314.47 (243.68)	259.45 (188.03)	348.19 (463.57)	330.36 (422.07)

\* Rate of Interest - 10.00% – 11.25%.

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



## Notes to Financial Statements

as at and for the year ended 31st March, 2012

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

(₹ in Lacs)

	2011-12	2010-11
<b>(i) Net Employee Expense/(Benefit)</b>		
Current service cost	86.75	81.34
Interest cost on benefit obligation	51.94	39.21
Expected return on plan assets	(51.91)	(36.98)
Net Actuarial (gains)/losses recognized in the year	22.70	77.17
Total employer expense	109.48	160.74
<b>(ii) Actual return on plan assets</b>	48.02	37.02
<b>(iii) Benefit Asset/(Liability)</b>		
Fair Value of Plan Assets	748.98	508.47
Defined benefit obligation	726.74	591.98
Benefit Asset/(Liability)	22.24	(83.51)
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	591.98	412.69
Interest cost	51.94	39.21
Current service cost	86.75	81.34
Benefits paid	(22.74)	(18.47)
Actuarial (gains)/losses	18.81	77.21
Closing benefit obligation	726.74	591.98
<b>(v) Movement in fair value of plan assets</b>		
Opening fair value of plan assets	508.47	388.37
Expected Return on plan assets	51.91	36.98
Contribution by employer	215.23	101.55
Benefits paid	(22.74)	(18.47)
Actuarial gains/(losses) on obligation	(3.89)	0.04
Closing fair value of plan assets	748.98	508.47
<b>(vi) The major categories of plan assets as a percentage of the fair value of total plan assets</b>		
Funded with insurer	100%	100%
<b>(vii) The Principal actuarial assumptions are as follows :</b>		
Discount rate	8%	8%
Expected Return on plan assets	8%	8%
Salary Increase	5%	5%
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	1%-2%	1%-2%

(viii) Amount incurred as expense for defined contribution to Provident Fund is ₹ 310 Lacs (₹ 243.12 Lacs).

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

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(x) The Company expects to contribute ₹ 100 Lacs (₹ 125 Lacs) to Gratuity Fund in 2012-2013.

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

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Defined Benefit Obligation	726.74	591.98	412.69	363.32	198.84
Plan Assets	748.98	508.47	388.37	231.49	183.89
Surplus/(Deficit)	22.24	(83.51)	(24.32)	(131.83)	(14.95)
Experience adjustments on Plan Liability	18.81	77.21	*		
Experience adjustments on Plan Assets	(3.89)	0.04			

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

### 33. Earning Per Share (EPS) :

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

	2011-2012	2010-2011
Profit as per the Statement of Profit & Loss (₹ in Lacs)	6,008.65	7,450.76
Less : Preference dividend for the year (including Tax on Dividend) (₹ in Lacs)	5.23	5.23
Profit available for Equity Shareholders (₹ in Lacs)	6,003.42	7,445.53
Weighted average number of Equity Shares outstanding during the year	22,21,72,990	22,21,72,990
Nominal value of equity shares (₹)	1	1
Basic and Diluted Earnings Per Share (EPS) (₹)	2.70	3.35

### 34. Derivative instruments and unhedged foreign currency exposure.

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

Interest Rate Swap	
Notional amount USD 120 Lacs (NIL) [₹ 6139.20 Lacs (NIL)]	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 1.62% p.a. (in USD) and receive a variable interest @ 3 month LIBOR on the notional amount.

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

(₹ In Lacs)

Nature of Item	2011-12	2010-11
Foreign Currency Term Loans	6,653.41	448.15
Buyer's Credit	22,768.93	14,237.09
Trade Receivables	561.89	405.09
Trade Payables	4,068.93	4,710.52

35. Charity and Donations includes ₹ 4.00 Lacs (₹ 10.00 Lacs) paid to the Bhartiya Janata Party and Rs NIL (₹ 5.00 Lacs) paid to West Bengal Pradesh Congress Committee for political purposes.



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

## 36. Related Party Disclosures

a) Name of the related parties :

<b>Subsidiary Companies</b>	<p>Cement Manufacturing Company Ltd. Auro Sundram Ply &amp; Door Pvt. Ltd. Megha Technical &amp; Engineers Pvt. Ltd. Meghalaya Power Ltd. Star Cement Meghalaya Ltd. NE Hills Hydro Ltd. (with effect from 3rd February, 2011) Star Ferro &amp; Cement Ltd. (with effect from 10th March, 2011) Aegis Business Ltd. Aegis Overseas Ltd.</p>
<b>Associates</b>	<p>Adonis Vyaper Pvt. Ltd. (with effect from 31st March, 2012) Apnapan Viniyog Pvt. Ltd. (with effect from 31st March, 2012) Ara Suppliers Pvt. Ltd. (with effect from 31st March, 2012) Arham Sales Pvt. Ltd. (with effect from 31st March, 2012)</p>
<b>Key Management Personnel</b>	<p>Sri Satya Brata Ganguly (Chairman) (Resigned on 12th March, 2012) Sri Sajjan Bhajanka (Chairman) Sri Sanjay Agarwal (Managing Director) Sri Prem Kumar Bhajanka (Managing Director) Sri Vishnu Khemani (Managing Director) Sri Hari Prasad Agarwal (Vice Chairman) Sri Ajay Baldawa (Executive Director) Sri Brij Bhushan Agarwal (Director) (Resigned on 10th May, 2011) Sri Arun Kumar Julasaria (Chief Financial Officer cum Company Secretary)</p>
<b>Enterprises Owned/Influenced by Key Management Personnel or their relatives</b>	<p>Adonis Vyaper Pvt. Ltd. (upto 30th March, 2012) Apnapan Viniyog Pvt. Ltd. (upto 30th March, 2012) Ara Suppliers Pvt. Ltd. (upto 30th March, 2012) Arham Sales Pvt. Ltd. (upto 30th March, 2012) Brijdham Merchants Pvt. Ltd. Pacific Plywoods Pvt. Ltd. Shyam Century Cement Industries Ltd. Sriram Merchants Pvt. Ltd. Sriram Vanijya Pvt. Ltd. Sumangal Business Pvt. Ltd. Sumangal International Pvt. Ltd.</p>
<b>Relatives of Key Management Personnel</b>	<p>Smt. Santosh Bhajanka (Wife of Sri Sajjan Bhajanka) Smt. Divya Agarwal (Wife of Sri Sanjay Agarwal) Smt. Sumitra Devi Agarwal (Wife of Sri Hari Prasad Agarwal) Smt. Yash Bhajanka (Wife of Sri Prem Kumar Bhajanka) Smt. Sudha Khemani (Wife of Sri Vishnu Khemani) Sri Keshav Bhajanka (Son of Sri Sajjan Bhajanka) Miss Nikita Agarwal (Daughter of Sri Sanjay Agarwal)</p>

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2012

Sl. No.	Type of Transactions	Subsidiaries		Associates		Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>1</b>	<b>Purchase of Trading Goods</b>												
	Auro Sundram Ply & Door Pvt. Ltd.	4,788.02	4,273.52	-	-	-	-	-	-	-	-	4,788.02	4,273.52
	Cement Manufacturing Co. Ltd.	9.49	-	-	-	-	-	-	-	-	-	9.49	-
<b>2</b>	<b>Sale of Products</b>												
	Aegis Overseas Ltd.	184.13	191.21	-	-	-	-	-	-	-	-	184.13	191.21
	Cement Manufacturing Co. Ltd.	498.85	42.62	-	-	-	-	-	-	-	-	498.85	42.62
	Auro Sundram Ply & Door Pvt. Ltd.	98.01	41.86	-	-	-	-	-	-	-	-	98.01	41.86
	Others	40.75	87.02	-	-	-	2.87	-	-	-	-	40.75	89.89
<b>3</b>	<b>Income from Logistics Services</b>												
	Star Cement Meghalaya Ltd.	10.59	-	-	-	-	-	-	-	-	-	10.59	-
<b>4</b>	<b>Purchase of Capital Goods</b>												
	Cement Manufacturing Company Ltd.	15.82	0.19	-	-	-	-	-	-	-	-	15.82	0.19
	Megha Technical & Engineers Pvt. Ltd.	9.80	21.75	-	-	-	-	-	-	-	-	9.80	21.75
<b>5</b>	<b>Professional Services availed</b>												
	Aegis Business Ltd.	31.21	9.93	-	-	-	-	-	-	-	-	31.21	9.93
<b>6</b>	<b>Loan taken</b>												
	Brijdham Merchants Pvt. Ltd.	-	-	-	-	367.70	75.50	-	-	-	-	367.70	75.50
	Sriram Merchants Pvt. Ltd.	-	-	-	-	603.00	346.50	-	-	-	-	603.00	346.50
	Sriram Vanijya Pvt. Ltd.	-	-	-	-	1,315.00	673.50	-	-	-	-	1,315.00	673.50
	Sumangal Business Pvt. Ltd.	-	-	-	-	259.50	23.00	-	-	-	-	259.50	23.00
	Sumangal International Pvt. Ltd.	-	-	-	-	113.00	483.54	-	-	-	-	113.00	483.54
	Cement Manufacturing Co. Ltd.	1,920.00	3,430.00	-	-	-	-	-	-	-	-	1,920.00	3,430.00
	Megha Technical & Engineers Pvt. Ltd.	750.00	-	-	-	-	-	-	-	-	-	750.00	-
	Aegis Business Ltd.	450.00	-	-	-	-	-	-	-	-	-	450.00	-
	Sri Prem Kumar Bhajanka	-	-	-	-	-	-	300.00	-	-	-	300.00	-
<b>7</b>	<b>Loan Repaid</b>												
	Brijdham Merchants Pvt. Ltd.	-	-	-	-	367.70	144.49	-	-	-	-	367.70	144.49
	Sriram Merchants Pvt. Ltd.	-	-	-	-	603.00	733.63	-	-	-	-	603.00	733.63
	Sriram Vanijya Pvt. Ltd.	-	-	-	-	1,315.00	1,790.64	-	-	-	-	1,315.00	1,790.64
	Sumangal Business Pvt. Ltd.	-	-	-	-	259.50	202.36	-	-	-	-	259.50	202.36
	Sumangal International Pvt. Ltd.	-	-	-	-	113.00	712.66	-	-	-	-	113.00	712.66
	Cement Manufacturing Co. Ltd.	2,420.00	2,930.00	-	-	-	-	-	-	-	-	2,420.00	2,930.00
	Megha Technical & Engineers Pvt. Ltd.	750.00	-	-	-	-	-	-	-	-	-	750.00	-
	Aegis Business Ltd.	450.00	-	-	-	-	-	-	-	-	-	450.00	-
<b>8</b>	<b>Loan Given</b>												
	Cement Manufacturing Co. Ltd.	2,300.00	1,400.00	-	-	-	-	-	-	-	-	2,300.00	1,400.00
	Aegis Business Ltd.	50.00	220.00	-	-	-	-	-	-	-	-	50.00	220.00
	Auro Sundram Ply & Door Pvt. Ltd.	-	200.00	-	-	-	-	-	-	-	-	-	200.00
<b>9</b>	<b>Loan Received Back</b>												
	Cement Manufacturing Co. Ltd.	2,300.00	1,400.00	-	-	-	-	-	-	-	-	2,300.00	1,400.00
	Auro Sundram Ply & Door Pvt. Ltd.	35.82	2.38	-	-	-	-	-	-	-	-	35.82	2.38
	Aegis Business Ltd.	50.00	220.00	-	-	-	-	-	-	-	-	50.00	220.00
<b>10</b>	<b>Advances Taken</b>												
	Pacific Plywoods Pvt. Ltd.	-	-	-	-	-	190.00	-	-	-	-	-	190.00



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2012

Sl. No.	Type of Transactions	Subsidiaries		Associates		Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
11	<b>Advances Refunded</b>												
	Pacific Plywoods Pvt. Ltd.	-	-	-	-	-	190.00	-	-	-	-	-	190.00
12	<b>Share Application Money</b>												
	Shyam Century Cement Industries Ltd.	-	-	-	-	-	79.00	-	-	-	-	-	79.00
	Meghalaya Power Ltd.	-	1,577.00	-	-	-	-	-	-	-	-	-	1,577.00
13	<b>Refund of Share Application Money</b>												
	Ara Suppliers Pvt. Ltd.	-	-	-	-	1.00	-	-	-	-	-	1.00	-
	Shyam Century Cement Industries Ltd.	-	-	-	-	242.00	-	-	-	-	-	242.00	-
14	<b>Investments Made</b>												
	Star Ferro & Cement Ltd.	-	5.00	-	-	-	-	-	-	-	-	-	5.00
	Adonis Vyaper Pvt. Ltd.	-	-	47.50	-	-	-	-	-	-	-	47.50	-
	Apnapan Viniyog Pvt. Ltd.	-	-	47.50	-	-	-	-	-	-	-	47.50	-
	Ara Suppliers Pvt. Ltd.	-	-	47.50	-	-	-	-	-	-	-	47.50	-
	Arham Sales Pvt. Ltd.	-	-	47.50	-	-	-	-	-	-	-	47.50	-
	Meghalaya Power Ltd.	1,577.00	1.50	-	-	-	-	-	-	-	-	1,577.00	1.50
15	<b>Interest Paid</b>												
	Brijdham Merchants Pvt. Ltd.	-	-	-	-	11.06	2.60	-	-	-	-	11.06	2.60
	Sriram Merchants Pvt. Ltd.	-	-	-	-	14.25	21.92	-	-	-	-	14.25	21.92
	Sriram Vanijya Pvt. Ltd.	-	-	-	-	40.36	57.36	-	-	-	-	40.36	57.36
	Sumangal Business Pvt. Ltd.	-	-	-	-	7.68	10.15	-	-	-	-	7.68	10.15
	Sumangal International Pvt. Ltd.	-	-	-	-	3.87	10.66	-	-	-	-	3.87	10.66
	Cement Manufacturing Co. Ltd.	50.65	58.35	-	-	-	-	-	-	-	-	50.65	58.35
	Aegis Business Ltd.	19.99	-	-	-	-	-	-	-	-	-	19.99	-
	Megha Technical & Engineers Pvt. Ltd.	40.78	-	-	-	-	-	-	-	-	-	40.78	-
	Sri Prem Kumar Bhajanka	-	-	-	-	-	-	8.39	-	-	-	8.39	-
16	<b>Interest Received</b>												
	Auro Sundram Ply & Door Pvt. Ltd.	46.00	23.76	-	-	-	-	-	-	-	-	46.00	23.76
	Aegis Business Ltd.	-	1.64	-	-	-	-	-	-	-	-	-	1.64
	Cement Manufacturing Co. Ltd.	31.35	9.16	-	-	-	-	-	-	-	-	31.35	9.16
17	<b>Dividend Received</b>												
	Cement Manufacturing Co. Ltd.	-	1,181.90	-	-	-	-	-	-	-	-	-	1,181.90
18	<b>Dividend Paid</b>												
	Sri Sajjan Bhajanka	-	-	-	-	-	-	491.43	55.80	-	-	491.43	55.80
	Sri Sanjay Agarwal	-	-	-	-	-	-	424.44	47.31	-	-	424.44	47.31
	Smt. Divya Agarwal	-	-	-	-	-	-	-	-	335.00	41.87	335.00	41.87
	Sri Prem Kumar Bhajanka	-	-	-	-	-	-	305.17	39.52	-	-	305.17	39.52
	Others	-	-	-	-	786.58	98.32	202.95	36.32	697.51	128.94	1,650.15	258.98
19	<b>Remuneration Paid</b>												
	Sri Sajjan Bhajanka	-	-	-	-	-	-	60.00	36.00	-	-	60.00	36.00
	Sri Sanjay Agarwal	-	-	-	-	-	-	60.00	36.00	-	-	60.00	36.00
	Sri Prem Kumar Bhajanka	-	-	-	-	-	-	36.00	36.00	-	-	36.00	36.00
	Sri Vishnu Khemani	-	-	-	-	-	-	60.00	36.00	-	-	60.00	36.00
	Others	-	-	-	-	-	-	85.37	67.05	8.59	-	93.96	67.05
20	<b>Sitting Fees</b>												
	Sri Satya Brata Ganguly	-	-	-	-	-	-	0.40	0.38	-	-	0.40	0.38

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2012

Sl. No.	Type of Transactions	Subsidiaries		Associates		Enterprises owned/ Influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>21</b>	<b>Guarantees Obtained*</b>												
	Sri Sajjan Bhajanka	-	-	-	-	-	-	38,257.05	35,757.05	-	-	38,257.05	35,757.05
	Sri Sanjay Agarwal	-	-	-	-	-	-	35,757.05	35,757.05	-	-	35,757.05	35,757.05
	Sri Hari Prasad Agarwal	-	-	-	-	-	-	35,757.05	35,757.05	-	-	35,757.05	35,757.05
<b>22</b>	<b>Guarantees Given</b>												
	Auro Sundram Ply & Door Pvt. Ltd.	641.00	641.00	-	-	-	-	-	-	-	-	641.00	641.00
<b>23</b>	<b>Balance Outstanding on account of</b>												
<b>A</b>	<b>Receivable/(Payable)</b>												
	Auro Sundram Ply & Door Pvt. Ltd.	(587.48)	(871.24)	-	-	-	-	-	-	-	-	(587.48)	(871.24)
	Aegis Business Ltd.	-	1.07	-	-	-	-	-	-	-	-	-	1.07
	Star Ferro & Cement Ltd.	-	0.30	-	-	-	-	-	-	-	-	-	0.30
	Megha Technical & Engineers Pvt. Ltd.	-	(1.05)	-	-	-	-	-	-	-	-	-	(1.05)
	Others	-	-	-	-	-	0.42	0.94	-	0.01	-	0.95	0.42
<b>B</b>	<b>Share Application Money</b>												
	Adonis Vyaper Pvt. Ltd.	-	-	-	-	-	47.50	-	-	-	-	-	47.50
	Apnapan Viniyog Pvt. Ltd.	-	-	-	-	-	47.50	-	-	-	-	-	47.50
	Ara Suppliers Pvt. Ltd.	-	-	-	-	-	48.50	-	-	-	-	-	48.50
	Arham Sales Pvt. Ltd.	-	-	-	-	-	47.50	-	-	-	-	-	47.50
	Shyam Century Cement Industries Ltd.	-	-	-	-	-	242.00	-	-	-	-	-	242.00
	Meghalaya Power Ltd.	-	1,577.00	-	-	-	-	-	-	-	-	-	1,577.00
<b>C</b>	<b>Loans (incl. interest)</b>												
	Auro Sundram Ply & Door Pvt. Ltd.	441.40	431.22	-	-	-	-	-	-	-	-	441.40	431.22
	Sri Prem Kumar Bhajanka	-	-	-	-	-	-	(300.00)	-	-	-	(300.00)	-
	Cement Manufacturing Co. Ltd.	-	(500.00)	-	-	-	-	-	-	-	-	-	(500.00)
<b>D</b>	<b>Remuneration Payable</b>												
	Sri Ajay Baldawa	-	-	-	-	-	-	1.56	1.20	-	-	1.56	1.20
	Sri Arun Julasaria	-	-	-	-	-	-	0.28	1.21	-	-	0.28	1.21
	Miss Nikita Agarwal	-	-	-	-	-	-	-	-	0.44	-	0.44	-
	Sri Keshav Bhajanka	-	-	-	-	-	-	-	-	1.13	-	1.13	-
<b>E</b>	<b>Dividend Receivable</b>												
	Cement Manufacturing Co. Ltd.	-	590.95	-	-	-	-	-	-	-	-	-	590.95

\* Guarantees given in aggregate by all the directors.



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

## 37. The Company's segment information as at and for the Year ended 31st March, 2012 are as below :

Sl. No.		Plywood	Laminate	Logistics	Ferro Alloys	Power	Others	Total
a	<b>Revenue (Gross)</b>							
	External Sales	85,513.90 (65,774.65)	19,729.74 (13,921.40)	5,328.76 (3,333.26)	6,294.58 (7,911.16)	949.56 (1,278.76)	1,240.80 (987.71)	1,19,057.34 (93,206.94)
	Inter-segment Sales	- -	- -	143.21 (49.41)	- -	2,792.73 (2,835.22)	48.20 (123.70)	2,984.14 (3,008.33)
	<b>Total Revenue (Gross)</b>	<b>85,513.90</b> (65,774.65)	<b>19,729.74</b> (13,921.40)	<b>5,471.97</b> (3,382.67)	<b>6,294.58</b> (7,911.16)	<b>3,742.29</b> (4,113.98)	<b>1,289.00</b> (1,111.41)	<b>1,22,041.48</b> (96,215.27)
b	<b>Result</b>							
	Segment Results	7,756.55 (3,729.75)	2,190.63 (1,105.64)	1884.97 (767.03)	(95.76) (1,162.06)	168.34 (1061.50)	190.67 (149.32)	12,095.40 (7,975.30)
	Unallocated Income/(-) Expenses (Net of unallocated income/(-) Expense (including exceptional items)							(1,803.35) (947.98)
	Operating Profit							10,292.05 (8,923.28)
	Interest Expenses							3,996.33 (1,345.18)
	Provision for Taxation							1,258.00 (1,290.80)
	Mat Credit Entitlement							952.00 (972.00)
	Deferred Tax Charge/(-) Credit							(18.93) (191.46)
	Net Profit							6,008.65 (7,450.76)
	<b>Other Information</b>							
a	<b>Total Assets</b>							
	Segment Assets	37,995.20 (27,861.79)	13,140.38 (9,727.37)	7,883.88 (8,219.79)	3,752.31 (3,110.79)	3,233.34 (3,208.73)	628.34 (321.63)	66,633.45 (52,450.10)
	Unallocated Corporate/Other Assets							11,544.83 (10,459.93)
								78,178.28 (62,910.03)
b	<b>Total Liabilities</b>							
	Segment Liabilities	5,948.11 (7,180.08)	3,956.15 (2,582.25)	483.40 (486.77)	426.31 (293.22)	256.84 (595.57)	158.11 (136.79)	11,228.92 (11,274.68)
	Unallocated Corporates/Other Liabilities							35,696.55 (23,797.18)
								46,925.47 (35,071.86)
c	<b>Capital Expenditure*</b>	2,985.35 (1,345.95)	1,561.38 (799.43)	529.50 (1,600.95)	89.23 (130.98)	962.15 (305.44)	0.94 (9.96)	6,128.55 (4,192.71)

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

Sl. No.		Plywood	Laminate	Logistics	Ferro Alloys	Power	Others	Total
d	<b>Depreciation/Amortisation</b>	<b>950.30</b> (930.66)	<b>438.49</b> (337.29)	<b>808.86</b> (726.02)	<b>118.68</b> (106.34)	<b>331.76</b> (316.17)	<b>3.20</b> (1.10)	<b>2,651.29</b> (2,417.58)
e	<b>Geographical Segment</b>							
	i. Revenue (Gross)							
	- India							<b>1,15,644.62</b> (90,188.32)
	- Overseas							<b>3,412.72</b> (3,018.62)
	ii. Carrying amount of Segment Assets							
	- India							<b>66,071.56</b> (52,045.01)
	- Overseas							<b>561.89</b> (405.09)

\*Excluding ₹ 77.01 Lacs (₹ 98.97 Lacs) on unallocated corporate assets.

## Notes :

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

Plywood	- Plywood, Block-Board, Veneer & Timber
Laminate	- Decorative Laminates & Pre-laminated Boards
Ferro-Alloys	- Ferro Silicon
Power	- Generation of Power
Logistic	- Container Freight Stations (CFS) and Jetty
Others	- Mainly Trading of Chemicals and Minerals

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

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

38. Foreign Exchange Loss ₹ 921.78 Lacs (₹ 11.73 Lacs) (Net) towards creditors/debtors pertaining to specific segments has been included as unallocable income/expenses instead of the relevant segments results as the amount of such exchange gain/loss for different segments is not ascertainable.

39. The Company has paid anti dumping duty amounting to ₹ 156.73 Lacs (including ₹ 81.85 Lacs during the year) on import of phenol which in opinion of the management and based on a legal opinion, is in excess of actual margin of dumping of said materials and accordingly refundable in terms of Section 9AA of Custom Tariff Act, 1975 and hence the same is considered as receivable and included under the head Loans & Advances.

40. The following expenses are included under Container Freight Station operating expenses in the Statement of Profit & Loss.

	2011-12	2010-11
Customs Personnel Deputation Expenses	192.45	139.35
Rent	83.72	96.26
Transport & Freight	520.26	476.13
Miscellaneous Expenses	122.36	0.77
<b>Total</b>	<b>918.79</b>	<b>712.51</b>



# Notes to Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

41. (a)	Particulars	Unit	Opening Stock		Production	Purchases		Turnover (b)		Closing Stock	
			Quantity	Amount		Quantity	Amount	Quantity	Amount	Quantity	Amount
i)	Plywood	CBM	5,800 (5,479)	1,977.44 (1,668.42)	124,624 (111,414)	36,125 (29,766)	10,082.92 (6,971.79)	160,393 (140,859)	76,284.85 (59,527.75)	6,156 (5,800)	2,094.72 (1,977.44)
ii)	Veneer	CBM	690 (936)	191.03 (289.61)	79,735 (a) (81,191)	15 (2,550)	0.40 (5.54)	36,954 (32,879)	9,243.17 (6,058.52)	563 (690)	196.59 (191.03)
iii)	Laminate Sheets	Nos.	242,240 (258,129)	1,028.71 (955.10)	2,373,697 (2,090,764)	- (-)	- (-)	2,444,042 (2,106,653)	15,329.83 (11,705.08)	171,895 (242,240)	934.04 (1,028.71)
iv)	Pre-Laminated Boards	SQM	13,330 (6,215)	36.10 (25.97)	1,118,608 (608,080)	- (-)	- (-)	1,113,753 (600,965)	4,081.73 (2,033.90)	18,185 (13,330)	56.82 (36.10)
v)	Ferro Silicon	MT	568 (456)	283.62 (189.47)	8,816 (10,366)	- (-)	- (-)	8,485 (10,254)	6,294.58 (7,889.90)	899 (568)	534.77 (283.62)
vi)	Silicon Manganese	MT	39 (74)	9.55 (28.76)	- (-)	- (-)	- (-)	- (35)	(21.26)	39 (39)	9.55 (9.55)
vii)	Power	MW	- (-)	- (-)	101,402 (a) (115,305)	- (-)	- (-)	21,527 (22,845)	949.56 (1,278.76)	- (-)	- (-)
viii)	Adhesives	MT	1 (1)	0.17 (0.53)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1)	- (0.17)
ix)	MDF/PPB	CBM	317 (352)	50.43 (55.86)	- (-)	1,151 (1,620)	186.47 (257.76)	1,419 (1,655)	343.92 (359.60)	49 (317)	13.37 (50.43)
x)	Chemicals	MT	51 (44)	89.83 (82.94)	- (-)	311 (311)	608.01 (499.42)	318 (304)	591.89 (591.14)	44 (51)	83.41 (89.83)
x)	Pest Control Kits	PCS	190,421 (82,835)	62.23 (53.50)	- (-)	435,054 (483,167)	66.72 (94.12)	429,101 (375,581)	98.10 (157.60)	196,374 (190,421)	66.91 (62.23)
xi)	Others	-	- (-)	- (-)	- (-)	- (-)	495.47 (245.68)	- (-)	510.95 (250.17)	- (-)	- (-)
				3,729.11 (3,350.16)			11,439.99 (8,074.31)		113,728.58 (89,873.68)		3,990.17 (3,729.11)

(a) Includes 42923 CBM (48561 CBM) of Veneer and 79875 MW (92460 MW) of power for own consumption.

(b) Includes Excise duty

# Notes to Financial Statements

as at and for the year ended 31st March, 2012

## 41. (b) Raw Materials Consumed :

		2011-12		2010-11	
	Unit of Qty.	Quantity	Value (₹ in Lacs)	Quantity	Value (₹ in Lacs)
(i) Timber Logs	CBM	1,15,124	23,102.40	1,25,276	21,053.92
(ii) Veneer	CBM	1,53,201	16,342.53	1,35,402	10,192.79
(iii) Chemicals	KGS/LTR.	1,62,10,715	7,745.36	1,47,05,179	6,781.16
(iv) Paper	KGS	73,63,035	5,379.67	67,73,991	4,361.31
(v) Particle Board	CBM	11,42,350	2,083.22	6,18,523	1,035.60
(vi) Coal/Charcoal/Lam Coke	MT	8,242	874.59	13,940	1,336.70
(vii) Super Screen Coal	MT	5,574	897.16	3,455	502.39
(viii) Quartz	MT	17,134	261.47	19,917	263.82
(ix) Mill Scale	MT	3169	181.81	4106	164.68
(x) Others			12.73	-	2.35
<b>Total</b>			<b>56,880.94</b>		<b>45,694.72</b>

## (c) Value of Imported and Indigenous Raw Materials and Stores, Spare parts, etc. and their percentage to total consumption

		2011-12		2010-11	
		Value (₹ in Lacs)	%	Value (₹ in Lacs)	%
<b>Raw Materials</b>					
- Imported		28,505.89	50.12	27,720.76	60.67
- Indigenous		28,375.05	49.88	17,973.96	39.33
<b>Total</b>		<b>56,880.94</b>	<b>100.00</b>	<b>45,694.72</b>	<b>100.00</b>
<b>Stores &amp; Spare parts etc.</b>					
- Imported		5.49	0.42	31.17	2.37
- Indigenous		1,290.81	99.58	1,282.10	97.63
<b>Total</b>		<b>1,296.30</b>	<b>100.00</b>	<b>1,313.27</b>	<b>100.00</b>

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



## Notes to Financial Statements

as at and for the year ended 31st March, 2012

### (d) Value of Imports (CIF) :

(₹ in Lacs)

	2011-12	2010-11
Raw Materials	31,925.35	25,134.09
Capital goods	259.77	160.02
Purchases of Finished Goods	2,243.43	449.72
Stores & Spares	63.06	99.41

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

	2011-12	2010-11
Travelling Expenses	35.95	26.50
Interest	243.46	185.70
Others	39.62	239.82
<b>Total</b>	<b>319.03</b>	<b>452.02</b>

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

	2011-12	2010-11
Export (FOB Value)	3,412.72	3,018.62

42. Previous year's figures including those given in brackets have been re-arranged where necessary to conform to the current year's classifications under Revised Schedule VI as stated in note 1.1(i) above.

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

Per **R. K. Agrawal**  
a Partner  
Membership No. 16667  
Place : Kolkata  
Date : 9th May, 2012

For and on behalf of the Board of Directors

**Arun Kumar Julasaria**      **Sajjan Bhajanka**      **Sanjay Agarwal**  
CFO & Company Secretary      Chairman & Whole-Time Director      Managing Director

# Statement relating to Subsidiaries

## Pursuant to Section 212 of the Companies Act, 1956 (as on 31st March, 2012)

Sl.	Particulars	Name of Subsidiaries								
		Direct Subsidiaries				Ultimate Subsidiaries				
		Cement Manufacturing Co. Ltd.	Auro Sundram Ply & Door Pvt. Ltd.	Aegis Business Ltd.	Star Ferro and Cement Ltd.	Meghalaya Power Ltd.	Megha Technical & Engineers Pvt. Ltd.	Star Cement Meghalaya Ltd.	Aegis Overseas Ltd.	NE Hills Hydro Ltd.
1.	Financial year of the Subsidiary ended on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
2.	Date from which they became Subsidiary	1st October, 2005	20th December, 2006	6th July, 2009	10th March, 2011	14th July, 2008	23rd March, 2006	2nd June, 2007	15th July, 2009	3rd February, 2011
3.	Shares of the Subsidiary held by the Company/ Direct Subsidiary as on 31st March, 2012									
	a) Number of Shares	2,95,47,500	5,10,000	5,10,000	5,00,000	1,70,95,618	2,73,36,400	2,26,57,406	10	70,000
	b) Face value of Shares	₹ 10/-	₹ 10/-	₹ 10/-	₹ 1/-	₹ 10/-	₹ 10/-	₹ 10/-	USD 1000 (₹ 51,160)	₹ 10/-
	c) Extent of Holding	70.48%	51%	51%	100%	99.80%	99.96%	100%	100%	100%
4.	The net aggregate amount of the Subsidiary Company's profit/(loss) so far as it concerns the members of the holding company	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	a) Not dealt with in the Holding Company's accounts									
	i) For the financial year ended 31st March, 2012	2,852.72	46.80	68.13	(0.03)	(285.95)	5,199.57	NIL	59.84	NIL
	ii) Upto the previous financial years of the Subsidiary company.	29,172.47	89.61	(38.00)	(0.07)	935.61	9,011.44	NIL	124.22	NIL
	b) Dealt with in the Holding Company's accounts									
	i) For the financial year ended 31st March, 2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	ii) For the previous financial year of the Subsidiary company since they became the Holding Company's subsidiaries.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Figures in brackets indicate loss.

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

(Rs. in Lacs) (as on 31st March, 2012)

Sl.	Particulars	Name of Subsidiaries								
		Direct Subsidiaries				Ultimate Subsidiaries				
		Cement Manufacturing Co. Ltd.	Auro Sundram Ply & Door Pvt. Ltd.	Aegis Business Ltd.	Star Ferro and Cement Ltd.	Meghalaya Power Ltd.	Megha Technical & Engineers Pvt. Ltd.	Star Cement Meghalaya Ltd.	Aegis Overseas Ltd.	NE Hills Hydro Ltd.
1.	Capital	4192.14	100.00	100.00	5.00	1,713.06	2,734.64	2,265.74	4.90	7.00
2.	Reserves	40,675.88	661.47	218.39	(0.10)	7,324.04	15,228.18	12,403.93	5.22	-
3.	Total Assets	71,433.15	2,078.84	402.55	4.96	26,281.20	25,106.47	47,580.31	21.07	7.06
4.	Total Liabilities	71,433.15	2,078.84	402.55	4.96	26,281.20	25,106.47	47,580.31	21.07	7.06
5.	Details of Investments (except investments in subsidiaries)									
	- Adonis Vyaper Pvt. Ltd.	32.32	-	-	-	-	-	-	-	-
	- Apnapan Viniyog Pvt. Ltd.	32.32	-	-	-	-	-	-	-	-
	- Ara Suppliers Pvt. Ltd.	32.32	-	-	-	-	-	-	-	-
	- Arham Sales Pvt. Ltd.	32.32	-	-	-	-	-	-	-	-
	- Reliance Power Ltd	24.54	-	-	-	-	-	-	-	-
	- Reliance Industries Ltd.	-	-	6.69	-	-	-	-	-	-
	-Tata Chemicals Ltd.	-	-	2.12	-	-	-	-	-	-
	- Infomedia India Ltd.	-	-	2.64	-	-	-	-	-	-
	- Ribhoi Engineering Co. Pvt. Ltd.	-	-	-	-	-	-	-	-	2.70
	- Gold Coins	-	-	5.06	-	-	-	-	-	-
6.	Gross Turnover	34,820.24	4,927.95	666.75	-	3,485.63	35,595.63	-	472.39	-
7.	Profit Before Taxation	4016.19	96.52	170.59	(0.03)	(17.87)	5,217.52	-	59.84	-
8.	Provision for Taxation	(31.37)	(1.39)	37.00	-	268.65	15.87	-	-	-
9.	Profit / (Loss) after Taxation	4,047.56	97.91	133.59	(0.03)	(286.52)	5,201.65	-	59.84	-
10.	Proposed Dividend	-	-	-	-	-	-	-	-	-

For and on behalf of the Board of Directors

Place : Kolkata  
Date : 9th May, 2012

**Arun Kumar Julasaria**  
CFO & Company Secretary

**Sajjan Bhajanka**  
Chairman & Whole-Time Director

**Sanjay Agarwal**  
Managing Director



# Consolidated Auditors' Report

TO

THE MEMBERS OF

**CENTURY PLYBOARDS (INDIA) LIMITED**

- 1.0 We have audited the attached Consolidated Balance Sheet of CENTURY PLYBOARDS (INDIA) LIMITED (the Company) and its subsidiaries/associates as at 31st March, 2012 and also the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2.0 We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.0 We have not audited the financial statements and other financial information of the Company's subsidiaries/associates, whose financial statements reflect total assets of ₹ 14,8871.98 Lacs as at 31st March, 2012, total revenues of ₹ 62,760.16 Lacs and net cash flows of ₹ 876.26 Lacs for the year then ended. The financial statements and other financial information of the subsidiaries/associates have been audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries/associates, is based solely on the reports of the other auditors.
- 4.0 We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the Companies Accounting Standards Rule, 2006.
- 5.0 *Attention is drawn to Note 41 regarding exchange fluctuation loss of ₹ 921.78 Lacs (net) (previous year ₹ 11.73 Lacs) towards creditors/debtors pertaining to specific segments which has been included as unallocable expenses, which has no impact on consolidated profit for the year.*  
*In respect of above, our report for the previous year was similarly modified.*
- 6.0 Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, *except for our comments in para 5 above*, which has no impact on the consolidated profit for the year, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries/associates as at 31st March, 2012;
  - (ii) in the case of Consolidated Statement of Profit & Loss, of the consolidated profit of the Company and its subsidiaries/associates for the year then ended; and
  - (iii) in the case of Consolidated Cash Flow statement, of the consolidated cash flows of the Company and its subsidiaries/associates for the year then ended.

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

Firm Registration Number : 301003E

Chartered Accountants

per **R. K. AGRAWAL**

a Partner

Membership No. : 16667

Place : Kolkata.

Date : 9th May, 2012

# Consolidated Balance Sheet

as at 31st March, 2012

(₹ in Lacs)

	Notes	31st March, 2012	31st March, 2011
<b>A. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	4	2,275.27	2,275.27
Reserves & Surplus	5	70,382.75	60,611.98
		<b>72,658.02</b>	<b>62,887.25</b>
<b>Minority Interest</b>		17,938.94	15,577.15
<b>Non Current Liabilities</b>			
Long Term Borrowings	6	62,088.80	25,744.01
Deferred Tax Liability	8	3.56	67.39
Other Long Term Liabilities	7	4,105.13	2,191.22
Long Term Provisions	9	109.33	153.34
		<b>66,306.82</b>	<b>28,155.96</b>
<b>Current Liabilities</b>			
Short Term Borrowings	10	36,677.14	27,191.33
Trade Payables	11	13,396.18	13,539.52
Other Current Liabilities	11	11,580.19	8,493.29
Short Term Provisions	9	171.11	2,904.52
		<b>61,824.62</b>	<b>52,128.66</b>
<b>TOTAL</b>		<b>2,18,728.40</b>	<b>1,58,749.02</b>
<b>B. ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets :			
Tangible Assets	12	42,861.58	42,554.18
Intangible Assets	13	83.42	69.73
Capital Work-in-Progress		2,922.06	969.13
Capital Expenditure on New/Expansion Projects	14	71,682.86	28,764.22
Non Current Investments	15	882.14	563.71
Long term Loans and Advances	16	9,332.11	9,701.18
Other Non Current Assets	17	351.78	432.87
<b>Current Assets</b>			
Inventories	18	31,047.64	25,548.74
Trade Receivables	17	19,509.61	15,217.07
Cash and Bank Balances	19	6,848.00	3,638.17
Short Term Loans and Advances	16	18,483.34	19,190.33
Other Current Assets	17	14,723.86	12,099.69
<b>TOTAL</b>		<b>2,18,728.40</b>	<b>1,58,749.02</b>
Summary of significant accounting Policies	3.1		

The accompanying notes are an integral part of the financial statements

As per our Report of even Date

For and on behalf of the Board of Directors

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

Firm Registration No. 301003E

Chartered Accountants

Per **R. K. Agrawal**  
a Partner

**Arun Kumar Julasaria**  
CFO & Company Secretary

**Sajjan Bhajanka**  
Chairman & Whole-Time Director

**Sanjay Agarwal**  
Managing Director

Membership No. 16667

Place : Kolkata

Date : 9th May, 2012



# Consolidated Statement of Profit & Loss

for the year ended 31st March, 2012

(₹ in Lacs)

	Notes	2011-12	2010-11
<b>INCOME</b>			
Gross Revenue from Operations	20	177,974.11	143,860.20
Less : Excise Duty		11,237.03	7,854.46
<b>Net Revenue from Operations</b>		<b>166,737.08</b>	<b>136,005.74</b>
Other Income	21	504.46	848.73
<b>Total Revenue (I)</b>		<b>167,241.54</b>	<b>136,854.47</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	22	67,616.90	55,082.16
Purchase of Traded Goods	23	6,861.50	3,806.35
(Increase)/Decrease in inventories of Finished Goods, Work in Progress and Traded Goods	23	290.73	(1,279.33)
Employee Benefits Expense	24	12,757.47	10,362.08
Other Expenses	25	50,683.75	43,102.76
Depreciation and Amortisation Expense	26	5,561.99	5,078.83
Finance Cost	27	5,853.66	2,318.90
<b>Total Expenses (II)</b>		<b>149,626.00</b>	<b>118,471.75</b>
<b>Profit before Tax and Exceptional Items</b>		<b>17,615.54</b>	<b>18,382.72</b>
Exceptional Items	28	2,064.00	–
<b>Profit before Taxation</b>		<b>15,551.54</b>	<b>18,382.72</b>
Tax Expenses :			
Current Tax [including ₹ 83.21 Lacs (₹ 6.10 Lacs) pertaining to earlier years]		3,288.17	3,797.95
Less : MAT credit entitlement		2,844.39	3,400.64
(Add)/Less : MAT credit entitlement/(reversal) in respect of earlier years		(195.88)	909.65
Net Current Tax Expense		639.66	(512.34)
Deferred Tax		(63.83)	(74.08)
<b>Total Tax Expenses</b>		<b>575.83</b>	<b>(586.42)</b>
<b>Profit for the year before minority interest</b>		<b>14,975.71</b>	<b>18,969.14</b>
Minority Interest		2,696.19	3,510.78
<b>Profit for the year</b>		<b>12,279.52</b>	<b>15,458.36</b>
Less : Proportionate share of loss in associates		(3.66)	–
		<b>12,275.86</b>	<b>15,458.36</b>
Earnings Per Equity Share (nominal value of share ₹ 1/- (₹ 1/-) Basic and Diluted	36	5.53	6.96
Summary of significant Accounting Policies	3.1		

The accompanying notes are an integral part of the financial statements

As per our Report of even Date

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

Firm Registration No. 301003E

Chartered Accountants

Per **R. K. Agrawal**

a Partner

Membership No. 16667

Place : Kolkata

Date : 9th May, 2012

For and on behalf of the Board of Directors

**Arun Kumar Julasaria**  
CFO & Company Secretary

**Sajjan Bhajanka**  
Chairman & Whole-Time Director

**Sanjay Agarwal**  
Managing Director

# Consolidated Cash Flow Statement

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	15,551.54	18,382.72
<b>Adjustments for :</b>		
Depreciation	5,561.99	5,078.83
Finance Cost	5,853.66	2,318.90
(Profit)/Loss on Fixed Assets sold/discarded	0.65	(3.75)
(Profit)/Loss on Sale of Investments	(35.89)	(0.34)
Preliminary Expenses Written Off	–	5.56
Irrecoverable Debts Written Off	81.58	59.46
Provision for Doubtful Debts	12.32	129.88
Unspent Liabilities Written Back	(55.75)	(21.20)
Unrealised Foreign Exchange Fluctuations Loss	1,571.08	13.25
Dividend Income	(1.89)	(1.03)
Interest Income	(309.56)	(425.37)
<b>Operating Profit before Working Capital Changes</b>	<b>28,229.73</b>	<b>25,536.91</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade Payables, Other Liabilities and Provisions	(747.17)	4,898.90
(Increase) in Trade Receivables	(1,756.21)	(1,603.90)
(Increase) in Loans & Advances and other assets	(4,386.44)	(2,549.51)
(Increase) in Inventories	(5,498.90)	(4,124.21)
	<b>(12,388.72)</b>	<b>(3,378.72)</b>
<b>Cash Generated from Operations</b>	<b>1,5841.01</b>	<b>22,158.19</b>
Direct Taxes paid (Net)	(3,651.49)	(3,631.71)
<b>Net Cash Flow from Operating Activities</b>	<b>12,189.52</b>	<b>18,526.48</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investments	20,242.84	550.37
Purchase of Investments	(20,123.75)	(1,063.80)
Share Application Money (Given)/Refund	234.57	(234.00)
Sale of Fixed Assets	57.36	145.84
Dividend Received	1.89	1.03
Fixed Deposits/Margin Money Refund	637.21	984.67
Loans (Given)/Refunds (Net)	1,651.29	(1,208.49)
Interest Received	318.72	426.78
Purchase of Fixed Assets	(44,713.52)	(31,583.67)
<b>Net Cash Flow used in Investing Activities</b>	<b>(41,693.39)</b>	<b>(31,981.27)</b>



# Consolidated Cash Flow Statement

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	48,453.33	23,025.63
Repayment of Loans	(2,038.55)	(6,517.64)
Preliminary Expenses	–	(5.71)
Interest Paid (Including Interest Capitalized)	(6,224.79)	(2,027.23)
Other Borrowing Cost Paid	(1,299.13)	(361.23)
Dividend Paid	(4,775.00)	(808.91)
Tax on Dividend	(764.95)	(139.26)
<b>Net Cash Flow from Financing Activities</b>	<b>33,350.91</b>	<b>13,165.65</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3,847.04</b>	<b>(289.14)</b>
* Cash & Cash Equivalents on 1st April, 2011	2,694.64	2,983.78
* Cash & Cash Equivalents on 31st March, 2012	6,541.68 #	2,694.64

\* Represents Cash and Bank Balances as indicated in Note-19 and excludes ₹ 306.09 Lacs (₹ 943.53 Lacs) being Bank Balances with restrictive use and maturity of more than three months.

# includes ₹ 17.57 Lacs (₹ 10.21 Lacs) lying in Unpaid Dividend Account.

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

Per **R. K. Agrawal**  
a Partner  
Membership No. 16667  
Place : Kolkata  
Date : 9th May, 2012

For and on behalf of the Board of Directors

**Arun Kumar Julasaria**      **Sajjan Bhajanka**      **Sanjay Agarwal**  
CFO & Company Secretary      Chairman & Whole-Time Director      Managing Director

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

## 1. PRINCIPLES OF CONSOLIDATION

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

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

Name	Country of Incorporation	% of Voting power as on 31.03.2012	% of Voting power as on 31.03.2011
Cement Manufacturing Company Ltd.	India	70.48	70.48
Megha Technical & Engineers Pvt. Ltd.	India	99.96	99.96
Star Cement Meghalaya Ltd.	India	100	100
Auro Sundram Ply & Door Pvt. Ltd.	India	51	51
Meghalaya Power Ltd.	India	99.80	99.67
Aegis Business Ltd.	India	51	51
Aegis Overseas Ltd.	UAE	100	100
Star Ferro and Cement Ltd. (w.e.f 10th March, 2011)	India	100	100
NE Hills Hydro Ltd. (w.e.f 3rd February, 2011)	India	100	100

- (d) The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (e) The financial statements of Aegis Overseas Limited have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards Interpretations, issued or adopted by the International Accounting Standards Board (IASB). This subsidiary is not significant as compared to the company's consolidated operations and hence, the impact thereof, if any, on account of any differences due to adoption of different Accounting Standards as stated above, in comparison to the Indian Generally Accepted Accounting Principles (IGAAP) is not material.
- (f) In terms of Accounting Standard-21 notified under the Companies (Accounting Standards) Rules, 2006, Minority interest has been computed in respect of non-fully owned subsidiaries and adjusted against the consolidated income of the group in order to arrive at the net income attributable to the shareholders of the Company.

## 2. INVESTMENTS IN ASSOCIATES

- (a) In order to fall in line with Accounting Standard 23 - 'Accounting for Investment in Associates in Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the Company has prepared the accompanying Consolidated Financial Statements by accounting for investment in associates under the equity method.



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(b) The associate company considered in the financial statements is as follows :

Name	Country of Incorporation	% of ownership interest as on 31.3.2012	% of ownership interest as on 31.3.2011
Apnapan Viniyog Pvt. Ltd.	India	49.39	Nil
Ara Suppliers Pvt. Ltd.	India	49.39	Nil
Arham Sales Pvt. Ltd.	India	49.39	Nil
Adonis Vyaper Pvt. Ltd.	India	49.39	Nil

### 3. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in respect of insurance and other claims, which on the grounds of prudence or uncertainty in realization, are accounted for as and when accepted/received. The accounting policies applied by the Company are consistent with those used in the previous year, except for the change in accounting policy explained in 3.1(i) below.

#### 3.1 Summary of Significant Accounting Policies

##### (i) Change in accounting policy

###### Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements of revised Schedule VI applicable in the current year.

##### (ii) Use of Estimates

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

##### (iii) Revenue Recognition

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

(a) Revenue from sale of goods and services rendered is recognized upon passage of title which generally coincides with delivery of materials and rendering of services to the customers. The Company collects Sales Taxes and Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company.

Hence, they are excluded from revenues. Excise Duty deducted from Revenue (Gross) is the amount that is included in the Revenue (Gross) and not the entire amount of liability arising during the year.

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

Gross Sales and Net Sales are net of rebates and discounts.

- (b) Dividend Income is recognized when the shareholders' right to receive the payment is established by the balance sheet date.
- (c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

#### (iv) Fixed Assets

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

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

#### (v) Impairment of Assets

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

#### (vi) Depreciation/Amortization

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



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

## (vii) Foreign Currency Transactions

### (a) Initial Recognition

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

### (b) Conversion

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

### (c) Exchange Differences

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

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

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

## (viii) Investments

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

## (ix) Inventories

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

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

Cost of Inventories is computed on Weighted Average basis/FIFO basis.

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

## (x) Government Grants and Subsidies

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

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

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

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

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

## (xi) Retirement and other employee benefits

(a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company has no obligations other than the contribution payable to the respective funds.

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

(c) Short Term compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation which is done as per projected unit credit method at the end of each financial year.

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

## (xii) Miscellaneous Expenditure

Preliminary expenses in respect of subsidiary companies are written off over a period of five years after commencement of commercial production.

## (xiii) Earning Per Share

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

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

## (xiv) Excise Duty and Custom Duty

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

## (xv) Borrowing Costs

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

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

## (xvi) Taxation

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



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

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

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

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

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

## (xvii) Segment Reporting

### a) Identification of segments :

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

### b) Inter segment transfers :

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

### c) Allocation of Common Costs :

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

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

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

## (xviii) Fixed Assets acquired under Lease

### (a) Finance Lease :

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

### (b) Operating Lease :

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

## (xix) Derivative Instruments

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

## (xx) Cash and Cash Equivalents

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

## (xxi) Provision

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

## (xxii) Contingent Liabilities

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



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

		31st March, 2012	31st March, 2011
<b>4.</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	65,05,00,000 (65,05,00,000) Equity Shares of ₹ 1/- each	6,505.00	6,505.00
	15,00,000 (15,00,000) Preference Shares of ₹ 10/- each	150.00	150.00
	50,000 (50,000) Preference Shares of ₹ 100/- each	50.00	50.00
	<b>Total</b>	<b>6,705.00</b>	<b>6,705.00</b>
	<b>Issued</b>		
	22,35,52,990 (22,35,52,990) Equity Shares of ₹ 1/- each	2,235.53	2,235.53
	5,00,000 (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
	<b>Total</b>	<b>2,285.53</b>	<b>2,285.53</b>
	<b>Subscribed and Paid-up</b>		
	22,21,72,990 (22,21,72,990) Equity Shares of ₹ 1/- each	2,221.73	2,221.73
	Add : Amount received on forfeited shares	3.54	3.54
	5,00,000 (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
	<b>Total</b>	<b>2,275.27</b>	<b>2,275.27</b>

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

Equity Shares	31st March, 2012		31st March, 2011	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the Beginning of the year	22,21,72,990	2,221.73	22,21,72,990	2,221.73
Issued during the year	–	–	–	–
<b>Outstanding at the end of the year</b>	<b>22,21,72,990</b>	<b>2,221.73</b>	<b>22,21,72,990</b>	<b>2,221.73</b>
Preference Shares	31st March, 2012		31st March, 2011	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the Beginning of the year	5,00,000	50.00	5,00,000	50.00
Issued during the year	–	–	–	–
<b>Outstanding at the end of the year</b>	<b>5,00,000</b>	<b>50.00</b>	<b>5,00,000</b>	<b>50.00</b>

**b) Terms/Rights attached to the Equity Shares :**

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

The Company declares and pays dividends in Indian Rupees. The Company has paid an interim dividend of ₹ 1/- per share during the year ended 31st March, 2012.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

## c) Terms of Redeemable Cumulative Preference Shares :

The Company has only one class of Preference Shares having par value of ₹ 10/- per share and carry cumulative dividend @ 9% p.a. The Company declares and pays dividends 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. Each holder of Preference Shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the right attached to Preference shares.

The above Cumulative Preference Shares are redeemable at par on 18-09-2012.

In the event of liquidation of the Company before redemption of Preference shares, the holder of Preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

## d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :

	31st March, 2012	31st March, 2011
	No. of Shares	No. of Shares
Preference Shares allotted as fully paid-up pursuant to contracts for consideration other than cash	5,00,000	5,00,000
Equity Shares allotted as fully paid-up pursuant to contracts for consideration other than cash	2,45,18,860	11,97,37,510

## e) Details of Shareholders holding more than 5% shares in the Company :

	31st March, 2012		31st March, 2011	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹ 1/- each fully paid-up :				
- Sri Sajjan Bhajanka	2,45,71,590	11.06%	2,45,71,590	11.06%
- Sri Sanjay Agarwal	2,32,18,940	10.45%	2,12,22,240	9.55%
- Smt. Divya Agarwal	1,67,49,750	7.54%	1,67,49,750	7.54%
- Smt. Santosh Bhajanka	1,56,49,500	7.04%	1,56,49,500	7.04%
- Sri Prem Kumar Bhajanka	1,52,08,510	6.85%	1,53,08,510	6.89%
Preference Shares of ₹ 10/- each fully paid-up :				
- Sri Vishnu Khemani	5,00,000	100.00%	5,00,000	100.00%

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



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	31st March, 2012	31st March, 2011
<b>5. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per the last Financial Statements	5,274.76	3,922.42
Add : Capital Investment Subsidy for the year	–	1,438.41
Add : Arisen on consolidation	86.86	–
Less : Capital Subsidy Written off	–	86.07
<b>Closing Balance</b>	<b>5,361.62</b>	<b>5,274.76</b>
<b>Amalgamation Reserve</b>		
Balance as per the last Financial Statements	317.40	317.40
<b>Securities Premium</b>		
Balance as per the last Financial Statements	1,892.77	1,892.77
<b>Foreign Currency Translation Reserve</b>		
Arisen on Consolidation	10.97	8.91
<b>Revaluation Reserve</b>		
Balance as per the last Financial Statements	173.27	178.83
Less : Amount transferred to the Statement of Profit and Loss as reduction from depreciation	6.63	5.56
<b>Closing Balance</b>	<b>166.64</b>	<b>173.27</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	7,085.66	5,385.66
Add : Transferred from Statement of Profit and Loss	625.00	1,700.00
<b>Closing Balance</b>	<b>7,710.66</b>	<b>7,085.66</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	45,859.21	34,695.63
Add : Profit for the year	12,275.86	15,458.36
<b>Less : Appropriations</b>		
- Interim Equity Dividend ₹ 1 /- (₹ Nil) per share	2,221.73	–
- Tax on Interim Equity Dividend	360.42	–
- Proposed Final Equity Dividend ₹ Nil (₹ 1/-) per share	–	2,221.73
- Tax on Proposed Equity Dividend	–	460.84
- Tax on Proposed Equity Dividend written Back	–	(93.02)
- Dividend on Preference Shares ₹ 0.90 (₹ 0.90) per share	4.50	4.50
- Tax on Preference Dividend	0.73	0.73
- Transfer to General Reserve	625.00	1,700.00
<b>Total Appropriations</b>	<b>3,212.38</b>	<b>4,294.78</b>
Net Surplus in the Statement of Profit and Loss	54,922.69	45,859.21
<b>Total Reserves and Surplus</b>	<b>70,382.75</b>	<b>60,611.98</b>

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Non Current Portion		Current Maturities	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>6. LONG TERM BORROWINGS</b>				
<b>Term Loans (Secured)</b>				
Indian Rupee Loan from Banks	32,203.07	22,288.41	3,146.96	2,491.79
Indian Rupee Loan from a Financial Institution	509.32	–	–	125.00
Foreign Currency Loan from Banks	22,504.36	2,745.76	2,569.23	811.59
<b>Other Loans and Advances (Secured)</b>				
Buyers Credit from banks for Capital expenditure	6,334.60	129.49	–	–
Financial Lease obligations :				
- From banks	325.35	216.87	134.73	109.40
- From Bodies Corporate	212.10	363.48	200.39	163.62
	<b>62,088.80</b>	<b>25,744.01</b>	<b>6,051.31</b>	<b>3,701.40</b>
Amount disclosed under the head "Other Current Liabilities" (Note - 11)	–	–	(6,051.31)	(3,701.40)
<b>Net Amount</b>	<b>62,088.80</b>	<b>25,744.01</b>	<b>–</b>	<b>–</b>

## Notes :

- 1(a) Term loan of ₹ 6,139.20 Lacs (Nil) carries interest @ 4.07% p.a. The loan is repayable in 5 equal annual installments starting from 21st August, 2012 and is secured by hypothecation/equitable mortgage of all the moveable and immovable fixed assets pertaining to the Container Freight Stations of the Company.
- (b) Term Loans of ₹ 514.21 Lacs (₹ 448.15 Lacs) and ₹ 417.70 Lacs. (₹ 660.57 Lacs) carries interest @ 6 month LIBOR + 7.25% p.a. and @ 12.25% p.a respectively. The above loans are repayable in 24 quarterly installments starting from 25th December 2009, first 16 installments of ₹ 62 Lacs each and next 8 installments of ₹ 61 Lacs each. The loans are secured by a first charge on fixed assets and second charge on current assets (both present and future) pertaining to the Company's Plywood Unit at Mirza, Assam.
- (c) Term loans of ₹ 34,838.62 Lacs (₹ 18,269.05 Lacs) and ₹ 12,224.48 Lacs (₹ Nil) carries interest @ 13% to 14% p.a which are repayable in 28 quarterly installments commencing from March, 2013. The above term loans are secured by first charge on the fixed assets pertaining to plants at Lumshnong, Meghalaya and at Guwahati, Assam respectively, which are under implementation and first charge on fixed assets pertaining to power plant at Lumshnong, Meghalaya on pari passu basis.
- (d) Term Loans of ₹ 1,373.99 Lacs (₹ 2,197.07 Lacs) and ₹ 3088.57 Lacs (₹ 3,109.20 Lacs) carries interest @ 13.90% to 14.10% p.a which are repayable in 28 and 22 quarterly installments starting from September, 2008 and September, 2010 respectively. The above loans are secured by fixed assets pertaining to cement grinding unit and power plant at Lumshnong, Meghalaya.
- (e) Term Loan of ₹ 1,777.50 Lacs (₹ 3,572.61 Lacs) carries interest @ 13.75% p.a repayable in 9 quarterly installments starting from March 2012. The loan is secured by first charge on fixed assets (except separately charged assets) pertaining to cement plant at Lumshnong, Meghalaya.



## Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

- (f) Term Loan of ₹ 49.35 Lacs (₹ 80.90 Lacs) carries interest @ BPLR + 0.25% p.a repayable in 60 monthly installments starting from September 2008 and secured by hypothecation of fixed assets and current assets pertaining to the plywood unit at Roorkee, Uttaranchal.
- 2 Term loan of ₹ 509.32 Lacs (Nil) from a financial institution carries interest rate of PLR + 1% p.a. The loan is repayable in 28 quarterly installments starting from 1st April, 2014, first 27 installments of ₹ 39.28 Lacs each and one installment of ₹ 39.44 Lacs. The loan is secured by equitable mortgage of leasehold rights of land and first charge on fixed assets and second charge on the current assets (on pari passu basis) of the Company's Ferro Alloy Unit at Byrnihat, Meghalaya.
- 3 Buyers credit of ₹ 2,401.30 Lacs (₹ Nil) and ₹ 3,933.30 Lacs (₹ 129.49 Lacs) has been availed against letter of credit (sub-limit to term loans) issued by banks which are secured by first charge on the fixed assets pertaining to cement plants at Lumshnong, Meghalaya and at Guwahati, Assam, respectively.
- 4 Finance lease obligations are secured by hypothecation of the assets purchased there against.

(₹ in Lacs)

	31st March, 2012	31st March, 2011
<b>7. OTHER LONG TERM LIABILITIES</b>		
Security Deposits	2,602.38	1,798.78
Retention Money	1,502.75	392.44
<b>Total Amount</b>	<b>4,105.13</b>	<b>2,191.22</b>

	31st March, 2012	31st March, 2011
<b>8. DEFERRED TAX LIABILITIES</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	292.30	349.96
	<b>292.30</b>	<b>349.96</b>
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	141.21	170.93
Provision for doubtful debts and advances	147.53	111.64
	<b>288.74</b>	<b>282.57</b>
<b>Net Deferred Tax Liabilities</b>	<b>3.56</b>	<b>67.39</b>

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Long Term		Short Term	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>9. PROVISIONS</b>				
For Employee Benefits	109.33	153.34	165.88	181.67
<b>Other Provisions</b>				
Taxation	–	–	–	92.09
Proposed Equity Dividend	–	–	–	2,221.73
Tax on Proposed Equity Dividend	–	–	–	403.80
Proposed Preference Dividend	–	–	4.50	4.50
Tax on Proposed Preference Dividend	–	–	0.73	0.73
<b>Total Amount</b>	<b>109.33</b>	<b>153.34</b>	<b>171.11</b>	<b>2,904.52</b>

	31st March, 2012	31st March, 2011
<b>10. SHORT TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
- Cash Credit from banks (Secured)	8,530.30	10,436.04
<b>Loans from related parties (Unsecured)</b>		
- From Directors	320.08	–
- From Bodies Corporate	–	18.20
<b>Other Loans and Advances</b>		
Buyers Credit from Banks (Secured) :		
- For Capital Expenditure	390.96	342.06
- For Raw Materials	22,377.97	13,895.03
FCNRB Demand Loan (Secured)	2,557.83	–
Short Term Loan from a Bank (Unsecured)	2,500.00	2,500.00
<b>Total Amount</b>	<b>36,677.14</b>	<b>27,191.33</b>

## Notes :

- Working Capital facilities (including buyers' credit) from Banks are secured/to be secured by a first charge on the current assets and second charge on the fixed assets of the Company's of the respective units as given below :

Amount (₹ in Lacs)	Location
25,630.97 (17,303.91)	Plywood units at Kanchowki, District - 24 Parganas (S), West Bengal, Chinnappoopuram, Gummidipoondi, Tamil Nadu, Taraori, Haryana and Laminate unit at Kanchowki, District - 24 Parganas (S), West Bengal
1,173.40 (1,150.98)	Ferro Alloy Unit at Byrnihat, Meghalaya
169.80 (287.05)	Plywood Unit at Mirza, Assam
449.83 (584.39)	Plywood Unit at Roorkee, Uttaranchal
6,433.06 (5,402.42)	Cement Unit at Lumshnong, Meghalaya

Further, the working capital facilities are also guaranteed by four Directors of the Company and its subsidiaries. The above cash credit is repayable on demand and carries interest @ 12% to 14% p.a. (9% to 12% p.a.).



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

- 2 Unsecured Loan from Directors is repayable on demand and carries interest @ 7.50% to 8% p.a.
- 3 Buyers credit carries interest @ Libor plus 1% to 3.5% and repayable in 90-365 days.
- 4 Short Term Unsecured Loan of ₹ 2,500 Lacs (₹ 2,500 Lacs) is repayable in 155 to 180 days and carries interest @11% p.a. (10.50% p.a).

(₹ in Lacs)

	31st March, 2012	31st March, 2011
<b>11. OTHER CURRENT LIABILITIES</b>		
<b>Trade Payables</b>		
- Dues to Micro and Small Enterprises (Refer Note no. 33 )	0.46	5.69
- Dues to Others	13,395.72	13,533.83
	<b>13,396.18</b>	<b>13,539.52</b>
<b>Others Liabilities</b>		
Payable against purchase of Fixed Assets	2,083.30	1,653.51
Current Maturities of Long Term Borrowings (note-6)	6,051.31	3,701.40
Interest accrued but not due on Borrowings	204.40	76.50
Advances from Customers	704.41	717.04
Investor Education and Protection Fund (To be paid as and when due)		
- Unpaid Dividend	17.57	10.21
Statutory Dues Payable	2,440.67	22,68.08
Trade Deposits	78.53	66.55
	<b>11,580.19</b>	<b>8,493.29</b>
<b>Total Amount</b>	<b>24,976.37</b>	<b>22,032.81</b>

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

	Land & Site Development		Factory Buildings	Non-Factory Buildings		Storage Yard on Lease Hold Land	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Vehicles (b)	Mines & Mines Developments	Total
	Free Hold	Lease Hold		On Freehold Land	On Lease-hold Land									
<b>12. TANGIBLE ASSETS</b>														
<b>Cost or Valuation</b>														
<b>At 1st April, 2010</b>	1,959.32	177.24	9,846.70	3,493.76	297.98	387.82	28,615.53	3,066.10	764.86	797.88	889.50	2,964.68	932.99	54,194.36
Additions	562.29	739.80	431.01	846.50	601.74	3,084.07	4,932.21	227.24	115.67	136.60	135.85	750.55	723.14	13,286.67
Disposals	-	-	-	28.45	-	-	117.97	2.45	11.51	30.74	17.49	83.98	-	292.59
<b>At 31st March, 2011</b>	<b>2,521.61</b>	<b>917.04</b>	<b>10,277.71</b>	<b>4,311.81</b>	<b>899.72</b>	<b>3,471.89</b>	<b>33,429.77</b>	<b>3,290.89</b>	<b>869.02</b>	<b>903.74</b>	<b>1,007.86</b>	<b>3,631.25</b>	<b>1,656.13</b>	<b>67,188.44 (a)</b>
Additions	1,268.94	152.84	242.03	492.23	41.49	263.05	2,607.10	88.16	77.68	76.78	168.95	961.00	-	6,440.25
Disposals	-	-	-	0.05	-	-	57.09	-	22.26	12.42	16.53	93.06	-	201.41
<b>At 31st March, 2012</b>	<b>3,790.55</b>	<b>1,069.88</b>	<b>10,519.74</b>	<b>4,803.99</b>	<b>941.21</b>	<b>3,734.94</b>	<b>35,979.78</b>	<b>3,379.05</b>	<b>924.44</b>	<b>968.10</b>	<b>1,160.28</b>	<b>4,499.19</b>	<b>1,656.13</b>	<b>73,427.28 (a)</b>
Depreciation														
<b>As at 1st April, 2010</b>	-	29.35	2,914.05	546.74	26.48	33.86	12,046.62	1,622.87	326.61	248.41	563.92	993.69	-	19,352.60
Charge for the Year	-	48.68	680.78	164.12	58.29	193.36	3,057.12	351.31	92.84	90.21	157.13	538.48	-	5,432.32
Disposals	-	-	-	4.67	-	-	46.44	0.66	6.25	17.03	16.00	59.61	-	150.66
<b>At 31st March, 2011</b>	-	78.03	3,594.83	706.19	84.77	227.22	15,057.30	1,973.52	413.20	321.59	705.05	1,472.56	-	24,634.26
Charge for the Year	-	71.08	664.14	195.83	67.92	275.07	3,202.86	318.95	112.93	96.24	162.39	907.42	-	6,074.83
Disposals	-	-	-	0.01	-	-	30.90	-	21.95	7.39	15.02	68.12	-	143.39
<b>As at 31st March, 2012</b>	-	149.11	4,258.97	902.01	152.69	502.29	18,229.26	2,292.47	504.18	410.44	852.42	2,311.86	-	30,565.70
<b>Net Block</b>														
As at 31st March, 2011	2,521.61	839.01	6,682.88	3,605.62	814.95	3,244.67	18,372.47	1,317.37	455.82	582.15	302.81	2,158.69	1,656.13	42,554.18
As at 31st March, 2012	3,790.55	920.77	6,260.77	3,901.98	788.52	3,232.65	17,750.52	1,086.58	420.26	557.66	307.86	2,187.33	1,656.13	42,861.58

## Notes :

- a) Certain Land, Buildings and Plant & Machinery of the Kolkata & Chennai Units were revalued in 1991-92 & 1995-96 respectively and the resultant surplus thereon was transferred to Revaluation Reserve.
- b) Includes Assets taken on finance lease ₹ 1,395.78 Lacs (₹ 1,137.78 Lacs), Written Down Value ₹ 784.92 Lacs (₹ 695.82 Lacs) [Refer Note no. 34 (b)].



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Computer Software	Trade Mark & Patent Rights	Goodwill	Total
<b>13. INTANGIBLE ASSETS</b>				
<b>Cost or Valuation</b>				
At 1st April, 2010	318.74	0.98	37.18	356.90
Addition	18.17	–	–	18.17
Disposals	0.64	–	–	0.64
<b>At 31st March, 2011</b>	<b>336.27</b>	<b>0.98</b>	<b>37.18</b>	<b>374.43</b>
Addition	52.78	–	–	52.78
Disposals	–	–	–	–
<b>As at 31st March, 2012</b>	<b>389.05</b>	<b>0.98</b>	<b>37.18</b>	<b>427.21</b>
<b>Depreciation</b>				
As at 1st April, 2010	227.80	0.98	18.22	247.00
Charge for the Year	58.22	–	–	58.22
Disposals	0.52	–	–	0.52
<b>At 31st March, 2011</b>	<b>285.50</b>	<b>0.98</b>	<b>18.22</b>	<b>304.70</b>
Charge for the Year	39.09	–	–	39.09
Disposals	–	–	–	–
<b>As at 31st March, 2012</b>	<b>324.59</b>	<b>0.98</b>	<b>18.22</b>	<b>343.79</b>
<b>Net Block</b>				
As at 31st March, 2011	50.77	–	18.96	69.73
As at 31st March, 2012	64.46	–	18.96	83.42

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

		As at 31.03.2012		As at 31.03.2011	
<b>14.</b>	<b>CAPITAL EXPENDITURE ON NEW/EXPANSION PROJECTS</b>				
<b>A.</b>	<b>Fixed Assets</b>				
	Balance Brought forward from previous year		23,760.50		10,094.93
	Freehold Land	1,015.56		1,524.19	
	Leasehold Land	–		958.06	
	Electrical Installations	275.89		236.94	
	Furniture & Fixtures	16.97		18.22	
	Office Equipments	3.00		22.31	
	Vehicles	22.08		–	
	Computer Software	–		3.78	
	Computers	3.47		8.92	
	Less : Depreciation (Charged to Pre-Operative expenses)	(542.41)		(508.17)	
	Less : Amortisation (Charged to Pre-Operative expenses)	(17.51)		(129.65)	
	<b>Fixed Assets - Under Erection</b>				
	Factory Building	1,881.90		4,299.36	
	Non-Factory Building	319.32		757.92	
	Plant & Machinery	30,707.13		9,797.97	
	Storage Yard	106.20		1,111.96	
	Mines Development	184.59	33,976.19	101.64	18,203.45
			<b>57,736.69</b>		<b>28,298.38</b>
	Less: Transferred to Fixed Assets during the year		175.60		4,537.88
			<b>57,561.09</b>		<b>23,760.50</b>
<b>B.</b>	<b>Material at Site</b>		4.44		19.42
	(I)		<b>57,565.53</b>		<b>23,779.92</b>
<b>C.</b>	<b>Incidental Expenditure pending allocation to Fixed Assets</b>				
	Balance Brought forward from previous year		4,984.30		2,702.37
	Interest and Finance Charges	3,565.27		587.95	
	Power and Fuel	139.60		260.92	
	Lease Rent	–		133.92	
	Repairs & Maintenance	260.26		62.31	
	Rates & Taxes	86.54		11.08	
	Salary & Bonus	1,642.51		499.52	
	Director's Remuneration	–		6.03	
	Travelling & Conveyance	197.26		57.02	
	Consultancy Charges	442.26		235.40	
	Miscellaneous Expenses	2,267.72		680.56	
	Depreciation	542.41		508.17	
	Amortisation	17.51	9,161.34	129.65	3,172.53
			<b>14,145.64</b>		<b>5,874.90</b>
	Less : Allocated to Fixed Assets during the year		28.31		890.60
	(II)		<b>14,117.33</b>		<b>4,984.30</b>
	<b>Total</b>	<b>(I)+(II)</b>	<b>71,682.86</b>		<b>28,764.22</b>



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Face Value per shares (₹)	No. of Shares		As at 31.03.2012	As at 31.03.2011
<b>15. NON-CURRENT INVESTMENTS (FULLY PAID UP) (AT COST)</b>					
<b>A Non-Trade Investments</b>					
<b>(a) Quoted Equity Shares</b>					
Bharat Commerce & Industries Ltd.	10	19,000		0.73	0.73
Corporation Bank	10	600		0.48	0.48
Greenply Industries Ltd.	5	100		0.09	0.09
Kitply Industries Ltd.	10	100		0.02	0.02
Pidilite Industries Ltd.	1	2,000		0.27	0.27
Mahindra Satyam Computer Services Ltd.	2	100		0.11	0.11
Tata Iron & Steel Co. Ltd.	10	17		0.07	0.07
UCO Bank Ltd.	10	54,500		7.95	7.95
Reliance Broadcast Network Ltd.	5	6,00,000		510.00	510.00
Reliance Power Ltd.	10	8743		24.54	24.54
Reliance Industries Ltd.	10	464		6.69	6.69
Tata Chemicals Ltd.	10	498		2.12	2.12
Infomedia India Ltd.	10	985		2.64	2.64
<b>Sub Total</b>				<b>555.71</b>	<b>555.71</b>
<b>(b) Unquoted Equity Shares</b>					
Changlang Plywood Pvt. Ltd.	100	2,000		2.00	2.00
Manmao Plywood Pvt. Ltd.	100	1,000		1.00	1.00
Ribhoi Engineering Company Pvt. Ltd.	10	27,000		2.70	2.70
<b>Sub Total</b>				<b>5.70</b>	<b>5.70</b>
<b>B Trade Investments</b>					
<b>Unquoted Equity Instruments</b>					
<b>(a) Investments In Associates</b>					
Ara Suppliers Pvt. Ltd. (including goodwill of ₹ 1.41 Lacs)	10	7,98,200 (-)	79.82		
Less : Share of Loss for the year			0.96	78.86	-
Arham Sales Pvt. Ltd. (including goodwill of ₹ 1.32 Lacs)	10	7,98,200	79.82 (-)		
Less : Share of Loss for the year			0.90	78.92	-
Adonis Vyaper Pvt. Ltd. (including goodwill of ₹ 1.33 Lacs)	10	7,98,200	79.82 (-)		
Less : Share of Loss for the year			0.90	78.92	-
Apnapan Viniyog Pvt. Ltd. (including goodwill of ₹ 1.32 Lacs)	10	7,98,200	79.82 (-)		
Less : Share of Loss for the year			0.90	78.92	-
				<b>315.62</b>	<b>-</b>

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Face Value per shares	Quantity		As at 31.03.2012	As at 31.03.2011
<b>(b) Gold Coins</b>		228 gms (128 gms)		5.06	2.25
<b>(c) Investment in government Securities</b>					
National Savings Certificate (VII Issue)*				0.05	0.05
<b>Total</b>				<b>882.14</b>	<b>563.71</b>
<b>Aggregate Amount of Investments</b>					
Quoted				555.71	555.71
Unquoted				326.43	8.00
Market Value of Quoted Investments				387.26	524.24

\* Lodged with Government Departments as Security Deposit.

	Non-Current		Current	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>16. LOANS AND ADVANCES</b>				
<b>Loans and Advances (Considered Good)</b>				
<b>Capital Advances</b>				
Secured	757.12	860.27	–	–
Unsecured	5,672.19	6,566.59	–	–
<b>Security Deposits</b>				
Unsecured	903.85	708.85	197.81	121.69
<b>Loans - Unsecured</b>				
To Related Parties	13.00	–	35.42	35.00
To Other Bodies Corporate	–	–	900.00	2,564.71
<b>Share Application Money - Unsecured</b>				
To Related Parties	–	553.00	–	–
<b>Advances recoverable in cash or kind</b>				
Unsecured	34.80	24.09	3,402.52	3,447.47
<b>Other Loans and Advances (Unsecured-Considered Good)</b>				
Prepaid Expenses	0.27	1.40	556.59	562.56
Anti Dumping Duty Receivable	–	–	156.73	74.88
Advance Income Tax (Net of Provisions)	–	–	272.17	–
Minimum Alternative Tax Credit Entitlement	1,950.88	986.98	8,616.24	6,932.57
Balance with Statutory/Government Authorities	–	–	4,345.86	5,451.45
	<b>9,332.11</b>	<b>9,701.18</b>	<b>18,483.34</b>	<b>19,190.33</b>
Advances due from Directors of the Company	–	–	2.42	1.65



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

		Non-Current		Current	
		31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
<b>17.</b>	<b>TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>17.1</b>	<b>Trade Receivables</b>				
	Debts outstanding for a period exceeding six months from the date they are due for payment.				
	Secured - Considered Good	–	–	26.60	24.30
	Unsecured - Considered Good	–	–	577.57	701.31
	Unsecured - Considered Doubtful	–	–	454.74	338.02
		–	–	1,058.91	1,063.63
	Provision for doubtful trade receivables	–	–	454.74	338.02
	<b>A</b>	–	–	<b>604.17</b>	<b>725.61</b>
	<b>Other Debts</b>				
	Secured - Considered Good	–	–	1,500.37	842.99
	Unsecured - Considered Good	–	–	17,405.07	13,648.47
	<b>B</b>	–	–	<b>18,905.44</b>	<b>14,491.46</b>
	<b>Total (A+B)</b>	–	–	<b>19,509.61</b>	<b>15,217.07</b>
<b>17.2</b>	<b>Other Assets</b>				
	<b>Unsecured, Considered Good</b>				
	Central/State Government Claims/Subsidies Receivable	351.78	432.87	14,698.14	11,987.83
	Interest accrued on Loans, Deposits, etc.	–	–	6.17	15.33
	Other Receivable	–	–	2.58	79.56
	Preliminary Expenses (To the extent not written off or adjusted)	–	–	16.97	16.97
		<b>351.78</b>	<b>432.87</b>	<b>14,723.86</b>	<b>12,099.69</b>

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	Notes	31st March 2012	31st March 2011
<b>18. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)</b>			
Raw Materials	22	13,141.21	10,826.31
Work in Progress	23	2,070.75	1,930.90
Traded Goods	23	832.42	896.15
Finished Goods	23	3,581.30	3,948.15
Stores & Spares Parts, etc.		11,405.18	7,858.15
Loose Tools		16.78	89.08
		<b>31,047.64</b>	<b>25,548.74</b>
<b>Note :</b>			
The above includes Stock in Transit :			
- Raw Materials		190.43	34.04
- Traded Goods		57.24	92.52
- Finished Goods		345.79	511.29

		Current	
		31st March, 2012	31st March, 2011
<b>19. CASH AND BANK BALANCES</b>			
<b>Cash and Cash Equivalents</b>			
Balances with Banks :			
- On Current Accounts		4,017.96	1,832.00
- Deposits with Original Maturity of less than three months		2,103.06	20.10
- On Unpaid Dividend Account		17.57	10.21
Cheques/Drafts on Hand		295.21	637.09
Cash on Hand		107.88	195.24
		<b>6,541.68</b>	<b>2,694.64</b>
<b>Other Bank Balances</b>			
Deposits with Original Maturity of more than 12 months		29.07	40.46
Deposits with Original Maturity of more than 3 months but less than 12 months		15.83	-
Margin Money Deposits		261.42	903.07
		<b>306.32</b>	<b>943.53</b>
		<b>6,848.00</b>	<b>3,638.17</b>



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>20. REVENUE FROM OPERATIONS</b>		
<b>Revenue from Operations</b>		
Sale of Products :		
- Finished Goods	1,62,990.02	1,34,072.42
- Traded Goods	8,038.81	4,922.71
- Income from Logistic Services	5,943.14	4,275.51
- Other Services	29.32	-
<b>Other Operating revenue</b>		
Scrap Sales	362.15	266.05
Export Incentives	219.61	154.93
Sales Tax Subsidy	191.35	152.02
Miscellaneous Income	199.71	16.56
Revenue from Operations (Gross)	<b>1,77,974.11</b>	<b>1,43,860.20</b>
Less : Excise Duty	11,237.03	7,854.46
<b>Revenue from Operations (Net)</b>	<b>1,66,737.08</b>	<b>1,36,005.74</b>

**Note :**

Excise Duty on sales amounting to ₹ 11,237.03 Lacs (₹ 7,854.46 Lacs) has been reduced from sales in the Statement of Profit & Loss and excise duty on increase/(decrease) in stock amounting to ₹ 52.37 Lacs (₹ 129.30 Lacs) has been considered as income/expense in note 25 of financial statements.

	2011-12	2010-11
<b>Details of Products Sold</b>		
<b>Finished Goods Sold</b>		
Plywood & Blockboard	70,805.13	56,224.72
Laminates	15,329.83	11,705.08
Pre-Laminated Particle Boards	4,081.73	2,033.90
Veneer	8,564.73	6,058.52
Cement	56,964.46	48,821.02
Ferro Silicon	6,294.58	7,889.90
Silicon Manganese	-	21.26
Power	949.56	1,318.02
	<b>1,62,990.02</b>	<b>1,34,072.42</b>
<b>Traded Goods Sold</b>		
Plywood & Blockboard	6,296.28	3,547.80
Medium Density Fibreboard/Plain Particle Boards	343.92	359.60
Agri Products	593.59	748.74
Others	805.02	266.57
	<b>8,038.81</b>	<b>4,922.71</b>
	<b>1,71,028.83</b>	<b>1,38,995.13</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>Details of Income from Services</b>		
Container Freight Station Services	5,050.38	3,176.60
Jetty Services	278.38	156.66
Shipping Operations	614.38	942.25
Other Services	29.32	–
	<b>5,972.46</b>	<b>4,275.51</b>

	2011-12	2010-11
<b>21. OTHER INCOME</b>		
<b>Dividend Income on</b>		
Long Term Investments	1.89	1.03
<b>Interest Income on</b>		
Fixed Deposits, Loans, etc.	309.56	425.37
Insurance and Other Claims	35.14	60.55
Unspent/Unclaimed Liabilities written back	55.75	21.20
Profit on Fixed Assets Sold/Discarded (Net)	–	3.75
Bad Debts Recovered	17.00	5.00
Net gain on Sale of Current Investments	35.89	0.34
Miscellaneous Receipts	49.23	331.49
	<b>504.46</b>	<b>848.73</b>

	2011-12	2010-11
<b>22. COST OF RAW MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	10,826.31	9,190.37
Add : Purchases	69,931.80	56,718.10
	<b>80,758.11</b>	<b>65,908.47</b>
Less : Inventory at the end of the year	13,141.21	10,826.31
Cost of Raw Materials Consumed	<b>67,616.90</b>	<b>55,082.16</b>
<b>Details of Raw Material consumed</b>		
Timber Logs	25,208.02	22,413.60
Veneer	17,534.63	11,941.83
Chemicals	8,201.19	7,344.95
Paper	5,379.67	4,361.31
Particle Board	2,083.22	1,035.60
Coal/Charcoal/Lame Coke	874.59	1,336.70
Super Screen Coal	897.16	502.39
Quartz	261.47	263.82
Mill Scale	181.81	164.68
Lime Stone	664.32	790.50
Gypsum	542.71	337.10
Fly Ash	4,192.73	3,312.46
Others	1,595.38	1,277.22
	<b>67,616.90</b>	<b>55,082.16</b>



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>Details of Closing Stock of Raw Materials</b>		
Timber Logs	3,797.92	3,248.85
Veneer	5,169.87	3,683.31
Chemicals	393.84	697.18
Paper	2,248.06	2,004.70
Particle Board	660.19	358.23
Coal/Charcoal/Lame Coke	171.33	54.26
Quartz	4.47	12.63
Mill Scale	22.15	35.31
Lime Stone	91.52	17.71
Gypsum	21.21	46.27
Fly Ash	354.53	403.09
Others	206.12	264.77
	<b>13,141.21</b>	<b>10,826.31</b>

	2011-12	2010-11
<b>23. (INCREASE)/DECREASE IN INVENTORIES</b>		
Inventories at the beginning of the year		
Traded Goods	896.15	794.97
Finished Goods	3,948.15	3,062.52
Work in Progress	1,930.90	1,638.38
	<b>6,775.20</b>	<b>5,495.87</b>
<b>Inventories at the end of the year</b>		
Traded Goods	832.42	896.15
Finished Goods	3,581.30	3,948.15
Work in Progress	2,070.75	1,930.90
	<b>6,484.47</b>	<b>6,775.20</b>
<b>(Increase)/Decrease in inventories of Finished Goods/Work in Progress/Traded Goods</b>	<b>290.73</b>	<b>(1,279.33)</b>
<b>Details of Purchase of Traded Goods</b>		
Plywood and Blockboards	5,294.70	2,698.26
Veneer	0.40	5.54
Medium Density Fibreboard/Plain Particle Boards	186.47	257.76
Chemicals	608.01	499.42
Pest Control Kits	66.72	94.12
Others	705.20	251.25
	<b>6,861.50</b>	<b>3,806.35</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>Details of Inventory</b>		
<b>Traded Goods</b>		
Veneer	0.45	5.54
Plywood and Blockboards	–	0.17
Medium Density Fibreboard/Plain Particle Boards	668.37	687.96
Adhesive	13.37	50.42
Chemicals	83.41	89.83
Pest Control Kits	66.82	62.23
	<b>832.42</b>	<b>896.15</b>
<b>Finished Goods</b>		
Plywood and Blockboards	1,426.43	1,289.49
Laminates	934.04	1,028.71
Pre-Laminated Particle Boards	56.82	36.10
Veneer	196.14	185.49
Ferro Silicon	534.77	283.62
Silicon Manganese	9.55	9.55
Cement	412.76	1,109.51
Others	10.79	5.68
	<b>3,581.30</b>	<b>3,948.15</b>
<b>Work in Progress</b>		
Plywood and Blockboards	1,634.12	1,488.65
Laminates	413.03	425.37
Raw - Mills	21.86	11.75
Pre-Laminated Particle Boards	1.74	5.13
	<b>2,070.75</b>	<b>1,930.90</b>

	2011-12	2010-11
<b>24. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages, Bonus, etc.	11,577.51	9,343.04
Contribution to Provident, Gratuity and Other Funds	717.72	650.25
Employees Welfare Expenses	462.24	368.79
	<b>12,757.47</b>	<b>10,362.08</b>



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>25. OTHER EXPENSES</b>		
Stores & Spare parts consumed	3,751.63	3,131.97
Loose Tools consumed	63.42	46.46
Power and Fuel	12,510.99	12,040.77
(Increase)/Decrease of Excise Duty on Inventory	(52.37)	129.30
Insurance	316.75	242.85
Jetty Expenses	19.81	29.49
Container Freight Station Operating Expenses (Note - 43)	918.79	712.51
Ship Operating Expenses (Note - 43)	500.76	730.24
Rent	891.69	646.49
Rates & Taxes	603.59	403.80
<b>Repairs &amp; Maintenance</b>		
- Buildings	291.68	240.12
- Plant & Machinery	1,745.94	962.01
- Others	436.61	385.81
Transport & Freight	17,602.41	13,624.50
Commission on Sales	1,007.62	785.63
Advertisement, Publicity and Sales Promotion	4,383.58	4,138.64
Communication Expenses	244.85	321.80
Directors' Remuneration	497.97	499.59
Auditors' Remuneration	55.14	50.94
Research and Development Expenses	27.21	17.42
Preliminary Expenses Written off	-	5.56
Charity and Donations	526.14	787.97
Octroi	305.47	318.55
Sales Tax for earlier years	25.15	9.47
Foreign Exchange Fluctuations (Net)	172.23	11.73
Loss on Fixed Assets Sold/Discarded	0.65	-
Irrecoverable Debts written off	81.58	59.46
Provision for Doubtful Debts	12.32	129.88
Miscellaneous Expenses	3,742.14	2,639.80
	<b>50,683.75</b>	<b>43,102.76</b>
<b>Payment to Auditors</b>		
As Auditor :		
- Audit Fees	25.02	24.60
- Limited Review	9.00	9.00
In other Capacity :		
- Certificate and other Services	12.36	10.97
Reimbursement of Expenses	0.89	0.71
Payment to Branch Auditors :		
- Audit Fees	7.87	5.66
	<b>55.14</b>	<b>50.94</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2012

(₹ in Lacs)

		2011-12	2010-11
<b>26.</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
	Depreciation on Tangible Assets	6,074.83	5,432.32
	Depreciation on Intangible Assets	39.09	58.22
		<b>6,113.92</b>	<b>5,490.54</b>
	Less : Recoupment from Revaluation Reserve	6.63	5.56
	Less : Transferred to Pre-operative Expenses	545.30	406.15
		<b>5,561.99</b>	<b>5,078.83</b>

		2011-12	2010-11
<b>27.</b>	<b>FINANCE COST</b>		
	Interest Expenses [Net of Capitalisation ₹ 3,568.14 Lacs (₹ 587.95 Lacs)]	2,784.55	1,957.67
	Exchange difference to the extent considered as an adjustment to borrowing costs	2,560.73	1.52
	Bank Charges	508.38	359.71
		<b>5,853.66</b>	<b>2,318.90</b>

		2011-12	2010-11
<b>28.</b>	<b>EXCEPTIONAL ITEMS</b>		
	Foreign Exchange Fluctuations	4,624.73	–
	Less : Exchange difference to the extent considered as an adjustment to borrowing costs (Note - 27)	2,560.73	–
		<b>2,064.00</b>	<b>–</b>

**Note :**

The Company has treated loss arisen on account of foreign exchange fluctuations and on re-instatement of forex assets and liabilities as on 31st March, 2012, as exceptional item, since the same has resulted from exceptionally volatile global market developments during the period from July, 2011 to March, 2012.



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

## 29. Capital & Other Commitments

- Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for ₹ 10,953.17 Lacs (₹ 20,750.63 Lacs).
- For commitment relating to lease arrangements, please refer note no. 34.

## 30. Contingent Liabilities

(₹ in Lacs)

	As at 31st March, 2012	As at 31st March, 2011
Contingent Liabilities not provided for in respect of :		
(a) Demands/Claims by various Government Authorities and others not acknowledged as debt :		
(i) Excise Duty/Service Tax	516.81	672.79
(ii) Sales Tax/VAT	327.14	316.20
(iii) Income Tax	2,765.90	1,091.52
(iv) Others	79.26	34.32
<b>Total</b>	<b>3,689.11</b>	<b>2,114.83</b>
(b) Guarantees in favour of a bank against facilities granted to a Subsidiary Company	641.00	641.00
(c) Un-redeemed bank guarantees	1,333.70	1,111.48
(d) Bills discounted with banks	572.40	751.31
(e) Letters of credit issued by the banks	7,466.00	1,3011.44
(f) Custom Duty on import under EPCG Scheme against which Export obligation is to be fulfilled	1,875.42	1,253.55
(f) Guarantee provided to bank on behalf of Contractors	2,477.30	2,477.30

### Note :

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

- There is a diminution of ₹ 185.70 Lacs (₹ 66.30 Lacs) in the value of a quoted investment based on the last quoted price. The above investment being long term and strategic in nature, the said diminution, in the opinion of the management, is temporary in nature and hence no provision is considered necessary.
- Excise Duty debited to Statement of Profit and Loss is Net of Subsidy ₹ 687.93 Lacs (₹ 436.67 Lacs).

Raw Material consumption and Transport & Freight are Net of Subsidy of ₹ 4,452.00 Lacs (₹ 2,055.43 Lacs) and ₹ 5,447.00 Lacs (₹ 2,584.22 Lacs) respectively in respect of a subsidiary company.

- Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under :

(₹ in Lacs)

Particulars	2011-2012	2010-2011
(i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	0.46	5.69
(ii) Interest due on above.	—	—
<b>Total of (i) &amp; (ii)</b>	<b>0.46</b>	<b>5.69</b>

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

Particulars	2011-2012	2010-2011
(iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	–	–
(iv) Amount paid to the suppliers beyond the respective appointed date.	–	–
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	–	–
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	–	–
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	–	–

## 34. (a) Operating Lease :

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

Particulars	2011-2012	2010-2011
Lease payments made for the year*	424.48	377.18

\* Excluding lease rent for use of Land ₹ 467.21 Lacs (₹ 269.31 Lacs).

## (b) Fixed Assets include certain Vehicles obtained on finance lease. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

The year-wise break-up and future obligation towards minimum lease payments of ₹ 942.88 Lacs (₹ 983.55 Lacs) consisting of present value of lease payments ₹ 872.57 Lacs (₹ 853.37 Lacs) and finance charges ₹ 70.31 Lacs (₹ 130.18 Lacs) under the respective agreements as on 31st March, 2012, is given below :

Particulars	Not later than 1 year		Later than 1 year but not later than 5 years	
	Minimum lease payments	Present value as on 31.03.2012	Minimum lease payments	Present value as on 31.03.2012
Finance Lease	387.63 (348.78)	335.12 (273.02)	571.15 (634.77)	537.45 (580.35)

\* Rate of Interest - 10.00% – 11.25%.

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

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



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

	2011-12	2010-11
<b>(i) Net Employee Expense/(Benefit)</b>		
Current service cost	117.53	101.32
Interest cost on benefit obligation	60.79	44.70
Expected return on plan assets	(59.42)	(36.98)
Net Actuarial (gains)/losses recognized in the year	39.25	70.77
<b>Total employer expense</b>	<b>158.15</b>	<b>179.81</b>
<b>(ii) Actual return on Plan Assets</b>	<b>54.62</b>	<b>37.02</b>
<b>(iii) Benefit Asset/(Liability)</b>		
Fair Value of Plan Assets	850.70	594.70
Defined benefit obligation	861.91	678.20
<b>Benefit Asset/(Liability)</b>	<b>(11.21)</b>	<b>(83.51)</b>
<b>(iv) Movement in benefit liability</b>		
Opening defined benefit obligation	678.20	481.30
Interest cost	60.79	44.70
Current service cost	117.53	101.32
Benefits paid	(29.05)	(19.93)
Actuarial (gains)/losses	34.44	70.81
<b>Closing benefit obligation</b>	<b>861.91</b>	<b>678.20</b>
<b>(v) Movement in fair value of plan assets</b>		
Opening fair value of Plan Assets	594.70	388.37
Expected Return on Plan Assets	59.42	36.98
Contribution by employer	230.43	189.24
Benefits paid	(29.05)	(19.93)
Actuarial gains/(losses) on obligation	(4.81)	0.04
<b>Closing fair value of Plan Assets</b>	<b>850.70</b>	<b>594.70</b>
<b>(vi) The major categories of plan assets as a percentage of the fair value of total Plan Assets funded with insurer</b>	100%	100%
<b>(vii) The Principal actuarial assumptions are as follows :</b>		
Discount rate	8%	8%
Expected Return on Plan Assets	8%	8%
Salary Increase	5%	5%
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	1%-2%	1%-2%

(viii) Amount incurred as expense for defined contribution to Provident Fund is ₹ 410.45 Lacs (₹ 344.84 Lacs).

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

(x) The Company expects to contribute ₹ 150 Lacs (₹ 175 Lacs) to Gratuity Fund in 2012-2013.

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

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

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Defined Benefit Obligation	861.91	678.20	481.30	413.57	228.88
Plan Assets	850.70	594.70	388.37	231.49	183.89
Surplus/(Deficit)	(11.21)	(83.50)	(92.93)	(182.08)	(44.99)
Experience adjustments on Plan Liability	29.05	19.93	*		
Experience adjustments on Plan Assets	(4.39)	0.04			

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

## 36. Earning Per Share (EPS) :

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

	2011-2012	2010-2011
Profit as per Statement of Profit & Loss (₹ in Lacs)	12,275.86	15,458.36
Less : Preference dividend for the year (including Tax on Dividend) (₹ in Lacs)	5.23	5.23
Profit available for Equity Shareholders	12,270.63	15,453.13
Weighted average number of Equity Shares outstanding during the year	22,21,72,990	22,21,72,990
Nominal value of equity shares (₹)	1	1
Basic and Diluted Earnings Per Share (EPS) (₹)	5.53	6.96

## 37. Derivative instruments and unhedged foreign currency exposure.

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

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

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

(₹ in Lacs)

Nature of Item	2011-12	2010-11
Foreign Currency Term Loans	25,073.59	3,557.35
Foreign Currency Demand Loans	2,557.83	–
Buyer's credit	29,103.53	14,366.58
Trade Receivables	561.89	405.09
Trade Payables	4,552.94	12,830.33



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

38. Charity and Donations includes ₹ 4 Lacs (₹ 75 Lacs) paid to the following political parties for political purposes.

Paid To	2011-12	2010-11
Bhartiya Janta Party	4.00	10.00
WB Pradesh Congress Committee	—	5.00
Assam Gana Parishad	—	10.00
Indian National Congress	—	50.00
<b>Total</b>	<b>4.00</b>	<b>75.00</b>

## 39. Related Party Disclosures

a) Name of the related parties :

<b>Key Management Personnel</b>	<p>Sri Satya Brata Ganguly (Chairman) (Resigned on 12th March, 2012)</p> <p>Sri Sajjan Bhajanka (Chairman)</p> <p>Sri Sanjay Agarwal (Managing Director)</p> <p>Sri Prem Kumar Bhajanka (Managing Director)</p> <p>Sri Vishnu Khemani (Managing Director)</p> <p>Sri Hari Prasad Agarwal (Vice Chairman)</p> <p>Sri Ajay Baldawa (Executive Director)</p> <p>Sri Brij Bhushan Agarwal (Director) (Resigned on 10th May, 2011)</p> <p>Sri Arun Kumar Julasaria (Chief Financial Officer cum Company Secretary)</p> <p>Sri S.B. Roongta (Managing Director) (Resigned on 30th September, 2011)</p> <p>Sri Rajendra Chamaria (Vice Chairman &amp; Managing Director)</p> <p>Sri Pankaj Kejriwal (Managing Director)</p> <p>Sri Sanjay Kumar Gupta (Chief Financial Officer)</p> <p>Sri Girish Agarwal</p> <p>Sri Ashutosh Jaiswal</p> <p>Smt. Shraddha Agarwal</p> <p>Sri Anil Kumar Choudhary</p> <p>Sri Ashok Kumar Choudhary</p> <p>Smt. Sunita Devi Choudhary</p>
<b>Associates</b>	<p>Adonis Vyaper Pvt. Ltd. (with effect from 31st March, 2012)</p> <p>Apnapan Viniyog Pvt. Ltd. (with effect from 31st March, 2012)</p> <p>Ara Suppliers Pvt. Ltd. (with effect from 31st March, 2012)</p> <p>Arham Sales Pvt. Ltd. (with effect from 31st March, 2012)</p>
<b>Enterprises Owned/Influenced by Key Management Personnel</b>	<p>Adonis Vyaper Pvt. Ltd. (upto 30th March, 2012)</p> <p>Apnapan Viniyog Pvt. Ltd. (upto 30th March, 2012)</p> <p>Ara Suppliers Pvt. Ltd. (upto 30th March, 2012)</p> <p>Arham Sales Pvt. Ltd. (upto 30th March, 2012)</p> <p>Brijdham Merchants Pvt. Ltd.</p> <p>Pacific Plywoods Pvt. Ltd.</p> <p>Sriram Merchants Pvt. Ltd.</p>

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

	<p>Sriram Vanijya Pvt. Ltd. Sumangal Business Pvt. Ltd. Sumangal International Pvt. Ltd. Shyam Century Cement Industries Ltd. Shyam Sel &amp; Power Ltd. (Upto 10th May, 2011) Shyam Metallics &amp; Energy Ltd. (Upto 10th May, 2011) Star India Cement Ltd. Namchic Tea Estate Pvt. Ltd.</p>
<b>Relatives of Key Management Personnel</b>	<p>Smt. Santosh Bhajanka (Wife of Sri Sajjan Bhajanka) Smt. Divya Agarwal (Wife of Sri Sanjay Agarwal) Smt. Sumitra Devi Agarwal (Wife of Sri Hari Prasad Agarwal) Smt. Yash Bhajanka (Wife of Sri Prem Kumar Bhajanka) Smt. Sudha Khemani (Wife of Sri Vishnu Prasad Khemani) Miss Nikita Agarwal (Daughter of Sri Sanjay Agarwal) Sri Keshav Bhajanka (Son of Sri Sajjan Bhajanka) Smt. Bindu Choudhary Sri Shiv Prasad Agarwal (Father of Sri Girish Agarwal) Smt. Manju Devi Agarwal (Mother of Sri Girish Agarwal) Ms. Meenakshi Agarwal (Sister of Sri Girish Agarwal)</p>



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2012

Sl. No.	Type of Transactions	Enterprises owned/ Influenced by Key Management Personnel		Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>1</b>	<b>Purchase of Trading Goods</b>										
	Shyam Sel & Power Ltd.	-	398.85	-	-	-	-	-	-	-	398.85
	Skipper Ltd.	-	233.19	-	-	-	-	-	-	-	233.19
	Shyam Metallic & Energy Ltd.	-	157.13	-	-	-	-	-	-	-	157.13
<b>2</b>	<b>Sale of Trading Goods</b>										
	Namchic Tea Estate Pvt. Ltd.	-	2.87	-	-	-	-	-	-	-	2.87
<b>3</b>	<b>Loan taken</b>										
	Brijdham Merchants Pvt. Ltd.	367.70	75.50	-	-	-	-	-	-	367.70	75.50
	Sriram Merchants Pvt. Ltd.	603.00	346.50	-	-	-	-	-	-	603.00	346.50
	Sriram Vanijya Pvt. Ltd.	1,315.00	673.50	-	-	-	-	-	-	1,315.00	673.50
	Sumangal Business Pvt. Ltd.	259.50	23.00	-	-	-	-	-	-	259.50	23.00
	Sumangal International Pvt. Ltd.	113.00	483.54	-	-	-	-	-	-	113.00	483.54
	Sri Prem Kumar Bhajanka	-	-	-	-	300.00	-	-	-	300.00	-
	Others	-	-	-	-	35.00	6.00	-	-	35.00	6.00
<b>4</b>	<b>Loan repaid</b>										
	Brijdham Merchants Pvt. Ltd.	367.70	144.49	-	-	-	-	-	-	367.70	144.49
	Sriram Merchants Pvt. Ltd.	603.00	733.63	-	-	-	-	-	-	603.00	733.63
	Sriram Vanijya Pvt. Ltd.	1,315.00	1,790.64	-	-	-	-	-	-	1,315.00	1,790.64
	Sumangal Business Pvt. Ltd.	259.50	202.36	-	-	-	-	-	-	259.50	202.36
	Sumangal International Pvt. Ltd.	113.00	712.66	-	-	-	-	-	-	113.00	712.66
	Others	-	-	-	-	15.00	6.00	-	-	15.00	6.00
<b>5</b>	<b>Loan Given</b>										
	Smt. Sunita Devi Choudhary	-	-	-	-	13.00	-	-	-	13.00	-
<b>6</b>	<b>Advance Taken</b>										
	Pacific Plywoods Pvt. Ltd.	-	190.00	-	-	-	-	-	-	-	190.00
<b>7</b>	<b>Advance Refunded</b>										
	Pacific Plywoods Pvt. Ltd.	-	190.00	-	-	-	-	-	-	-	190.00
<b>8</b>	<b>Share Application Money</b>										
	Shyam Century Cement Industries Ltd.	-	79.00	-	-	-	-	-	-	-	79.00
<b>9</b>	<b>Refund of Share Application Money</b>										
	Ara Suppliers Pvt. Ltd.	1.00	-	-	-	-	-	-	-	1.00	-
	Shyam Century Cement Industries Ltd.	242.00	-	-	-	-	-	-	-	242.00	-
<b>10</b>	<b>Investment Made</b>										
	Adonis Vyaper Pvt. Ltd.	-	-	79.82	-	-	-	-	-	79.82	-
	Apnapan Viniyog Pvt. Ltd.	-	-	79.82	-	-	-	-	-	79.82	-
	Ara Suppliers Pvt. Ltd.	-	-	79.82	-	-	-	-	-	79.82	-
	Arham Sales Pvt. Ltd.	-	-	79.82	-	-	-	-	-	79.82	-
<b>11</b>	<b>Interest Paid</b>										
	Brijdham Merchants Pvt. Ltd.	11.06	2.60	-	-	-	-	-	-	11.06	2.60
	Sriram Merchants Pvt. Ltd.	14.25	21.92	-	-	-	-	-	-	14.25	21.92
	Sriram Vanijya Pvt. Ltd.	40.36	57.36	-	-	-	-	-	-	40.36	57.36
	Sumangal Business Pvt. Ltd.	7.68	10.15	-	-	-	-	-	-	7.68	10.15
	Sumangal International Pvt. Ltd.	3.87	10.66	-	-	-	-	-	-	3.87	10.66
	Others	-	-	-	-	8.89	0.20	-	-	8.89	0.20

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

Sl. No.	Type of Transactions	Enterprises owned/ Influenced by Key Management Personnel		Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
12	<b>Interest Received</b>										
	Skipper Ltd.	11.18	39.29	-	-	-	-	-	-	11.18	39.29
13	<b>Remuneration Paid</b>										
	Sri Prem Kumar Bhajanka	-	-	-	-	54.00	96.00	-	-	54.00	96.00
	Sri Sajjan Bhajanka	-	-	-	-	96.00	72.00	-	-	96.00	72.00
	Sri Sanjay Agarwal	-	-	-	-	96.00	72.00	-	-	96.00	72.00
	Others	-	-	-	-	282.73	308.81	11.85	4.50	294.58	313.31
14	<b>Sitting Fees</b>									835.16	866.62
	Sri Satya Brata Ganguly	-	-	-	-	0.40	0.38	-	-	0.40	0.38
15	<b>Dividend Paid</b>										
	Sri Sajjan Bhajanka	-	-	-	-	491.43	55.80	-	-	491.43	55.80
	Sri Sanjay Agarwal	-	-	-	-	424.44	47.31	-	-	424.44	47.31
	Sri Prem Kumar Bhajanka	-	-	-	-	305.17	39.52	-	-	305.17	39.52
	Smt. Divya Agarwal	-	-	-	-	-	-	335.00	41.87	335.00	41.87
	Others	786.58	98.32	-	-	202.95	36.32	697.51	128.94	1,687.05	263.59
16	<b>Rent Paid</b>									4,930.13	711.68
	Smt. Manju Agarwal	-	-	-	-	-	-	3.60	1.20	3.60	1.20
	Sri Anil Kumar Choudhary	-	-	-	-	3.00	3.00	-	-	3.00	3.00
17	<b>Guarantees Obtained *</b>										
	Sri Sajjan Bhajanka	-	-	-	-	89,347.05	1,11,747.05	-	-	89,347.05	111,747.05
	Sri Sanjay Agarwal	-	-	-	-	68,497.05	94,347.05	-	-	68,497.05	94,347.05
	Sri Prem Kumar Bhajanka	-	-	-	-	14,000.00	14,000.00	-	-	14,000.00	14,000.00
	Sri Hari Prasad Agarwal	-	-	-	-	35,757.05	35,757.05	-	-	35,757.05	35,757.05
	Sri Brij Bhusan Agarwal	-	-	-	-	-	26,770.83	-	-	-	26,770.83
	Sri Rajendra Chamaria	-	-	-	-	-	58,590.00	-	-	-	58,590.00
	Sri Sajjan Kumar Bansal	-	-	-	-	-	9,661.63	-	-	-	9,661.63
18	<b>Commission Paid</b>										
	Sri Ashutosh Jaiswal	-	-	-	-	4.00	-	-	-	4.00	-
19	<b>Balance Outstanding on account of</b>										
A	<b>Receivable/(Payable)</b>										
	Shyam Metallic & Energy Ltd.	-	(157.13)	-	-	-	-	-	-	-	(157.13)
	Namchic Tea Estate Pvt. Ltd.	-	0.42	-	-	-	-	-	-	-	0.42
	Star India Cement Ltd.	35.00	-	-	-	-	-	-	-	35.00	-
	Skipper Ltd.	-	(6.61)	-	-	-	-	-	-	-	(6.61)
	Others	-	-	-	-	0.94	-	0.01	-	0.95	-
B	<b>Share Application</b>										
	Adonis Vyaper Pvt. Ltd.	-	47.50	-	-	-	-	-	-	-	47.50
	Apnapan Viniyog Pvt. Ltd.	-	47.50	-	-	-	-	-	-	-	47.50
	Ara Suppliers Pvt. Ltd.	-	48.50	-	-	-	-	-	-	-	48.50
	Arham Sales Pvt. Ltd.	-	47.50	-	-	-	-	-	-	-	47.50
	Shyam Century Cement Industries Ltd.	-	242.00	-	-	-	-	-	-	-	242.00
C	<b>Loans</b>										
	Sri Prem Kumar Bhajanka	-	-	-	-	(300.00)	-	-	-	(300.00)	-
	Sri Anil Kumar Choudhary	-	-	-	-	(20.08)	-	-	-	(20.08)	-
	Smt. Sunita Devi Choudhary	-	-	-	-	13.00	-	-	-	13.00	-
	Others	-	-	-	-	(0.03)	0.55	-	-	(0.03)	0.55
D	<b>Remuneration Payable</b>										
	Sri Ajay Baldawa	-	-	-	-	1.56	1.20	-	-	1.56	1.20
	Sri Arun Kumar Julasaria	-	-	-	-	0.28	1.21	-	-	0.28	1.21
	Ms. Nikita Agarwal	-	-	-	-	-	-	0.44	-	0.44	-
	Sri Keshav Bhajanka	-	-	-	-	-	-	1.13	-	1.13	-



# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

## 40. The Company's segment information as at and for the Year ended 31st March, 2012 are as below :

Sl. No.		Plywood	Laminate	Logistics	Ferro Alloys	Power	Cement	Others	Total
a	<b>Revenue(Gross)</b>								
	External Sales	85,555.56 (65,980.09)	19,729.74 (13,921.80)	5,943.14 (4,275.51)	6,294.58 (7,911.16)	949.56 (1,318.02)	56,964.46 (48,821.02)	1,564.25 (1,043.04)	1,77,001.29 (1,43,270.64)
	Inter-segment Sales	- -	- -	143.21 (49.41)	- -	6,450.93 (7,084.41)	- -	184.13 (314.91)	6,778.27 (7,448.73)
	Total Revenue (Gross)	85,555.56 (65,980.09)	19,729.74 (13,921.80)	6,086.35 (4,324.92)	6,294.58 (7,911.16)	7,400.49 (8,402.43)	56,964.46 (48,821.02)	1,748.38 (1,357.95)	1,83,779.56 (1,50,719.37)
b	<b>Result</b>								
	<b>Segment Results</b>	7,971.96 (3,913.90)	2,190.63 (1,105.64)	1,860.20 (946.25)	(95.76) (1,162.06)	929.11 (2,257.63)	11,052.24 (11,334.21)	257.08 (133.95)	24,165.46 (20,853.64)
	Unallocated Income/ Expenses(-) (Net of unlocated expenses/ income)								-2,760.26 (-152.02)
	Operating Profit								21,405.20 (20,701.62)
	Finance Cost								5,853.66 (2,318.90)
	Provision for Taxation								3,288.17 (3,797.95)
	Deferred Tax Charge/ (-) Credit								(63.83) (74.08)
	MAT Credit Entitlement (-)								-2,648.51 (4,310.29)
	Net Profit (before minority interest)								14,975.71 (18,969.14)
	<b>Other Information</b>								
a	<b>Total Assets</b>								
	Segment Assets	38,993.27 (28,957.00)	13,140.39 (9,727.37)	8,271.72 (8,488.49)	3,752.60 (3,110.79)	30,011.90 (19,363.32)	1,09,435.69 (77,373.30)	653.85 (573.79)	2,04,259.42 (1,47,594.06)
	Unallocated Corporate /Other Assets								14,468.98 (11,154.96)
									2,18,728.40 (1,58,749.02)
b	<b>Total Liabilities</b>								
	Segment Liabilities	5,948.68 (6,515.88)	3,956.15 (2,582.25)	518.21 (671.92)	426.31 (293.22)	2,485.42 (5,116.00)	7,584.34 (3,671.94)	157.69 (140.37)	21,076.80 (18,991.58)
	Unallocated Corporate/Other Liabilities								1,07,054.64 (61,293.04)
									1,28,131.44 (80,284.62)
c	<b>Capital Expenditure *</b>	3,120.76 (1,470.81)	1,561.38 (799.43)	529.50 (1,600.95)	89.23 (130.98)	9,559.97 (3,974.97)	36,390.25 (23,902.18)	36.50 (11.53)	51,287.59 (31,890.85)

# Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

Sl. No.		Plywood	Laminate	Logistics	Ferro Alloys	Power	Cement	Others	Total
d	Depreciation/ Amortisation	1,043.55 (1,020.59)	438.49 (337.29)	815.44 (726.02)	118.68 (106.34)	331.76 (1,011.97)	2,810.87 (1,870.85)	3.20 (5.77)	5,561.99 (5,078.83)
e	Geographical Segment								
	i. Revenue (Gross)								
	- India								1,72,904.20 (1,40,213.01)
	- Overseas								4,097.09 (3,057.63)
	ii. Carrying amount of Segment Assets								
	- India								2,03,668.06 (1,47,063.36)
	- Overseas								591.36 (530.70)

\*Excluding ₹ 77.01 Lacs (₹ 98.97 Lacs) for unallocated corporate assets.

## Notes :

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

Plywood	- Plywood, Block-Board, Veneer & Timber
Laminate	- Decorative Laminates & Pre-laminated Boards
Ferro-Alloys	- Ferro Silicon
Power	- Generation of Power
Cement	- Cement and Clinker
Logistic	- Container Freight Stations (CFS) and Jetty
Others	- Mainly Trading of Chemicals and Minerals

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

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

41. Foreign Exchange Loss ₹ 921.78 Lacs (Previous Year Loss ₹ 11.73 Lacs) (Net) towards creditors/debtors pertaining to specific segments has been included as unallocable income/expenses instead of the relevant segments results as the amount of such exchange gain/loss for different segments is not ascertainable.

42. The Company has paid anti dumping duty amounting to ₹ 156.73 Lacs (including ₹ 81.85 Lacs during the year) on import of phenol which in opinion of the management and based on a legal opinion, is in excess of actual margin of dumping of said materials and accordingly refundable in terms of Section 9AA of Custom Tariff Act, 1975 and hence the same is considered as receivable and included under the head Loans & Advances.



## Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2012

(₹ in Lacs)

43. **The following expenses are included under Container Freight Station Operating expenses and Ship Operating expenses appearing in the Statement of Profit and Loss.**

	2011-12	2010-11
Customs Personnel Deputation Expenses	192.45	139.35
Rent	557.41	671.07
Power & Fuel	9.01	95.44
Transport & Freight	520.26	476.13
Miscellaneous Expenses	140.42	60.76
<b>Total</b>	<b>1,419.55</b>	<b>1,442.75</b>

44. Previous year's figures including those given in brackets have been re-arranged where necessary to confirm to the current year's classifications under Revised Schedule VI as stated in note 3.1(i) above.

As per our Report of even Date

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

Firm Registration No. 301003E

*Chartered Accountants*

Per **R. K. Agrawal**

*a Partner*

Membership No. 16667

Place : Kolkata

Date : 9th May, 2012

For and on behalf of the Board of Directors

**Arun Kumar Julasaria**  
*CFO & Company Secretary*

**Sajjan Bhajanka**  
*Chairman & Whole-Time Director*

**Sanjay Agarwal**  
*Managing Director*









**CENTURYPLY**<sup>®</sup>

**CENTURY PLYBOARDS (I) LTD.**

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sms 'PLY' to 54646 for any queries



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**CENTURYPLY<sup>®</sup>**

**ATTENDANCE SLIP**

**CENTURY PLYBOARDS (INDIA) LIMITED**

Registered Office : 6, Lyons Range, Kolkata - 700 001

I hereby record my presence at the 31st Annual General Meeting of the Company at Indian Chamber of Commerce Auditorium, 10th Floor, 4 India Exchange Place, Kolkata - 700 001 on Thursday, the 27th September, 2012 at 11.00 a.m.

.....  
Name of Proxy (in BLOCK LETTERS)

.....  
Shareholder's / Proxy's Signature

- Notes :** 1. Members/Proxy holders are requested to bring this slip with them when they come to the Meeting and hand it over at the entrance of the Meeting Hall, duly signed.
2. Please bring your copy of the Annual Report at the Meeting.



**CENTURYPLY<sup>®</sup>**

**FORM OF PROXY**

**CENTURY PLYBOARDS (INDIA) LIMITED**

Registered Office : 6, Lyons Range, Kolkata - 700 001

I/We .....  
of .....  
being a member of Century Plyboards (India), Limited, hereby appoint.....  
..... of .....  
.....or failing him .....  
of..... or failing him .....  
of..... as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company at Indian Chamber of Commerce Auditorium, 10th Floor, 4, India Exchange Place, Kolkata - 700 001 on Thursday, the 27th September, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this..... day of ..... 2012

Signature.....

Affix  
One Rupee  
Revenue  
Stamp

Regd. Folio/DP ID No.

- Notes :** 1. Members entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company.
2. Proxy must be deposited at the Registered Office of the Company at 6, Lyons Range, Kolkata - 700 001 not less than 48 hours before the time fixed for holding the meeting.