

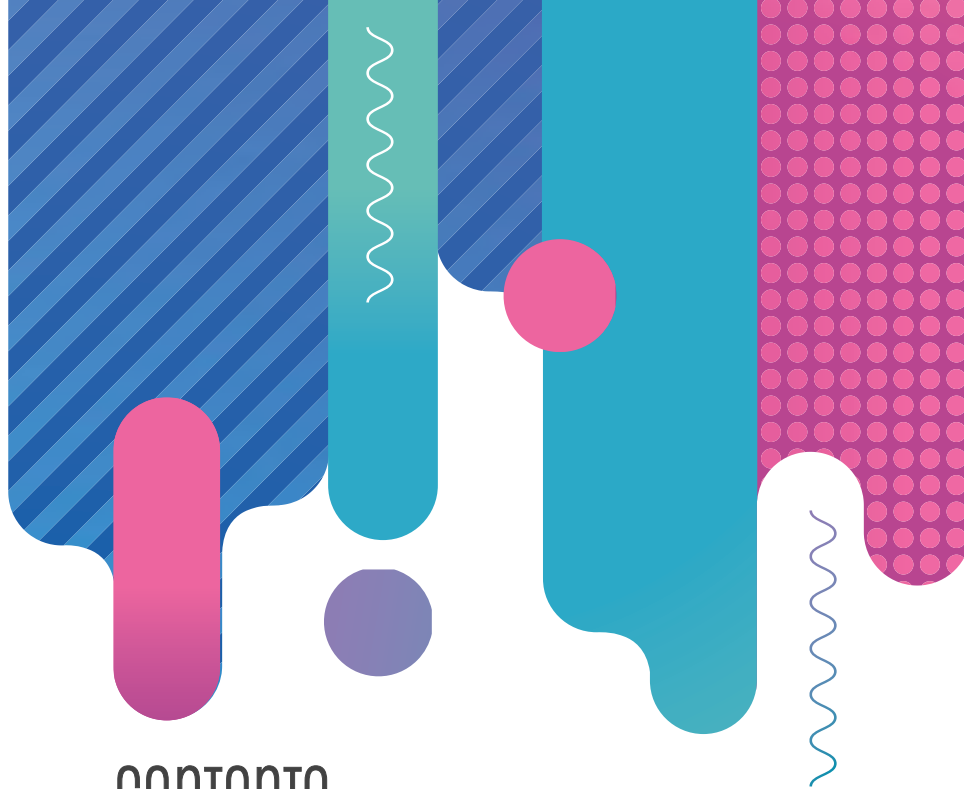
The Group's contribution to the exchequer (gross) in FY2018-19 was ₹452 Crore; in FY2017-18, it was ₹ 359 Crore

The Group's contribution to CSR and charity in FY 2018-19 was ₹9 Crore; in FY 2017-18, it was ₹11 Crore

Merino Panel Products Limited
Annual Report 2018-19



TRENDSETTER



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Forward-looking statement

In this Annual Report we have presented some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove to be inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



SHRI MAN KUMAR LOHIA

(1926-2009),



Founder Chairman and inspiration
behind the Merino Group

CORPORATE INFORMATION

Board of Directors

Mr. Champa Lal Lohia
Mr. Rup Chand Lohia
Mr. Prakash Lohia
Mr. Manoj Lohia – *Whole-time Director*
Mr. Deepak Lohia – *Whole-time Director*
Ms. Ruchira Lohia
Mr. Bikash Lohia
Mr. Asok Kumar Parui
Mr. Anil Jajoo
Dr. Gautam Bhattacharjee – *Independent Director*
Mr. Sisir Kumar Chakrabarti – *Independent Director*
Mr. Bama Prasad Mukhopadhyay – *Independent Director*
Mr. Anurag Lohia – *Whole-time Director – Appointed w.e.f. 01.04.2019*

Audit Committee

Mr. Sisir Kumar Chakrabarti – *Chairman*
Dr. Gautam Bhattacharjee
Mr. Bama Prasad Mukhopadhyay
Mr. Asok Kumar Parui – *Secretary to the Committee*

Nomination and Remuneration Committee

Mr. Sisir Kumar Chakrabarti – *Chairman*
Dr. Gautam Bhattacharjee
Mr. Anil Jajoo
Mr. Bama Prasad Mukhopadhyay
Mr. Asok Kumar Parui – *Secretary to the Committee*

Corporate Social Responsibility Committee

Mr. Champa Lal Lohia – *Chairman*
Mr. Deepak Lohia
Mr. Anil Jajoo
Dr. Gautam Bhattacharjee

Risk Management Committee

Mr. Prakash Lohia – *Chairman*
Ms. Ruchira Lohia
Mr. Deepak Lohia
Mr. Asok Kumar Parui
Mr. Riaz Ahmed – *Consultant*

Company Secretary

Mr. Asok Kumar Parui

Registered Office

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60/1, Chowringhee Road,
Kolkata-700 020
Phone: 2290-1214,
Fax: 91-33-2287-0314,
E-mail: merinokol@merinoindia.com
Website: www.merinoindia.com

Plant

Delhi-Rohtak Road,
Vill. & P.O. Rohad,
Dist. Jhajjar,
PIN: 124 501
Haryana

Branches

Bhubaneswar, Chandigarh, Delhi,
Jaipur, Mumbai, Pune

Auditors

Singhi & Co.
Chartered Accountants

Cost Auditors

Basu, Banerjee, Chakraborty, Chattopadhyay & Co.
Cost Accountants

Banks

AXIS Bank Limited
Standard Chartered Bank
Kotak Mahindra Bank Limited
The Hongkong and Shanghai Banking Corporation Ltd.
IDBI Bank Limited

TRENDSETTER



AT MERINO, OUR PRIMARY
FOCUS IS TO DELIGHT
CUSTOMERS.

Not just manufacturing
products that customers like.

Not just carving out a larger
share of the market.

Not just matching the best
standards (aesthetics,
quality and delivery).

Not just matching
prevailing trends.

*But manufacturing products
that customers did not even
think of.*

*But helping widen the market
in the first place.*

*But in setting new
benchmarks.*

But setting them instead.

The Merino brand is marked by various recalls. These recalls have been reflected in words like 'quality', 'style' and 'superior price-value'.

However, one recall has endured. That of 'trendsetter'.

Attracting a larger number of trade intermediaries, sales influencers and consumers.

*Enhancing profitability for the year.
Building sustainability for the future.*

THE SPIRIT OF MERINO

Our mission

Universal weal through trade and industry



Our vision

Global competence and global competitiveness in every line of business by synergizing western work culture & Indian ethos.

Our motto

Our endeavor is to maximize the product value (excellence), maintain affordability (economy) and deal fairly and transparently in all our relationships (ethics).



Our inspiration

'Arise, awake and stop not till the goal is reached.'
- Swami Vivekananda

THE MERINO POSITIONING

Rich experience spanning half a century

Merino was started by the late Man Kumar Lohia in 1965. The Group entered the interiors segment with plywood manufacture in 1974. It launched the Merino brand in 1981 when the Group extended to laminates manufacture.

Merino is now present in 70+ countries with an extensive product range. The Group is one of the world's leading manufacturers and exporters of decorative laminates for interior applications.

The Group showcases a range of world-class premium laminates across a range of designs, textures, colors and finishes.

Widening horizontal and vertical presence

Merino possesses India's largest laminates manufacturing capacity at 171 lakh sheets per annum. The Group is among India's handful laminate players possessing a captive printing unit. The Group possesses three short-cycle lamination facilities that can produce pre-laminated particle and MDF boards: from 2.5 x 6 ft to 9 x 6 ft.

The Group invested in a plate polishing and cleaning facility for a uniform surface finish of stainless steel moulds; it is the only high pressure laminates manufacturer in Asia possessing chroming, de-chroming and chromed stainless steel moulds (to produce non-directional chromed gloss plates); it is also engaged in the manufacture of captive formaldehyde and resins.

Consistent quality focus

Merino's facilities have been certified for ISO 9001, ISO 14001 and ISO 18001.

The Group has established a respect for continuous research-led innovation, as well as enhanced product and process quality.

The Group's quality has been consistently enhanced through engagements and alliances with global consultants leading to technology absorption capabilities.

As an extension of the quality commitment, the Group has invested deeply in safety standards, ease-of-application, reduced installation time and interiors maintenance.

State-of-the-art technology use

The Merino Group's three laminates manufacturing units (in addition panel products and potato products) have been invested with state-of-the-art technologies.

It is one of only two companies in India to have developed the Double Belt Casting Unit process to produce superior laminate products.

Merino integrated all operational stages through ERP, enhancing transparency and providing on-time information to customers and service providers.

An international player with local roots

The Group is present where customers are. The Group possesses offices in all major States that help market products in 70-plus countries.

The Group's network of more than 4000 dealers (doubled in the last five years) helps provide products across 2,000 pan-India outlets.

The Group has 16 branches in India and two offices overseas.

PRODUCT PORTFOLIO

Laminates: The Group is one of the largest manufacturers of laminates in India with more than 10,000 SKUs (across designs, textures, colors and finishes).

Panel products and furniture division:

The Group pioneered the manufacture of panel products like restroom cubicles that are finding increased applications across public spaces; the furniture division manufactures products like furniture components for office use.

Potato flakes: The Group invested in the manufacture of potato flakes with a manufacturing facility in Hapur, Uttar Pradesh.

MANUFACTURING CAPACITIES

Merino Industries Limited

Location: Hapur (Uttar Pradesh)

Products	Capacity
Laminates	72 lakh sheets
Furniture	2.24 lakh pcs
Formaldehyde	18,250 MT
Potato flakes	86 lakh kg

Merino Industries Limited

Location: Hosur (Tamil Nadu)

Products	Capacity
Prelam boards	18 lakh sqm

Merino Panel Products Limited

Location: Rohad (Haryana)

Products	Capacity
Laminates	72 lakh sheets
Plywood	8.10 lakh sqm
Prelam boards	3.74 lakh pcs
Formaldehyde	9,360 MT


Merino Industries Limited

Location: Dahej (Gujarat)

Products	Capacity
Laminates	27 lakh sheets

Merino.

Consistently improving, strengthening and trend-setting



1969

Established
potato cold
storage plant

1978

Established a
factory at Hapur

1994

Recognized as the
highest exporter
of laminates

1998

Launched Flex,
post-forming
laminates

1973

Started
manufacturing
plywood

1981

Capacity of
500 sheets/
day

1995

Established
manufacturing
unit in Rohad,
Haryana

2003

Established a unit to manufacture low pressure laminates

2005

Launched Vegit™, a nationally leading brand, making potato flakes and instant snack mixes

2007

Launched Merino Services Limited, an IT company

2014

Launched internal and external wall cladding products

2004

Commenced the delivery of restroom cubicle systems

2006

Established a manufacturing unit in Hosur (Tamil Nadu) for Prelam boards

2010

Launched MR+ Laminates under the Merino Laminates flagship brand

2015

- Launched Stoven, a brand for stone veneer sheets.
- Established a manufacturing unit in Achheja, Uttar Pradesh for laminates, furniture, formaldehyde and potato flakes

2016

Launched the Gloss Meister brand for melamine-faced particle board, MDF board and post-formed panels.

2017

- Launched Finguard and Harmony brands of co-ordinated surfaces.
- Established a manufacturing unit in Dahej, Gujarat

2018

Launched the Imagino, Matt Meister and Laminature series of laminates

Our trendsetting track record has helped us grow across market cycles



Performance, FY2018-19

Aggregate sales increased 21% to reach ₹1472.33 crore during FY2018-19 following increased market penetration and a wider consumer base.

Performance, FY2018-19

The Group's EBITDA grew 13% over the previous year following cost optimisation and improving contribution, following increased offtake.

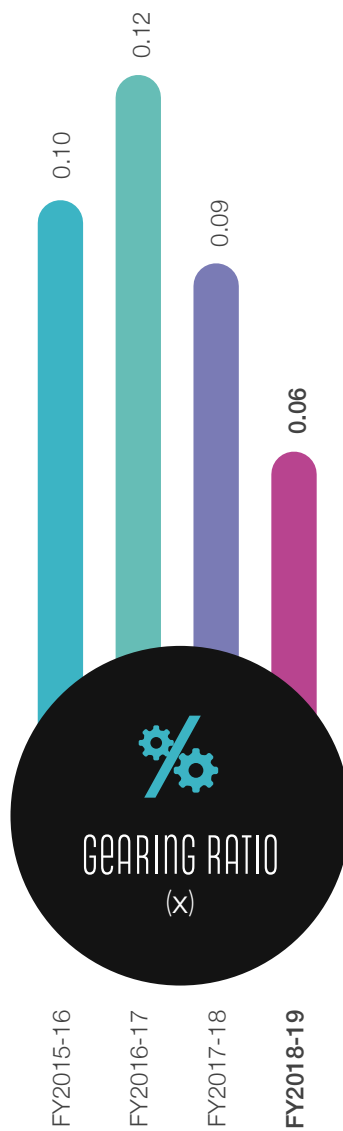
Performance, FY2018-19

The Group's PAT improved 37% over the previous year on the back of stronger performance and a larger contribution from value-added products.



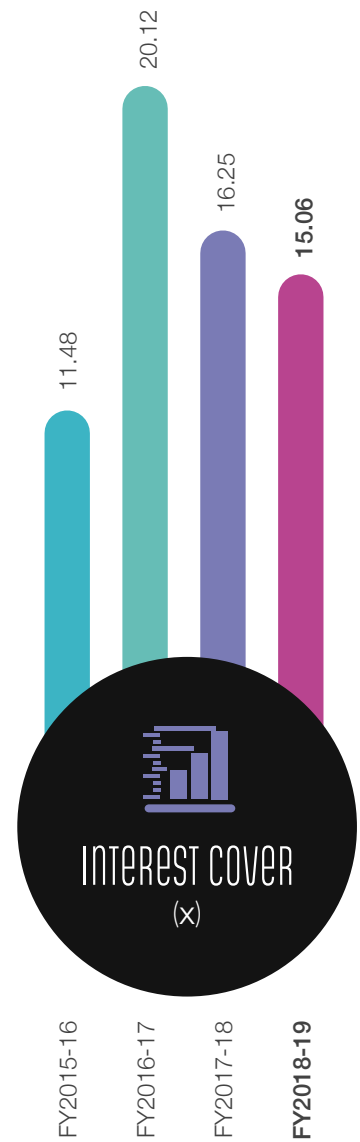
Performance, FY2018-19

The RoCE of the Group grew by 88 bps over the previous year, providing a reasonable return to the shareholders.



Performance, FY2018-19

The Group's gearing ratio improved by 3 bps following debt repayment and strengthening net worth.



Performance, FY2018-19

The interest cover of the Group declined by 1.19x due to increased competition and decline in realisations during the year.



Chairman's overview

I present the performance of the Group during the year under review.

The Group's revenue from operations strengthened 21% to ₹1,472.13 crore while EBIDTA strengthened to ₹260.76 crore and profit after tax improved 37% to ₹140.83 crore in 2018-19.

This performance was appreciable considering subdued market demand, increased currency volatility and a liquidity crunch in the country.

The growth in our operating numbers indicates that we strengthened our competitiveness during the year under review in various ways.

The Group invested in additional manufacturing capacities, enhanced utilisation levels and introduced innovative value-added products. The Dahej plant provided the required synergies to the production process. We also expanded our reach by venturing into new markets.

We enhanced our global footprint and penetrated deeper in existing markets. Our revenues from export increased 19% to ₹375.76 crore during the year under review, strengthening our prospects and reducing our dependence on any particular region.

Strengthening the core

Over the years, the Group graduated from being a product manufacturer to an interior solution provider with an array of products for all kinds of the surfaces.

The Group enjoys economies of scale, being one of the largest manufacturers of laminates in India. During the year under review, the Group's sales volume increased by 11% from 143.70 lakh sheets to 159.39 lakh sheets, validating the brand strength.


Merino's consistent focus on Balance Sheet integrity translated into a lower debt-equity ratio, strong interest cover, improved working capital position and increased liquidity.

The Group expanded its presence in southern India by venturing into new territories and penetrating deeper in territories where it already has a presence.

Growth catalyst

There are a number of reasons why India will retain its position as one of the most exciting markets for laminates in the coming years.

One, home affordability has increased in the last decade and is expected to become better due to factors like stagnant real estate prices and higher income growth. One of the main reasons behind increased product affordability is higher income growth compared to property prices. The average disposable income per



During the year under review, the Group's volume sales increased by 11% from 143.70 lakh sheets to 159.39 lakh sheets.

annum for the middle-income ` grew around 9% across seven major cities in India over the period of 2014 to 2018. However, the average growth in residential property prices was less than 2% during the same period.

Two, it took India 60 years to achieve its first trillion dollars in economic size; it replicated this in the space of just seven years thereafter; it expects to emerge as a \$10 trillion economy in a decade and a half from now.

Three, income growth is expected to transform India from a bottom-of-the-pyramid economy into a middle-class-led one, with consumer spending growing from US\$ 1.5 trillion to ~US\$ 6 trillion by 2030. This could be driven by middle-class expansion and emergence of a sizable high-income segment.

Four, by 2030 India could add ~140 million middle-income households and lift ~25 million households out of poverty. Only around 5% of India's households are expected to be below the poverty line by 2030, down from 15% today.

Five, the population of deprived and aspiring consumers is estimated to decrease from almost 1.1 billion today to 150 million in the 2040s. The top income segment - the rich - could increase from 30 million to an estimated 310 million, while the largest percentage of the population could comprise a middle class of nearly 1.25 billion, up from 270 million today.

Six, domestic consumption in India, which increased 3.5 times from ₹31 trillion to ₹110 trillion in the last decade, is estimated to touch ₹335 trillion by 2028.

Through a long-term business approach, we are building Merino as a human-centric enterprise where high people retention translates into distinctive knowledge capital, sectoral outperformance, sustained growth and enhanced value in the hands of all our stakeholders.

Champa Lal Lohia,
Executive Chairman



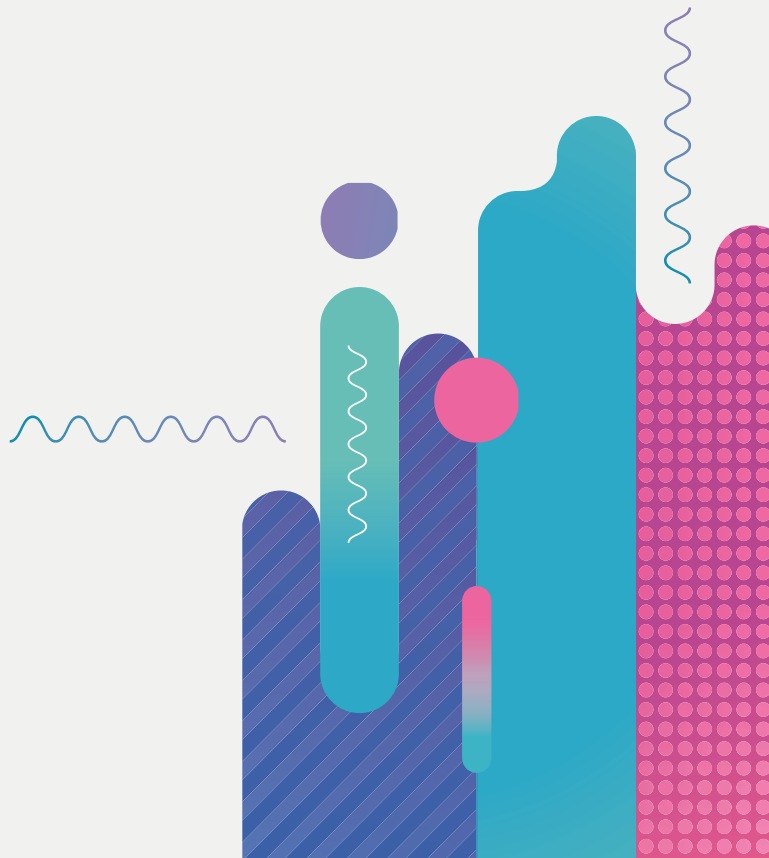
Overview





merino.

TRENDSETTING
ACROSS LOCATIONS







Statue of Unity

The Statue of Unity at Sardar Sarovar Dam, celebrating the national contribution of Vallabhbhai Patel, is arguably the world's tallest statue.

The Statue of Unity was inaugurated by Prime Minister Narendra Modi on 31st October 2018. This project is respected for its largeness and impact.

Over 128,000 tourists visited it in less than two weeks of opening.

Providing restroom solutions designed around global standards for this high footfall tourist destination was critical to the overall tourist experience.

From a large field of probable vendors, contractor Larsen & Toubro selected Merino for this prestigious project on the basis of our credentials: robust product line that addresses global quality and performance standards, impeccable end-to-end installation commitment and timely delivery.

Merino Restrooms commissioned over 50 restroom cubicles and more than 30 urinal modesty panels (UMP) - in just three days.

Delighting the primary customer and users.

Products used

Titan 18 mm Box-up, Urinal Modesty Panels





Dell, Bengaluru

Dell is a premium IT company with the best of minds engaged in cutting-edge research and innovation.

The Group ensures that it provides the best facilities to brilliant minds: cheerful workstations as well as bright hygienic restrooms (among others).

Merino took cognizance of the client's requirement; it proposed that the walls of the restrooms be covered with Merino Shaurya, a HPL compact-based internal wall cladding solution, to protect the walls from damage / bacteria and to enhance aesthetics through a range of colors and designs.

The client was delighted with the proposal and awarded the contract to Merino.

Products used

Titan Standard and
Shaurya





DLF Mall of India, Noida

DLF Mall of India is one of the largest shopping malls in India with a retail space of around 2 million sq.ft.

The mall was positioned as one of the most premium in Delhi NCR. Keeping the proposed clientele in mind, the client architect sought secure and sturdy cubicles, reconciling security and premiumness.

Merino embraced the challenge. The installation team selected to make dividers touch the bottom. For this, the team increased the divider height and affixed it to the bottom using the U-channel.

This customization enhanced user privacy and strengthened cubicle strength.

Products used

More than 300 Titan
Standard 18 mm
Box-Up cubicles





Managing risks at Merino

Economic risk

The Group's performance could be adversely affected in the event of an economic slowdown.

Mitigation: Indian economy grew at 6.8% growth in FY2018-19). The per capita income for FY2018-19 stood at ₹1,26,406, registering an annual rise of 10%. It took India 60 years to add USD 1tn and seven years to add the next USD 1tn; it is expected to add a trillion dollars every 18 months to become a USD 5 tn economy by 2025.

Competition risk

Increased competition could hamper the Group's growth perspectives.

Mitigation: Merino is one of the largest players in the Indian laminate market. Extensive scale, quality products, entrenched recall, financial soundness and operational efficiency has acted as a hedge against the risk.

Geographical risk

Concentration in a few regions could impact the Group's growth.

Mitigation: The Group has an established market in North India and is continuously engaged in initiatives to increase its presence in south India by increasing the number of dealers, venturing into new markets and increasing product and consumer awareness.

Customer risk

An inability to provide quality products may result in customer attrition.

Mitigation: The Group's consistent focus on quality has made its name synonymous with a superior customer experience. Extensive R&D and quality control measures ensure product quality, validated by customer delight.

Financing risk

The inability to mobilise long-term funding at competitive costs can affect prospects.

Mitigation: The Group had a net worth of ₹802.54 crore and long-term debt of ₹30.23 as on 31st March 2019. Stronger fundamentals helped enhance liquidity and credit rating.

Supply chain risk

Improper supply chain could impact the Group's operations

Mitigation: The Group has a structured supply chain starting from raw material procurement to final product delivery to customers. Over the years, the Group has streamlined and integrated its processes to ensure smooth operations.

Our innovative products have empowered us to emerge as a trendsetter



Over the years, Merino has introduced various marquee products in the market, which has become a sectoral benchmark and also the growth driver for the Group.



High Pressure Laminate

A product resistant to water and stain, provides increased dimensional stability.

MR+ Tuff Gloss Laminate

Resistant to scuff and mar (light surface damages) abrasions, heat, stain and impact. The product has high gloss property.

AB+ Anti-Bacterial Laminate

A product intended for additional protection of the surface against bacteria (99.99% bacteria reduction), ensures longevity and requires low maintenance.

Chem + (Lab Grade) Laminate

The product is intended to provide chemical resistance. It frees from porosity and is highly durable.



FR+ Fire Retardant Laminate

These laminates are safe, harmless, sturdy and come in exquisite designs and colors. It has a Class I Fire Rating and is capable of self-extinguishing, reducing toxic fumes.



ESD + Dissipative Electrostatic Laminate

The product provides a safe environment used in Electrostatic Protected Areas (EPAs). It is permanently static-dissipative and drains static charges; dust does not stay on the surface.



Post Forming Laminate

It is required to roll in a simple radius over the edge of a substrate. It provides round edge uniformity, high aesthetic value and no seams over edges etc.

UNI+ Unicolor Laminate

It provides a unique combination of the highest standards of quality and homogeneous solid color. The core layers provide the laminate with a uniform decorative look. It provides resistance to abrasion and heat; it is mark- and stain-resistant.

Digital Printed Laminate

A new development in laminate decorative surface that offers customized printed laminates for the interior. It is highly decorative and is ideal for walls and partitions, commercial areas, stands and exhibitions, doors, etc.



Metalam (Metal Foil) Laminate

Designed for vertical interiors and ceiling applications. It does not accumulate any dust and highly aesthetic.



Compact Laminate

Merino Compact is a solid grade, load bearing laminate. Its inner core is impregnated with thermosetting resins resistant to atmospheric and chemical agents. It is non-corrosive and possesses dimensional stability.



OUR ROBUST BUSINESS MODEL

At Merino, we continuously review, adapt and reinforce our business model. This proactive responsiveness in a rapidly-evolving market environment has translated into attractive growth across market cycles.

The context of the sector

Population growth

India adds approximately 15 million to its population each year, widening the long-term market for laminates.

Urbanisation

India is the second largest urban community in the world and urbanisation is likely to increase from 34% to 40% by 2030, catalysing laminates offtake.

Per capita income

The growth engine of personal incomes could continue to drive aspirations. Per capita income strengthened from ₹112,835 in 2017-18 to an estimated ₹126,406 in 2018-19, suggesting a long-term trend.

Increasing social media usage

With increasing ease of internet access, the number of social media participants in India stood at 326.1 million in 2018. The number of internet users in India grew by 18% to 566 million in 2018, expected

to reach 627 million in 2019. Social media-driven networks are expanding at an increasing rate in India, strengthening the demand for well-designed interiors.

Governmental initiatives

The Government of India raised the tax deduction limit to ₹3.5 lakh on the interest paid on home loans up to March 31, 2020, for the purchase of a house valued up to ₹45 lakh. The Government also approved the construction of nearly 1.4 lakh more houses under the Pradhan Mantri Awas Yojana, taking the total number of houses to be built under the scheme to more than 85 lakh, expected to drive furniture and laminates demand.

Booming office sector

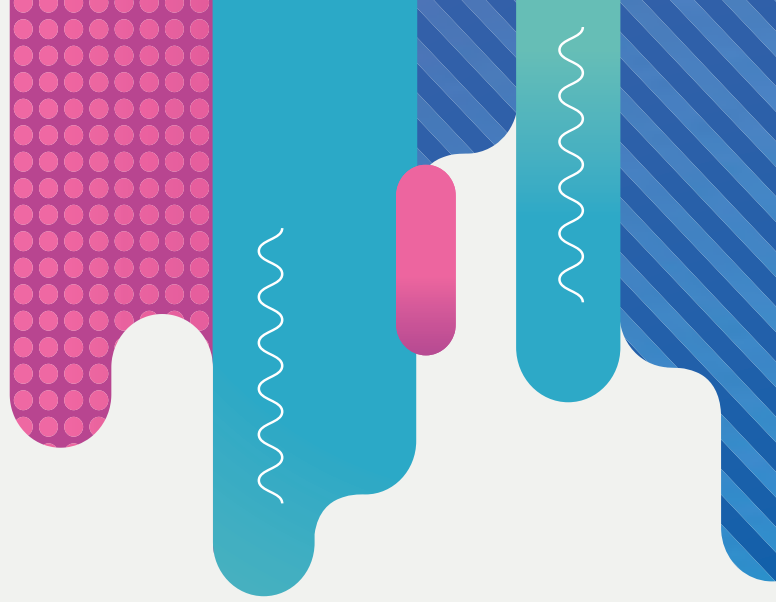
Office space absorption is expected to reach a record 42 million sq.ft. in 2019 on the back of steady economic growth, a favourable policy environment and growing preference of global occupiers,

catalysing the demand for laminates and plywood.

GST rationalisation

With GST rationalisation on plywood from 28% to 18%, organised plywood players are hopeful of increasing their market share. The price gap between organised and unorganised players could narrow to ~20% from the earlier 30-35%, helping large organised players carve out a larger sectoral share.

(Source: Statista, Business Standard, Economic Times, Live Mint)



How we are capitalising on a growing opportunity

Strong positioning

The Group is one of the world's leading manufacturers and exporters of decorative laminates for the interior segment.

Processes

The Group believes that a robust governance foundation represents organisational credibility. The Group invested in processes and systems that enhanced organisational predictability.

Extensive scale

The Group possesses a manufacturing capacity of 171 lakh sheets per annum. It also possesses three short-cycle lamination facilities that can produce pre-laminated particle and MDF boards: from 2.5x6 ft to 9x6 ft.

Widespread presence

Merino's products are marketed across 2,000 pan-India outlets. The Group's products are marketed in more than 70 countries.

State-of-the-art technology

The Group is one of only two in India to have successfully developed the Double Belt Casting Unit process to produce superior products.

Quality

The Group's facilities are ISO 9001, ISO 14001 and ISO 18001-certified. The Group is continuously innovating and enhancing product and process quality through a focused Research & Development team.

Diversified product bouquet

The Group's range of laminates comprises more than 10,000 designs, textures, colours and finishes, possibly the widest in its sector in the country.

The outcomes of our robust business model

- Increased revenues by 21% from ₹1218.79 crore in FY2017-18 to ₹1472.13 crore in FY2018-19
- Increased EBITDA by 13% over FY2017-18
- Maintained credit rating at AA- in FY2018-19
- Reported a 19.98% RoCE in FY2018-19, a 88 bps increment over the previous year
- Long-term debt stood at ₹30.23 crore
- Increased exports by 19% to ₹375.76 crore in FY2018-19

SALES AND MARKETING REVIEW

“IN THE LAMINATES INDUSTRY, IT IS IMPORTANT TO MARKET THE RIGHT PURCHASED PRODUCT TO THE RIGHT CONSUMER AS THE PRODUCT IS NOT MEANT TO BE CHANGED OFTEN, BUT MUST DEFINE THE SURFACE IT IS PLACED ON.”

Highlights, FY2018-19

- The Group added new channel partners
- The Group ventured into new markets
- The Group's Influencer Engagement program (*Merino Humrahi*) built loyalty and provided knowledge to carpenters in increasing efficiency in laminate fabrication and allied surfaces (connecting Merino with 45000+ carpenters).





Overview

The financial edge of Merino is derived from its sales and marketing competitiveness.

Over the last decade, the Group has retained its position as a premier laminates brand in India. The Group has maintained its position in northern markets while venturing into unaddressed southern markets, marked by extensive opportunity addressed through a wider appointment of channel partners.

The Group invested in additional manufacturing capacities, coupled with enhanced utilization and the introduction of innovative value-added products.

The challenges faced during the year

The industry was impacted because of increasing app-based aggregators

Strong brand and quality products attracted aggregators, a few of whom worked exclusively for Merino.

Competition was fierce; the laminates business was affected by over-capacity

The Group penetrated unaddressed markets, focusing on enhancing customer delight.

The laminate industry is marked by high people attrition

Our philosophy of economy, excellence and ethic has made us a stable employer of choice.

The laminate industry was marked by pricing pressures

Extensive scale ensured steady topline growth across the years; the growing production of value-added products protected margins.

Our strengths

Deep penetration: Merino has widened its presence in southern India. It added new channel partners in south India during the year under review.

Promoting entrepreneurship: Merino has always encouraged the entrepreneurial spirit of its channel partners irrespective of their size, strengthening relationships. About 70% of Merino's channel partners worked with the Group for five years or more .

Strong financials: In an industry marked by high receivables (ranging 40-45 days of turnover equivalent), Merino maintained receivables at 49 days. The focus on the cash-and-carry model enhanced liquidity. The Group used channel finance to enhance systemic liquidity.

Brand equity: The Group's engagement with trade partners has been marked by ethical practices, brand building, walk-in customers and a quality-based recall.

Culture of speed: A culture of addressing market needs with speed has strengthened trust between Merino and its dealers.

Way ahead

The Group plans to extend its footprint across new markets while strengthening its presence in existing markets and aims to increase the number of dealers and distributors.

BRANDING REVIEW

“2018-19 WAS AN AGGRESSIVE YEAR IN SETTING NEW MERINO MARKETING BENCHMARKS – STARTING FROM DEEPER PENETRATION IN REGIONAL MARKETS WITH THE INTENT TO INCREASE BRAND VISIBILITY AT THE POINT OF SALE TO ENSURING INCREASED PRODUCT DISPLAY.”



Highlights, FY2018-19

- The Group initiated the first-ever Digital Product Display Unit in the industry, launching a branded Merino Laminates display unit comprising more than 200 designs with a digital unit.
- Merino created a Retail Digital Application, which helped the consumer visualize the outcome of a laminate design by showcasing real interior scenarios, for which more than 3500 interior designs were

showcased in the application. This retail application was launched with a 10-inch screen infused in the FSU, one of the only digital display units in the industry.

- Five new collaterals and four new products, including Synchronized Laminates, Calplus 19-20 collection, Plywood, Block board and flush doors, EWC super Clad series and Matt Miester series were launched during the year.

- Merino launched a one-of-its-kind makeover contest in the social media, which resulted in increased visibility and engagement with customers.

- Merino initiated a Home Makeover Campaign, the first of its kind for Merino, and possibly the first such campaign in the country's laminates industry.



Overview

Merino has consistently focused on increasing its recall and reaching out to customers through various marketing initiatives. The enhanced visibility at more than 2500+ retail stores, folder distribution, product display at POS and engagement meets through various channel partners have resulted in improved performance and helped Merino in becoming one of the trusted brands. Merino's marketing initiatives were planned to ensure 360 degree connect of various counter-initiatives across all touch points. Product awareness through digital media, PR outreach, dealer meets, explaining the product in detail with USPs to business partners, architect meets along with display of products and branding communication with trade channels were carried out regularly. The Group used brand launches to communicate the product mix at a dealer or architect meet, showcasing applications of a wide product mix comprising digital laminate to synchronized laminates to anti-finger print panels – all at a single place.

Way ahead

The Group's aggressive marketing strategy could double reach for retail branding and product display units. New product launches and digital marketing initiatives could strengthen Merino's market presence and customer base.

Product launches, FY2018-19

Name of the brand	Year of launch	Nature of product	Tagline
Imagino	2018	Customized Digital Laminate	Customization unleashed
Merino Plywood	Existing (new project range launched in 2019, Mandasa)	Plywood, Blockboard & post laminated flush doors.	Furniture <i>ka backbone</i>
Matt Miester	2018-19	Matt Miester technology with more than 3 panel options.	N A
Laminature	2018-19	Synchronized Laminates	Natures Signature, Laminature

Directors' Report

Dear Shareholders,

Your directors are pleased to present their Twenty Fifth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS

(Rs. Lakh)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Total Revenue (Net)	54027.19	46226.31
Profit before taxation	8643.80	8528.97
Less: Tax Expense	2969.07	3106.91
Profit after tax	5674.73	5422.06
Add: Balance brought forward from the previous year	23425.19	18790.63
Balance	29099.92	24212.69
Appropriation;		
Interim Dividend	210.00	210.00
Dividend distribution tax on interim dividend	43.17	42.75
General Reserve	567.47	542.21
TOTAL	820.64	794.96
Add: Other comprehensive income	12.93	7.46
Balance Profit carried forward to the next year	28292.21	23425.19

ECONOMIC OVERVIEW

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP having increased 7.2% in 2017-18 and 7% in 2018-19, India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups. With the improvement in the economic scenario, there have been significant investments in various sectors of the economy. India's total exports grew by 7.97 % year over year to reach US\$ 534.45 billion during Financial Year 2018-19. Merchandise exports grew by 9.06 % year over year to reach an all-time high of US\$ 331.02 billion during 2018-19, crossing the previous benchmark of US\$ 314 billion achieved in 2013-14.

The Indian economy will grow to become a 3 trillion dollar economy in the current year. It is now the sixth largest in the world. Five years ago it was at the 11th position. In Purchasing Power Parity terms, Indian economy is the 3rd largest economy already, only next to China and the USA. Indian economy was

at approximately US\$ 1.85 trillion in the year 2014. Within 5 years it has reached US\$ 2.7 trillion. Hence it is well within the vision to reach the US\$ 5 trillion in the next few years.

According to the World Bank, global economic growth has softened from a downwardly revised 3% in 2018 to 2.9 % in 2019 amid rising downside risks to the outlook. International trade and manufacturing activity have softened trade tensions remain elevated, and some large emerging markets have experienced substantial financial market pressures.

According to a Boston Consulting Group (BCG) report, India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern. This in a way will give a thrust of growth to the laminates industry also.

Growing demand of decorative laminates from housing market owing to benefits associated with its use such as higher durability and attractive appearances of the surfaces is relatively high in developing countries such as India and China in the Asia Pacific region and is credited to booming buildings

& construction industry, thus driving market growth over the forecast period. One of the major reasons behind the growth of the market in these two countries is a rapid increase in the population accompanied by expansion of the economy that ultimately results in increase in per capita income. This increasing disposable income leads to an increase in the spending ability on home interiors. This factor is boosting the growth of the decorative laminates market across the Asia Pacific region particularly India.

Indian laminates industry has been consistently growing since last six to seven years. The last two years have been a boom time for mushrooming of new laminate units.

As per latest estimates, India has now more than 165 laminate producing establishments that include all kinds of laminates. It includes all types of Laminates categories – decorative & non-decorative panels. Since two years the economy has been slow and Indian laminates industry has been also affected up to an extent. Despite this, many existing players, who have strong market presence expanded

STATE OF COMPANY'S AFFAIRS, SEGMENT-WISE PERFORMANCE AND FUTURE OUTLOOK

Your Company recorded an increase in Total Revenue by Rs.7800.88 Lakh as compared to that of the previous year. There was an increase in profits during the year under review, the profit before tax recorded an increase by Rs.114.83 Lakh as compared to previous year. The Company's net profit after taxes stood at Rs. 5674.73 Lakh as against Rs. 5422.06 Lakh last year.

Your Company continues to operate primarily in two business segments namely Laminates, which include manufacturing and selling of Decorative Laminates, Chemicals for captive consumption and trading of papers and chemicals, and Panel Products, which include manufacturing and selling of panel boards and plywood. During the year under review, revenue generated from the Laminates segment was Rs.48027.65 Lakh as against Rs. 41032.07 Lakh and that of the Panel Products segment Rs. 4705.48 Lakh as against Rs. 3888.49 Lakh, last year. Profitability of the Laminates segment before tax was Rs. 8910.53 Lakh as against Rs. 8915.42 Lakh and that of Panel Products segment was Rs. 503.50 Lakh as against Rs. 515.83 Lakh, last year.

During the year under review, the CIF value of exports of the Company amounted to Rs. 16975.50 Lakh as against Rs. 14834.58 Lakh of last year.

The Directors expect your Company would continue to register further improved results in the years to come.

DIVIDEND AND RESERVES

For the year under review, your Company declared and paid Interim Dividend at the rate of Rs. 10.50 per share as approved by the Board at its meeting held on 14.09.2018. In view of

the same and to conserve liquidity your Directors have not recommended any final dividend for the year.

The Company had transferred a sum of Rs. 567.47 Lakh to the General Reserve during the year under review, as against Rs. 542.21 Lakh in the previous year.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no unpaid/unclaimed dividend as applicable to the Company and therefore, there was no requirement for transferring any amount towards Unclaimed Dividend to the Investor Education and Protection Fund.

SHARE CAPITAL

The paid-up equity share capital as at 31st March, 2019 stood at Rs. 200.00 Lakh during the year under review. The Company had neither issued any shares with differential voting rights nor has granted any stock options or sweat equity.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 ("the Act") read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form No. MGT-9 for the Financial Year 2018-19 has been given with this Report as Annexure 1.

NUMBER OF BOARD MEETINGS

During the year under review, five (5) meetings of the Board of Directors of the Company were held i.e. on 18.06.2018, 13.08.2018, 14.09.2018, 22.11.2018 and 04.03.2019.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS BY COMPANY

There were no Loans, Guarantees and Investments made which come under the purview of Section 186 of the Act during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has formulated a policy on dealing with Related Party Transactions which have been approved by the Audit Committee as well as by the Board of Directors. All transactions entered into with Related Parties as defined under Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014, during the financial year were in the ordinary course of business and on an arm's length basis. They do not attract the provisions of Section 188 of the Act. However, the transactions with related parties entered into during the year under review, are disclosed under Note 49 of the Notes to the Financial Statements of your Company.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were neither any material changes affecting the financial position of the Company occurring between the end of the financial year to which these financial statements relate and the date of this report nor any significant or material orders

were passed by regulators or authorities impacting the going concern status and the Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 2 and is attached to this Report.

HOLDING COMPANY

Merino Industries Limited continues to be the Holding Company of your Company which currently holds 14,93,000 Equity Shares out of a total 20,00,000 equity shares as at the end of the year.

RISK MANAGEMENT POLICY

Risk Management being an integral part of the Company's operating agenda, the prime objectives of risk management framework of Merino Group is to ensure better understanding of the risk profile, efficient management of the contingencies and identify and pursue sound business opportunities without any exposure to unacceptable risk. The risk management framework of Merino group comprises Risk Management Process and Risk Management Structure.

The Company's attitude towards addressing business risks is comprehensive and includes review of such risks at periodic intervals and a framework for mitigation and reporting mechanism of such risks. The Company towards accomplishment of its objective for proper implementation and governance of Risk Management Policy and Structure has sketched its Project Objectives, Project Milestones and Project Charter.

A Risk Management Committee has been formed by the Board of Directors comprising Mr. Prakash Lohia, Ms. Ruchira Lohia, Directors and Mr. Deepak Lohia, Whole-Time Director, Mr. Asok Kumar Parui Director & Company Secretary and Mr. Riaz Ahmed, Consultant. Mr. Prakash Lohia is the Chairman of the Committee.

Preparation of Statements of Risk Identification and Risk Prioritization as well as Risk Library for entity-wide risks have been completed. Mitigation plans are being developed for prioritized risks.

On review of the status of the implementation of Enterprise Risk Management framework in the Company, two risks have been primarily identified;

1. Sales and marketing (laminates) risk, and
2. Information technology risk

Your Company have been regularly reviewing the performance of the initiatives taken to address the risks on sales and

marketing (laminates). The initiatives taken were "Humrahi" and "Project Chetak".

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Bama Prasad Mukhopadhyay (DIN 08199055) was appointed as Independent Director at the last Annual General Meeting of the company held on 14.09.2018 pursuant to the provisions of the Act and the rules made thereunder to hold office up to the 29th Annual General Meeting of the Company in the calendar year 2023.

With your approval at the last Extra-Ordinary General Meeting held on 30.03.2019, Mr. Anurag Lohia (DIN: 08332261) was appointed as Whole-time Director for a period of three years, effective 01.04.2019.

Mr. Asok Kumar Parui (DIN 00061267), Mr. Rup Chand Lohia (DIN 00063290) and Mr. Champa Lal Lohia (DIN 00154019), Directors retire at this Annual General Meeting and being eligible offer themselves for re-election

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company maintains apposite system of internal financial controls for ensuring adequacy and operative effectiveness of financial controls of the company. It also ensures safeguard of assets, prevention and detection of frauds and errors and also ensures accuracy and completeness of the accounting records. Your Company has developed Entity Level Controls and Process Level Controls for monitoring of overall control indicators for Merino Group.

Internal Financial controls are monitored continuously to identify Identification of control gaps and initiation of remedial actions for mitigation of the gaps so identified by the management.

DEPOSITS

Your Company has neither accepted nor renewed any deposits during the year under review.

DECLARATION BY INDEPENDENT DIRECTOR

Dr. Gautam Bhattacharjee (DIN 00109269), Mr. Sisir Kumar Chakrabarti (DIN: 02848624) and Mr. Bama Prasad Mukhopadhyay (DIN 08199055), Independent Directors of the Company have submitted declarations of their independence to the Board regarding their fulfilment of all the requirements as stipulated in Section 149(6) of the Act and the relevant rules.

STATUTORY AUDITORS

M/s. Singhi & Company, Chartered Accountants (FRN 302049E), were appointed with your approval at the 21st AGM to hold such office till the conclusion of the 26th Annual General Meeting.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Rules made there under, the Company appointed M/s. A L & Associates., a firm of Company Secretaries in Practice (FRN No: 037000) to undertake the secretarial audit of the Company.

The Secretarial Audit Report is included as Annexure 3 and forms an integral part of this report.

EXPLANATION TO AUDITORS' REMARKS

The Reports of the Statutory Auditors and the Company Secretaries in Practice do not contain any qualification, reservation or adverse remarks, requiring explanations of the Board.

COST AUDIT

As per the requirement of Central Government and pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors on the recommendation of Audit Committee had appointed M/s. Basu, Banerjee, Chakraborty, Chattopadhyay & Co. (FRN. 000206) as Cost Auditor to audit the cost accounts of the Company for the financial year 2019-20. As required under the Act, a resolution seeking members' approval for the remuneration payable to the Cost Auditor for the said period forms a part of the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year 2017-18 was filed in Form CRA-4 with the Ministry of Corporate Affairs on 04.10.2018.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR) activities undertaken by your Company can be broadly categorized in to three areas, viz., Educational & Empowerment Programme, Healthcare & Holistic Living Programme and Activities under National Mission Programme.

Educational and Empowerment Programme include Education, Mid-day meal, Women empowerment. Under the Healthcare & Holistic Living Programme healthcare facilities are provided to the poor families. The activities under the National Mission Programme include Swachh Bharat Mission.

Your Company has carried out CSR activities and spent the requisite amount as required by law through group managed registered trusts, authorized to carry out such activities as stipulated vide the provisions of Section 135 read with Schedule VII to the Act and the group CSR policy.

The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is furnished in Annexure 5 and attached to this report.

AUDIT COMMITTEE

Your Company has an Audit Committee at the Board level with terms of reference specified by the Board and with the powers and the role that are in compliance with Section 177 of the Act read with Rule 6(ii) of the Companies (Meetings of Board and its Powers) Rules 2014.

The Committee comprised Dr. Gautam Bhattacharjee (DIN 00109269), Mr. Sisir Kumar Chakrabarti (DIN 02848624) and Mr. Bama Prasad Mukhopadhyay (DIN 08199055),

Independent Directors, Mr. Asok Kumar Parui (DIN 00061267), Director as members of the Committee. Mr. Asok Kumar Parui also being the Company Secretary acts as the Secretary to the Committee.

The Committee actively reviews the adequacy and effectiveness of the internal financial control systems and suggests improvements to strengthen the same and during the year under review, there has been no instance of non-acceptance of any recommendations of the Committee by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has a Nomination and Remuneration Committee in accordance with Section 178 of the Act read with Rule 6(ii) of the Companies (Meetings of Board and its Powers) Rules 2014.

The Committee comprised Dr. Gautam Bhattacharjee (DIN 00109269), Mr. Sisir Kumar Chakrabarti (DIN 02848624) and Mr. Bama Prasad Mukhopadhyay (DIN 08199055), Independent Directors, Mr. Anil Jajoo (DIN 00063284), Mr. Asok Kumar Parui (DIN 00061267), Directors as members of the Committee. Mr. Asok Kumar Parui also being the Company Secretary acts as the Secretary to the Committee.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors and Key Managerial Personnel of the Company and consisting of criteria, evaluation for selection and appointment of the same.

VIGIL MECHANISM

As per provisions of Section 177 of the Act and Rules framed thereunder the Company has formulated and established a vigil mechanism to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

This policy is to establish the said mechanism for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and is available for display on the company's website.

INTERNAL COMPLAINTS COMMITTEE

Pursuant to the stipulations as set out under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013 as notified by Government of India the Internal Complaints Committee of the Company was re-constituted on 24th November, 2018 to, inter-alia, prevent discrimination and sexual harassment against women at the Company's workplace, ensuring support to the victimized and termination of harassment. The Committee recommends appropriate disciplinary action against the guilty party. During the year under review, no complaints were reported to the Committee.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 a statement showing disclosures pertaining to Remuneration and other details of employees drawing remuneration in excess of the limits is furnished in Annexure 4 forming part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors confirm to the best of their knowledge and belief, that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they 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 at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Company feels honoured to state that the brand "Merino" signifies excellence and reliability of products and services in Indian as well as overseas markets and place on record its sincere gratitude to all stakeholders for their continued association over the years towards the successful journey of the Company.

The Directors wish to place on record their appreciation to the Company's Shareholders, Business Associates, Bankers and all Government Authorities for their co-operation and support. They sincerely acknowledge the significant contributions made by all the employees of the Company.

Delhi
26th July, 2019

For and on behalf of the Board of Directors

Champa Lal Lohia
Director

Rup Chand Lohia
Director

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	U20299WB1994PLC064386
ii) Registration Date	08.08.1994
iii) Name of the Company	Merino Panel Products Limited
iv) Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-government Company
v) Address of the Registered Office & Contact details	5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700020, West Bengal Tel: 033-22901214, Fax: 033-22870314, E-mail: merinokol@merinoindia.com Website: www.merinoindia.com
vi) Whether listed company	No.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	None

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Decorative Laminates	4823-90-19	89
2	Panel products	9403-60-00	9

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Merino Industries Limited, 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700020, West Bengal	U51909WB1965PLC026556	Holding	NIL	N.A.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoter									
1 Indian									
(a) Individuals/ HUF		17000	17000	0.85		17000	17000	0.85	0.00
(b) Central Government									
(c) State Government(s)									
(d) Bodies Corporate		1983000	1983000	99.15		1983000	1983000	99.15	0.00
(e) Bank/Financial Institutions									
(f) Any Other (specify)									
Sub Total(A)(1)		2000000	2000000	100.00		2000000	2000000	100.00	0.00
2 Foreign									
(a) NRIs-Individuals									
(b) Other-Individuals									
(c) Bodies Corporate									
(d) Bank/Financial Institutions									
(e) Any Other (specify)									
Sub Total(A)(2)		0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		2000000	2000000	100.00	0	2000000	2000000	100.00	0.00
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds									
(b) Bank/Financial Institutions									
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) Foreign Institutional Investors (FII)									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
(i-i) UTI									
Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
B 2 Non-institutions									
(a) Bodies Corporate									
i) Indian									
ii) Overseas									
(b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs 1 Lakh									
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.									
(c) Others (specify)									
Sub-Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
TOTAL (A)+(B)	0	2000000	2000000	100.00	0	2000000	2000000	100.00	0.00
(C) Shares held by Custodians for GDRs & ADRs									
Sub-Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	0	2000000	2000000	100.00	0	2000000	2000000	100.00	0.00

(ii) Shareholding of Promoters

SI No.	Shareholding at the beginning of the year (01-04-2018)				Shareholding at the end of the year (31-03-2019)			
	Shareholder's Name	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Mr. Champa Lal Lohia	1000	0.05	0.00	1000	0.05	0.00	0.00
2	Mr. Rup Chand Lohia	1000	0.05	0.00	1000	0.05	0.00	0.00
3	Mr. Prakash Lohia	1000	0.05	0.00	1000	0.05	0.00	0.00
4	Mr. Prasan Lohia	1900	0.09	0.00	1900	0.09	0.00	0.00
5	Mr. Bikash Lohia	2480	0.12	0.00	2480	0.12	0.00	0.00
6	Mr. Manoj Lohia	1860	0.09	0.00	1860	0.09	0.00	0.00
7	Merino Industries Limited	1493000	74.65	0.00	1493000	74.65	0.00	0.00
8	Merino Exports Private Limited	490000	24.50	0.00	490000	24.50	0.00	0.00
9	Mr. Deepak Lohia	2300	0.12	0.00	2300	0.12	0.00	0.00
10	Mr. Madhusudan Lohia	3760	0.19	0.00	3760	0.19	0.00	0.00
11	Ms. Ruchira Lohia	1700	0.09	0.00	1700	0.09	0.00	0.00

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

SI No.	Folio no.	Name	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
					No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS)

SI No.	Folio no.	Name - For each of the top 10 shareholders	Remarks	Shareholding/ Transaction date	Shareholding at the beginning of the year (01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
					No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(v) Shareholding Pattern of Directors and Key Managerial Personnel

SI No.	Folio no.	Name	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
					No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	002	Champa Lal Lohia	At the beginning of the year	01-04-2018	1000	0.05	1000	0.05
			At the end of the year	31-03-2019	1000	0.05	1000	0.05
2	003	Rup Chand Lohia	At the beginning of the year	01-04-2018	1000	0.05	1000	0.05
			At the end of the year	31-03-2019	1000	0.05	1000	0.05
3	004	Prakash Lohia	At the beginning of the year	01-04-2018	1000	0.05	1000	0.05
			At the end of the year	31-03-2019	1000	0.05	1000	0.05
4	007	Manoj Lohia	At the beginning of the year	01-04-2018	1860	0.09	1860	0.09
			At the end of the year	31-03-2019	1860	0.09	1860	0.09
5	010	Deepak Lohia	At the beginning of the year	01-04-2018	2300	0.12	2300	0.12
			At the end of the year	31-03-2019	2300	0.12	2300	0.12
6	012	Ruchira Lohia	At the beginning of the year	01-04-2018	1700	0.09	1700	0.09
			At the end of the year	31-03-2019	1700	0.09	1700	0.09

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

(Rs. in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,591.50	-	-	1,591.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.30	-	-	0.30
Total (i+ii+iii)	1,591.80	-	-	1,591.80
Change in Indebtedness during the financial year				
· Addition	1,208.93	-	-	1,208.93
· Reduction	-	-	-	-
Net Change	1,208.93	-	-	1,208.93
Indebtedness at the end of the financial year				
i) Principal Amount	2,799.83	-	-	2,799.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.90	-	-	0.90
Total (i+ii+iii)	2,800.73	-	-	2,800.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Whole-time Directors		Total Amount
		Mr. Manoj Lohia	Mr. Deepak Lohia	
1	Gross salary	89.46	89.46	178.92
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.00	1.00	2.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify			
	Gratuity	9.40	6.93	16.33
	Leave	6.98	6.77	13.75
	PF	10.73	10.73	21.46
	Medical reimbursement	5.83	18.81	24.64
Total (A)		123.40	133.70	257.10

Ceiling as per the Act Remuneration paid in accordance with the provisions of Section 197 read with Schedule V of Companies Act, 2013

B. Remuneration to other directors:

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Gautam Bhattacharjee	Mr. Sujitendra Krishna Deb	Mr. Sisir Kumar Chakrabarti	Mr. Bama Prasad Mukhopadhyay	
1	Independent Directors					
	· Fee for attending board / committee meetings	1.2	0	1	0.7	2.9
	· Commission					
	· Others, please specify					
	Total (1)	1.2	0	1	0.7	2.9
2	Other Non-Executive Directors					
	· Fee for attending board / committee meetings					
	· Commission					
	· Others, please specify					
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	1.2	0	1	0.7	2.9
	Total Managerial Remuneration					260.00
	Overall Ceiling as per the Act	Paid in accordance with the provisions of Section 197 read with Schedule V of Companies Act, 2013				

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

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
		Mr. Asok Kumar Parui	
1	Gross salary	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity		
4	Commission	0	0
	- as % of profit	0	0
	- others, specify...	0	0
5	Others, please specify	0	0
	Total	0	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
B. DIRECTORS	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	NIL	NIL	NIL	NIL	NIL
Penalty					
Punishment					
Compounding					

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2019

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

(i) **The steps taken or impact on conservation of energy:**
Installation of 750 KWP AC roof top Solar Power Plant.

(ii) **The steps taken by the company for utilizing alternate sources of energy:**
Initiating for Solar Electrical Energy generation as alternate source of energy.

(iii) **The capital investment on energy conservation equipment: Rs. 279.61 Lakh**

B) Technology absorption:

(i) **The efforts made towards technology absorption:**

- a. Installation of one order picker in AC room.
- b. Installation of VTAIF-80 Thermopac for whole plant.
- c. Installation of ESP (Electro static precipitator) for emission control at VTAIF-80.
- d. 650 TR cooling tower for All DG sets.
- e. Air compressor of 850 CFM for whole plant.
- f. Installation of new incinerator of 15 KLD capacity
- g. Installation of 10 TON MF kettle in chemical section.
- h. Installation of new core veneer iron press in ply section.
- i. Installation of Air Conditioner Zone Enclosures on MF dryers to improve quality of product.
- j. Making all MF enclosure Air conditioned for better quality.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

a. Enhancement of Production Capacity.

(a) By installing of 10 Ton CFM, company has increased its resin capacity in form of intermediate raw material to manufacture impregnated design paper.

(b) By Installing the VAT-80, production capacity of manufacturing impregnated Kraft paper will go up by increasing the speed of existing PF dryer.

b. Reduction of Cost.

Saving in Electricity cost by installing of solar power system of 750 KWP.

c. Improvement in Productivity & Quality.

Installation of Air Conditioner Zone Enclosures on MF dryers will help in improvement of quality by protecting the dust and dirt from outside.

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

- a. The details of technology imported: No
- b. The year of import: 2016-17, 2017-18 & 2018-19.
- c. Whether the technology has been fully absorbed: Yes
- d. If not fully absorbed, areas, where absorption has not taken place, and the reasons there for and future plans of action: N.A.

(iii) **The expenditure incurred on Research and Development:**

R & D Expenditure is not identified separately. However, the recurring expenses are booked as revenue expenses under proper heads of expenditures.

C) Foreign Exchange Earnings and Outgo:

(i) **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:**

The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

(ii)	Total foreign exchange used and earned (2018-19)	(Rs. in Lakh)
	Earnings:	
	Foreign Exchange earned (CIF Value of exports)	16975.50
	Outgo:	
	CIF Value of Imports	
	a) Raw materials	13015.24
	b) Components and Spare Parts (including Stores)	17.20
	c) Capital Goods	225.67
	Expenditure in foreign currency	
	a) Sales Commission	45.20
	b) Travelling	21.75
	c) Professional & fees	7.23
	d) Interest	2.03
	e) Bank Charges	13.65
	f) Business Promotion	37.54
	g) Purchase of Acrylic Solid Surface	659.54

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2019

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

To
The Members
Merino Panel Products Limited
5, Alexandra Court
60/1 Chowringhee Road
Kolkata-700020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Merino Panel Products Limited ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; not applicable
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the Audit Period);
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the Audit Period);
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the Company during the Audit Period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period);
- g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);
- vi. We further report that, having regard to the compliance system prevailing in the Company and on examination of

the relevant documents and records in pursuance thereof, the Company has specifically complied with the provisions of the following Acts:

- a) The Indian Forest Act, 1927;
- b) Bureau of Indian Standards; and
- c) Wood Based Industries (Establishment and Regulation) Guidelines 2016

Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;

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

We further report that

During the period under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that

took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

For AL & Associates
Company Secretaries
(FRN: 037000)

Priti Agarwal

Partner

Place: Kolkata

Date: 26th July, 2019

ACS 26513; C.P.No. 9937

This Report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

To
The Members
Merino Panel Products Limited
5, Alexandra Court
60/1 Chowringhee Road
Kolkata-700020

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For AL & Associates
Company Secretaries
(FRN: 037000)

Priti Agarwal
Partner

ACS 26513; C.P.No. 9937

Place: Kolkata
Date: 26th July, 2019

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's CSR Policy is to serve the cause for creating a healthy and enlightened life for the needy while fulfilling the responsibility of conservation of scarce natural resources. As a concerned corporate citizen, it is felt as a duty to give back some support to the weaker sections of society through sustained projects. The focus was on programmes to promote Education targeted towards the underprivileged girl child including adult education, Healthcare & Medical initiatives and distribution of Mid-Day Meal to students.

A web link of the same projecting the CSR policy, projects or programmes is <http://www.merinoindia.com>

2. The Composition of the CSR Committee:

Name	Designation	Category
Mr. Champa Lal Lohia (Chairman of the Committee)	Director	Promoter – Non Executive
Mr. Anil Jajoo	Director	Non Executive
Mr. Deepak Lohia	Whole-time Director	Promoter – Executive
Dr. Gautam Bhattacharjee	Director	Independent* – Non Executive

The Company Secretary acts as the Secretary to the Committee.

3. Average net profit of the company for last three financial years: Rs. 8187.59 Lakh
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 163.75 Lakh
5. Details of CSR spent during the financial year.
 - (a) Total amount spent for the financial year: Rs. 164.85 Lakh
 - (b) Amount unspent, if any: Nil
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1) Address of Registered Office	(2) Main Business activity of the Company	(3) Prescribed CSR Budget (2% of Average Net Profit for F.Y. 2015-16, 2016-17 & 2017-18)	(4) Allocated CSR Budget	(5) Actual CSR spent in F.Y. 2018-19	(6) Administrative overhead expenditure	(7) Reasons for under spending/ not spending (if any)	(8) Details of CSR Programmes / Projects / Activities	(9) Project description	(10) Sector(s) covered within Schedule VII	(11) Geographical areas where project was implemented	(12) States where undertaken	(13) Districts where undertaken	(14) Outlay (programme/ Project wise)	(15) Expenditure on Programme or Project	(16) Mode of implementation (Direct or through implementing agencies)	(17) Details of implementing agencies
5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700020	Manufacturer and Exporter of Decorative Laminates, Panel Boards, etc.	₹163.75 Lakh	₹163.75 Lakh	₹164.85 Lakh	NIL	N.A.	Project	Education relief programme	Corpus Donation	-	U.P. and Haryana	Hapur and Rohad	₹114.00 Lakh	₹114.00 Lakh	Directly and through Mr. Prem Chand Lohia Memorial Trust	Mr. Prem Chand Lohia Memorial Trust is the group managed registered trusts having regd. office at 5, Alexandra Court, 60/1, Chowringhee Rd., Kolkata-700020 authorised to carry out activities as stipulated vide the provisions of the Act and the group CSR policy
									Promoting education	-	U.P. and Haryana	Hapur and Rohad	Rs.49.75 Lakh	Rs.49.75 Lakh	Directly and Through Sri Hara Kasturi Memorial Trust	Mr. Hara Kasturi Memorial Trust is the group managed registered trusts having regd. office at 5, Alexandra Court, 60/1, Chowringhee Rd., Kolkata-700020 authorised to carry out activities as stipulated vide the provisions of the Act and the group CSR policy
								Donation	Donation	-	-	-	Rs.10.00 Lakh	Rs.10.00 Lakh	Directly	Shree Goloka Vrindavan Trust having regd. office at Bharatpur -321203, Rajasthan
								Donation	Donation	-	-	-	Rs.5.00 Lakh	Rs.5.00 Lakh	Directly	Salasar Dharm Vikas Samiti having regd. office at Salasar-331506, Rajasthan

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – NA

7. Responsibility statement: The Responsibility statement of the CSR Committee is reproduced below:

'The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company'.

Dr. Gautam Bhattacharjee
Director

Champa Lal Lohia
Chairman, CSR Committee

Place: New Delhi
Date: 26th July, 2019

Corporate Social Responsibility (CSR) Practices of Merino Group



Green Campus of SVAV in Surya Vihar, Hapur, Uttar Pradesh



“Empowering minds,
empowering the society.”

*Swami Vivekananda Arunoday
Vidyalyay (SVAV)*

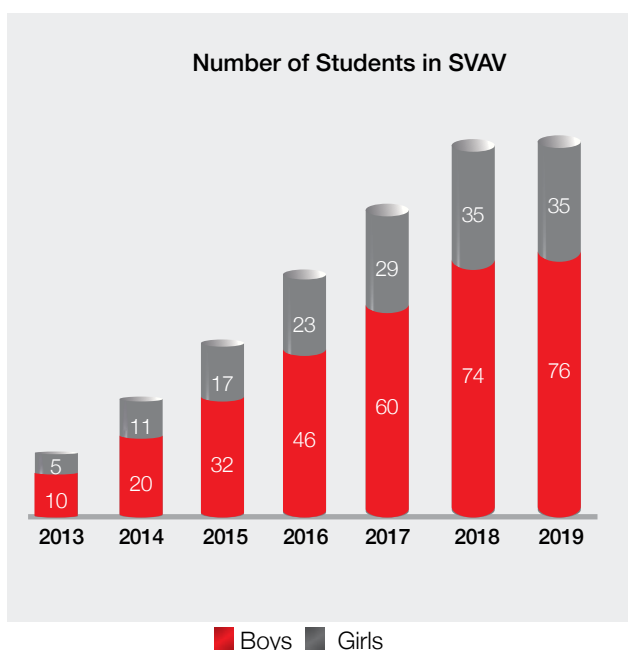
“Raise them slowly up, raise them to equality”. Spoken way back in 1897 by Swami Vivekananda during an interview, these words resonate with relevance even today. As new India gets ready to take on the world, education and education alone can bring about equal opportunity for its citizens. Embarking on a journey to make education accessible to even the poorest households of the society, Merino through its Sri Hara Kasturi Memorial Trust laid the foundation of Swami Vivekananda Arunoday Vidyalaya (SVAV) at Hapur, Uttar Pradesh.

Established in 2013 predominantly for girl students, this co-educational school opened new avenues of learning for the children of underprivileged and economically deprived families living in the vicinity of Merino establishments.

Started with just 15 students in its maiden year, the school now enrolls students upto class VI and has a current strength of 111 students. The school provides an impressive teacher to student ratio of around 1:8 with its team of 15 teachers and 12 non teaching staff.

The table beside explains the ratio of boy and girl students at SVAV since it inception

Education here, is not just about books but offers a holistic learning experience through an all inclusive development curriculum. Spacious classrooms equipped with smart teaching



aids, activity-rooms for all round development, a music room and a computer centre ensure students get access to updated modern education. The school campus also has infrastructure to support various kinds of games and sports facilities. The school takes a step beyond just education with provision of nutritious meals and good clothing for all its students.



SVAV students with teachers

Students at SVAV are introduced to habits of cleanliness and hygiene at a very young age. All students actively take part in regular cleanliness drives organised on a regular basis at the school, nearby areas and their homes. Focused efforts of the teaching and non teaching staff ensure that all the students inculcate the value and importance of sanitation, plantation and management of waste.

Merino's focus on environment first is reflected at the SVAV campus too. The school is steadily moving towards its goal of becoming a green school. The use of Solar panels for energy efficiency, water conservation and reuse of waste water facilities and minimising waste generation are a few constructive steps towards realising this. To provide a first hand experience,



SVAV classroom

students take part in daily activities to monitor the consumption of resources like water, electricity and waste generation. The students also take part in plantation of trees and take care of plants to learn about environmental care practices and their benefits at a very young age.

Vedic knowledge is the foundation of modern Indian education. At SVAV, we introduce our students to Vedic culture and its practice at a very young age. Students at SVAV get an opportunity to explore the rich cultural heritage of our nation, visit places of cultural and historical importance through various study tours organised by the school.

Laying the foundation of quality education, SVAV strives to provide holistic knowledge to all its students through methodical teaching techniques that focus on the importance of training and instructions so that once the student completes his/her school, he/she is ready to compete at any professional or academic institution for higher education or skill development.

The school has plans to provide help and assistance to students for secondary and higher secondary education (up to class XII). Depending upon their aptitude and proficiency, necessary counselling and guidance may be provided in future for the selection of stream (post class XII education).

Re-emphasising on our belief of providing equal opportunity through education, SVAV nurtures its students to develop a strong character through intellectual development and self-sufficiency. The schooling system focuses on skill development so that the students can support and effectively uplift their families, the society, and ultimately the nation.

Free and quality education was a distant dream for many economically deprived families in the prevalent social conditions of Hapur. Further with the provision of other facilities like good food and clothing for the children, SVAV has managed to achieve a positive impact in the region. The foremost beneficiaries are the students of SVAV and their families who have immensely benefited from this project. Access to free education and the savings from this have empowered families to educate another child also. This has a multiplier effect to bring more children under the umbrella of education and support the poor households.

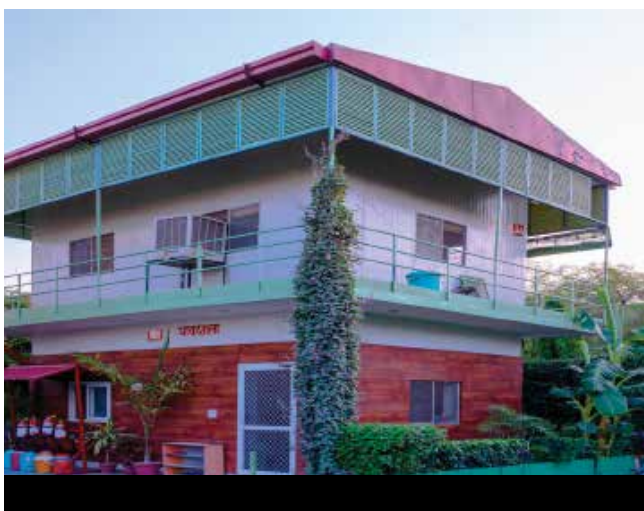
The dedicated approach to holistic education and related support system has brought about a transformation in and around the 111 households (student's families). These 111 representatives of change are key influencers in their region, advocating the values of cleanliness, health & sanitation, principles of honesty and strong character.

The education programme through SVAV works as a catalyst in spreading the message of education and empowering the poorest household, thus improving the social habits and

conditions of the people. The school has generated employment for 28 persons directly and for many others indirectly.

A healthy mind resides in a healthy body: The Mid –day Meal Program:

Malnutrition in India is a serious concern. Lack of hygiene, poor nutrition and poverty have made this worse. As a socially responsible organisation, we initiated a project to provide mid-day meals to children of various schools. A kitchen with modern cooking facilities is operational at our SVAV campus at Hapur. Utmost care is taken to maintain optimum level of hygiene standards while the menu is carefully selected to provide high



in the schools where it is served. The above benefits are particularly effective in the case of girl - children.



Student enjoying the mid-day meal

The SVAV kitchen serves mid-day meals to 503 students every day with a plan to increase this to 750 students daily at Hapur (UP) and its surrounding areas.

The Merino factory located at Rohad provides Mid-day Meals to 76 physically challenged children studying at Savera School, Jhajjar, Haryana, while mid-day meals for 16 children and 12 adults on a daily basis are sent to Bal Garh, Bahadurgrah, Haryana.



Image: Pakshala (food preparation house) for students' meal in SVAV campus

nutrition value to all the children. This food is then delivered to various schools at Hapur.

The Mid-Day Meal Programme have several key benefits. First, this meal is an important source of nutrition for many children who come from economically deprived families.

Secondly this food aids better psychosomatic development of these children. Thirdly mid day meals ensure regular attendance

Supporting the deserving through Educational & Learning Programs

Our education initiative is not just limited to the SVAV school. Deserving students are provided scholarships by the trust. Additionally, the trust arranges for private tuition at the SVAV campus for students from economically weaker background. During the year under review, 22 such students were imparted coaching. At Rohad village, near the Merino campus, 16 girls are undergoing vocational training and an apparel stitching course through the Silai Centre. The MPPL factory is developing a facility to impart computer training to 20 girl children.

Transforming lives through healthcare programs. Medical care facilities through 'Prem Chand Lohia Health Centre'

Tuberculosis is one of the most dreaded health worries in India with the Global TB report 2017 giving an estimated incidence figure of 2.8 million* cases of TB in India accounting for about a quarter of the world's TB cases. On finding that tuberculosis is prevalent at Hapur, Merino undertook on a modest effort to address this issue through the Prem Chand Lohia Health Centre. Situated at Hapur, the centre provides general OPD along with complete treatment of TB. This is really beneficial as

there is a considerable economic burden associated with TB specially for the economically weaker section who lack access



'Shri Prem Chand Lohia Health Centre'

to quality healthcare facilities. In collaboration with the Dept. of Tuberculosis, govt. of India, the health centre provides TB treatment in about 72 villages in the district of Hapur, Uttar Pradesh.

Presently, the health centre has three units of dispensaries with doctors and supporting medical staffs to provide general OPD for patients and for treatment of TB in particular. These are located around Achheja, Garhmukteshwar and Hapur town respectively and serve the healthcare needs of the underprivileged in nearby localities. **source - India TB report 2018, Revised national TB control program*

The Trust also provides medical facilities to the needy patients in and around establishments of Merino group at Hapur through mobile vans manned by qualified doctors. During the year under report 286 such trips were undertaken.

In addition to allopathy-based healthcare facilities, the center also provides Ayurveda treatment for patients. A total no. of 20,986 patients availed the facility of allopathic treatment during 2018-19, while 4,267 economically deprived TB patients went through a complete treatment at the 3 centers. 229 out of 236 new patients successfully completed their TB treatment under Merino's TB centers during 2018-19. During the treatment, 30 patients from extremely poor households were provided complete meal along with the medicine facilities for the whole year. Further, 132 patients have been undergoing the treatment of TB as on 31-3-2019. Ayurveda has proved to be a cost-effective mode of healthcare. A total number of 3,473 patients received Ayurvedic treatment during the year under reference.

Holistic Living Program through yoga trainings and related service

Yoga - India's gift to the world

Continuing the good work in healthcare, the trust also aims

at overall wellness through yoga. This is done through training modules that promote practising yoga and knowledge of Ayurveda for holistic and healthy living. During the year under report, over a dozen yoga camps and classes for training were organised. This initiative is aimed at improving the state of health of the people availing the services of Yoga Instructors.



Yoga



Yoga

In the scenario of rising medical costs, charitable healthcare programs for disease prevention amongst the economically deprived households is an important step towards building a healthy society. Through our various initiatives, the trust has been instrumental in transforming the lives of over 20,000 patients who were previously deprived of quality healthcare. Conservative estimate of ₹300 per patient translates into healthcare savings of over ₹60,00,000 for these households.

Better health has far reaching effect on long term earning capacity and living conditions of people, thus bringing about a positive impact in the society. And along with vedic practices like yoga, it lays the foundation of a stronger and healthier India.

Merino's concern for environment sustainability

Introduction

As a corporate deeply connected with India's soil, the Merino group stands firm by its value of Environment first. It is this value that inspires Merino to not only adhere strictly to all prescribed environmental norms but go a step beyond compliances and bring about a positive change in the environment through ecological improvement.

At Merino, we believe in creating value that is both economic and sustainable. Based on our pillars of excellence and ethics, we strive for responsible competitiveness that put environmental sustainability factors at the heart of all our processes and decision making.



Since inception, we have come a long way. The group has expanded manufacturing facilities at Hapur (Uttar Pradesh), Rohad (Haryana), Hosur (Tamil Nadu) and Dahej (Gujarat). Production in these manufacturing facilities involve usage of various resources like raw materials, water, fuel for power and heat generation etc. along with relevant application of technology. During the process, there is generation of ecological footprints of carbon, water, emissions and waste along with socio- economic benefits for our nation.

Based on our value of environment first, Merino has engaged external agencies/institutes to study to assess carbon and water footprint and to adopt best practices in greenhouse gas (GHG) and energy management. The in-house facilities strive to minimise and monitor wastes and air emissions while we

engage in key strategic initiatives to attain a positive balance in ecological footprints.

Merino's sustainable practices can be broadly classified into four focus areas.

1. Energy Management
2. Water Management
3. Waste Management and
4. Care for emission, air quality and soil

Energy management - The future is renewable

Conventional fuel resources based on fossils is one of the prime carbon footprint contributor. At Merino, we believe that the future lies in renewable energy - one that fulfils our objectives of ecological sustenance and energy conservation. To achieve these objectives, we have formulated a three pronged approach for effective energy management

1. Increase the share of renewable energy in Merino's total energy requirement (like solar energy and biogenic fuel (carbon neutral) like biomass and biogas.
2. Constant efficiency upgradation through upgraded electrical appliances, machineries or improved technology in production, utilities and lightening systems.
3. Promoting an environmental friendly work culture. ie. saving electricity through automation and humane responsibilities.

Reducing the ecological footprints through carbon reduction

Ensuring responsible manufacturing practices within our extended operations is an important component of reducing our environmental impact. At present, Merino fulfils its total energy requirement through a combination of both conventional sources of energy like fossil based Diesel-Generators (DG Sets), State Electricity Boards (SEBs) and renewable /alternate energy resources namely, Solar, Biomass and Biogas. These five energy sources are used to power the various factories and establishments of the group.

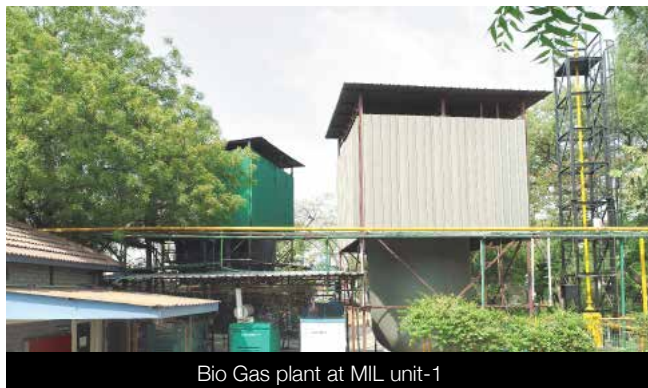
Reiterating its stand of environment first, Merino industries has taken several key steps that have reduced dependency



Solar Panels on rooftops of factory at Hapur

on traditional power from fossil fuels-based DG-Sets or power from SEBs.

The group has increased the installation and usage of alternative source of energy; mainly solar, biomass and biogas.



Bio Gas plant at MIL unit-1

Biomass has emerged as an important fuel source in the fight against climate change. It is amongst the lowest carbon emission fuel amongst fuel-based technology for production of heat and power. In fact, energy experts agree that when one



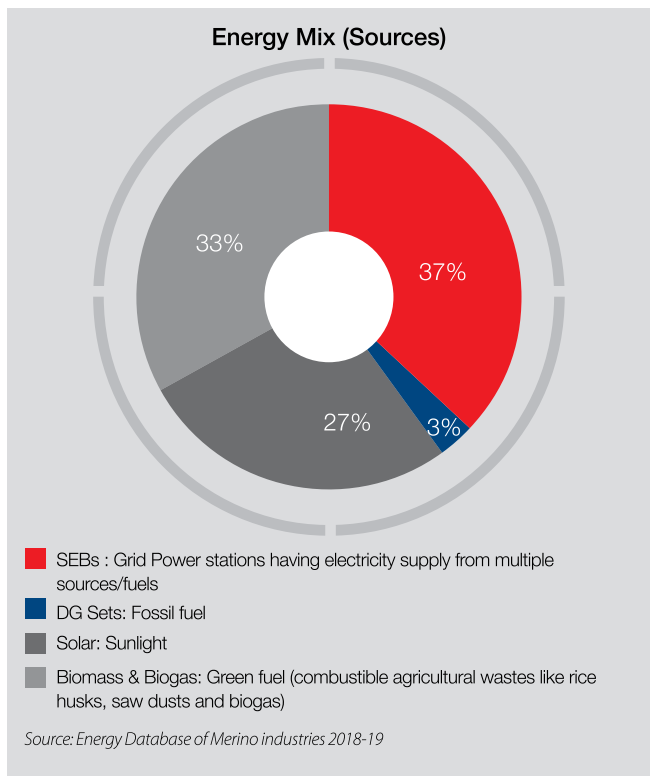
Biomass based TPH

combines the economic and environmental character of energy sources, biomass tops the list as one of the best energy source.

Merino uses agro-based industrial residues like rice husks and wood or wood product wastes produced in industrial operations like saw dust as major biomass fuels to generate heat and power. Not only does this help in reducing carbon footprint but also creates sustainable livelihood options for people who manages these wastes.

The initial milestone achieved - the 60% threshold crossed.

Constant engagement is the key attribute of sustainable



practices. Merino now fulfils 60% of its total energy requirement from renewable and green energy sources through its years of



Co-Gen plant for Turbine Generator MIL unit-1 Hapur

proactive efforts. Powering this feat are the biomass technology turbines and biogas plants that contribute 33% of the total energy requirement while solar power accounts for 27%.

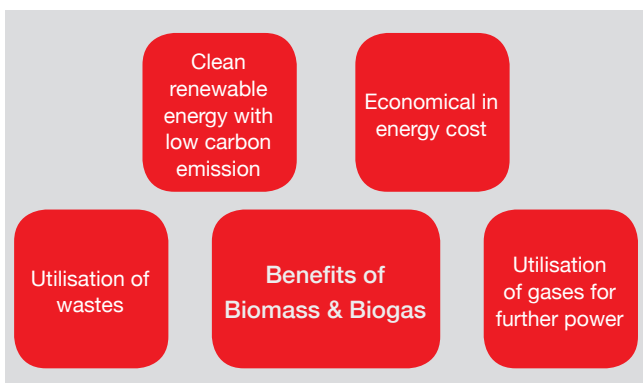
Biomass and biogas Power - The Green fuel

Biomass, being the green fuel is our key fuel source at the Merino manufacturing units at Hapur. The power generated through the biomass turbines accounted for around 77% of total energy requirement of the two manufacturing units. Merino has harnessed 16.3 million kWh of electrical energy annually from biomass during 2018-19.



Co-Gen plant for Turbine Generator MIL unit-1 Hapur

Combustible agricultural materials like rice husk and biomass like saw dust are used to generate heat in furnaces. This heat produces steam and power through turbines. This has created substantial value as energy harnessed from biomass is inexpensive as compared to coal and oil, costing about 33% less than fossil fuels.



Gases obtained from effluent treatment plants and organic decomposition of wastes in biogas plants are also used in power generation. The organisation generates approximately

1,68,500 kWh unit of electrical energy through biogas generator thus utilising the waste from potato flakes plant at Hapur.

Solar Power: The CO2 free energy source

Solar power is the key to a clean energy future. At Merino, we have constantly emphasised on this by implementing installations of various solar systems/plants to power the



Merino's ground mounted solar panels at Hissar

group's growing power requirement. The group has installed around 9.61 MW solar system/plants that helps generate over 13.5 million kWh of electrical energy annually for production, utilities and lighting needs. This makes up for around 27% of the total energy requirement of the group.

Merino has installed 1.78 MW solar system (rooftop) at its plant and another 5.5 MW ground mounted solar system with tracker in Budak, Hissar (Haryana). These together take care of almost 51% of the energy needs of Merino Panel Products (MPPL) manufacturing unit at Rohad.

The manufacturing unit of Dahej account for around 10% of energy needs from solar system installed in the campus. Solar energy provide for around 5% of energy requirement at each of the manufacturing units of Hapur and Hosur from solar rooftop panels at factory premises.

Constant upgradation for energy efficiency

Energy efficiency is an important component in sustainable practices. At Merino, this is not just an ideology but a way of life. Technological upgradation to achieve the above objective has been implemented in all processes and productions. Emphasis has been given on the installation of energy efficient (IE3) motors in production and other facilities at all establishments. Merino's Hosur factory has 100% IE3 motors while the Dahej unit has around 85%. Other production units at Rohad and Hapur have also installed around 75 and 61% IE3 motors respectively. We are constantly working towards achieving our objective of gradually replacing the entire motoring capacity with 100% IE3 motors.

Expansion in economic activities calls for an increase in lighting requirements for better and safe working environment at all Merino establishments. Therefore, the group has ensured optimal lighting system in all factories with a gradual shift towards installation of LED lights by phasing out conventional Tube Lights/ Sodium/Mercury Halogen lights. LEDs now have replaced around 78% of conventional lighting and its usage has brought about a 30% saving in electrical consumption.

Our factories at Hosur, Rohad and Dahej have installed almost 100% LED lighting at their respective facilities and we are working towards replicating the same at the rest of our units across India.

Water management and Water Conservation

Ground water is the prime source of water supply at all the Merino establishments. A holistic approach had been undertaken for water management in and around the units with focus on conservation of ground water. These constructive conservation efforts can be classified into three key actionable implementations

- Focused practices to reduce water consumption
- Recycle and reuse of water
- Replenishing and restoration of water sources.

Saving water is the call of the hour. At Merino, we have brought about all possible measures to reduce water consumption across all our operations at our manufacturing units across India. The group has installed 200 and 250 CHM Adiabatic Cooling Towers at Hapur plants.

Replacing the conventional cooling tower with the upgraded Adiabatic Cooling Tower has helped us save more than 27,880



RO plant for water filtration & recycling at MIL, Hapur

KL annually. Our flash steam recovery system further helps us to save around 15% of water used in steams.

All the manufacturing units of our group have moderated water consumption per unit of laminate produced. This is possible

through increase in water efficiency by use of upgraded technology and better water management.

Recycle and Reuse of Water through ETP, SBT and STP

Another key aspect of our water management efforts is recycling of waste and unused water discharged from our manufacturing units. This is diligently implemented at all our manufacturing facilities through the use of ETPs (Effluent Treatment Plants) based on both aerobic and anaerobic techniques, SBT (Soil Biotechnology) and STPs (Sewerage Treatment Plants).

All these three water treatment systems are available at our Hapur plant. The capacity of ETP, STP and SBT are of 250, 70 and 150 Kilo Litre (KL) per day respectively - thus recycling over 100,000 KL of water annually for reuse at the Hapur premises.

Waste water coming out of effluent treatment plants (ETPs) is



Newly constructed pond for water recharge at MIL-2 unit of Hapur

treated under Soil Biotechnology (SBT) that has an environment friendly bio-conversion process. The Rohad plant has installed capacity of ETP and STP of 50 and 100 KL per day respectively. It helps to make over 50,000 KL of reusable water annually from waste/used water in the premises. Similarly, with the use of STPs in the manufacturing premises of Hosur and Dahej, the company reuses over 10,000 KL of water annually.

Replenishing and restoration of water sources:

Marching towards Zero discharge and double recharge

Merino has taken several initiatives to replenish and restore the ground water by setting up rain water harvest systems at all establishments of the group. The rain water harvest system is an effective way to naturally restore and replenish the ground water tables. Merino has installed rain water harvest system with reservoir capacity of over 1,00,000 litres at Hosur.

The group has built reservoirs and installed ground water recharge system in and around the factory premises. Three

ponds have been developed to recharge ground water at Hapur. These are effective to restore nearly 5,53,815 KL of water cumulatively in a year.

Constant engagement and a holistic water conservation plan means that Merino is right on track to achieve its twin goals of zero discharge system and double recharge (recharging double of what we consume at our premises)

Waste Management:

A close look at nature reveals that nothing goes waste. Incorporating this philosophy, Merino has focussed on reducing waste generation and further reusing these waste through adoption of innovative ways to create value. Updating to technologically advanced machineries and implementation of raw material conservation practices has brought about a paradigm shift in waste management as the company moves steadily towards its long term goal of zero waste.

Merino industries has adopted many innovative methods to reuse wastes. To start with, there is a system in place to collect all wastes and segregate into various categories like hazardous (non-recyclable), non-hazardous (recyclable), organic, non-organic, liquid and solid. This helps to properly plan the reuse of recyclable wastes and carefully dispose the hazardous ones.

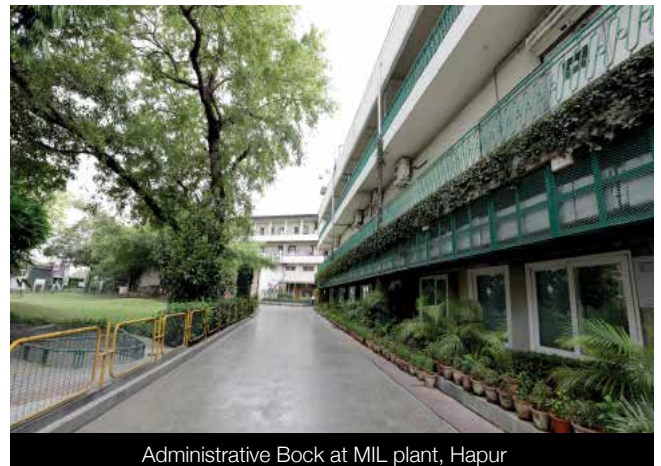
Combustible agricultural wastes like rice husks, sawdust and waste from manufacturing activities like residue of paper materials, laminates, panel products etc., are used in furnaces to generate heat used for drying the biomass (key source of energy)

Ash generated from boilers and incinerators along with ash from NTPC power plant are used for manufacturing of bricks and tiles. These are used for internal pavements inside our premises.

Organic wastes from processes and canteens as well are converted into manures through bio-conversion processes like use of bacteria or other micro-organisms. The manures obtained from organic wastes are used for plants/plantations in Merino establishments.

Treatment and reuse of wastes of potato flakes plant in Merino Industries

The potato flakes plant (PFP) is no different from the other facilities in waste management implementation. Wastes produced in different forms like liquids, semi solids are properly segregated, treated and reused. Liquid waste and sludge is processed in the effluent treatment plant (ETP). In ETP, the waste goes through USABR anaerobic decomposition process to produce bio-gases which are then channeled for electricity generation or



used for cooking purposes directly. After anaerobic treatment, the discharged liquids has substantially reduced COD (Carbon Oxygen Demand) and BOD (Biological Oxygen Demand). This is further treated with aerobic decomposition process. Post this treatment, the released water is used for plantation, washing potatoes and flushing systems. Thus this whole process helps in recycling of water and energy generation.

The decomposed (mineralized) slurry from the bio-gas plants is used as fertiliser in gardens, crops or plantation fields. Solid



waste from potato peels and unused potatoes is collected and converted into compost. This compost is an effective manure for enrichment of soil in agricultural lands. The annual production of compost from the potato flakes plant is around 50 metric tons.

Care for emission, air quality and soil

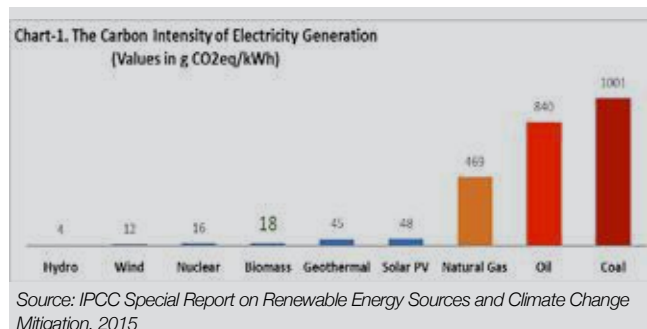
Reiterating the group's engagement in sustainable practices, all the manufacturing units at Merino diligently adhere to maintain lower emission than stipulated under manufacturing activities to bring about a positive and real change.

A major part of Merino's cooling needs are addressed by VAM chillers that use waste heat instead of the conventional compressor run on refrigerant gases. Wet scrubbers installed in our laminates plants at Hapur, Rohad and Dahej help control air pollution.

Additionally there are electrostatic precipitators and bag filters in manufacturing units to control emission. The chillers in the production units for process and comfort cooling operate on the latest technology and are more environmental friendly than the conventional cooling system.

An important aspect of industrial emission is ozone depleting gases (ODG) that get released in the atmosphere. At Merino, we have addressed to mitigate this through proper knowledge, training and technological upgradation.

Chlorinated Fluorocarbon (CFC) refrigerants have been replaced by the technologically advanced hydrofluorocarbons (eg R-410A) refrigerant in over 376 tons of refrigeration (TR)



systems annually. This has helped to mitigate equivalent amount of ODG from the environment. Merino's plants at Hosur and Dahej have complete refrigeration facilities based on Non-CFC refrigerants.

Based on our sustainable practices, waste at our facilities is directly converted into useful gases and composts without greenhouse gas emission into the environment. This has significantly improved the air quality in and around our establishments. Further use of biomass and solar energy as fuel sources have helped in lowering carbon footprints.

The transformation of biomass (and its embodied "biogenic" carbon) into products has brought about effective carbon sequestration as these products effectively store CO2 over a period of time. Thus the use of biomass contributes to reduction in the CO2 level in the atmosphere and addresses the key issue of global warming.

Compared to fossil based energy sources, CO2 and toxic emission is substantially lower in biomass.

The carbon intensity (gCO2 equivalent/kWh) of electricity generation are 56, 47 and 26 times respectively for coal, oil

and natural gas in comparison to biomass. (explained in the table below)

The study conducted by Visvesvaraya National Institute of Technology (VNIT), Nagpur for assessment of carbon and water footprint of industrial activities of Merino in Hapur using ISO 14044:2006 methodology for Life Cycle Assessment (LCA) & compliance to ISO 14064:2006 for Green House Gas (GHG) evaluation, shows that 2.97 kg CO2 equivalent per laminate sheet production and 0.72 kg CO2 equivalent per kilogram of potato flakes production are GHG emissions. The above data translates into 25,620 kilo tonnes of CO2 equivalent GHG emissions.



The Merino group has undertaken green cover activities like plantations, farming and agroforestry for carbon sink or carbon sequestration practices. Together around 14,000 kilo tonnes of CO2 equivalent GHG has been effectively removed through Merino's green initiatives during 2018-19.

Sustainable agricultural activities and Care of Soil

Sustainable farm health and soil conservation form the ethos of our agricultural division at Merino.



Leveraging the domain knowledge of national agricultural institutes like ICAR and other experts, we have implemented a host of projects. The primary goal of these initiatives has been to promote need based usage of agricultural inputs to sustain soil health and crop ecology amongst the large number of farmers who have been associated with the Merino group.

Innovative methods adopted for pest and nutrient management based on soil conditions done through soil testing have transformed the farms. Not only has the usage of pesticides and fertilisers reduced by around 49% and 20% respectively, the targeted yield and quality have also been achieved. This project has been implemented at over 1400 acres of land under potato farming and other crops during 2018-19

This exemplary practices of Merino is rated as one of the best examples of public private association by Dr. Ashok

Dalwai, Chairman “Doubling farmers income by 2022 mission committee” & Additional secretary, Ministry of Agriculture Cooperation and Farmers Welfare, Government of India, during a seminar organised by National Horticultural Research and Development Foundation, Delhi on 12th of March, 2019.

Taking a constructive step towards soil conservation, Merino has engaged in enriching the carbon content of soil with the application of organic composts and other sustainable practices. The group produces over 200,000 kg vermicomposts annually. The vermin compost not only enriches the soil but replaces the requirement of chemical fertilisers on around 80 hectare of farming lands. Overall, the sustainable farming practices at Merino also help in achieving the carbon sequestration of around 12,000 kilo tons of CO2 equivalent annually as environmental care along with its soil care.



Merino's Agroforestry and along farm fields



Vermicompost bed in Bamboo forestry

Independent Auditor's Report

To the Members of
Merino Panel Products Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Merino Panel Products Limited ("the company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Analysis and Board's Report including Annexures to Board's

Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss (Including Statement of Other Comprehensive Income), Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid accompanying Ind AS financial statements comply with the Indian accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rule, 2015, as amended specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2013;
 - e. On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its accompanying Ind AS financial statements – Refer Note No. 44 to the accompanying Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses if any, on long term contracts including derivative contracts; and
 - iii. The Company has no amount which were required to be transferred to The Investor Education and Protection Fund.
3. With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria

Partner

Place: Noida (Delhi NCR)

Membership No.: 022973

Date: 26th July, 2019

UDIN: 19022973AAAABA2971

Annexure – “A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Merino Panel Products Limited of even date)

1. In respect of Company’s Property, Plant & equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant & equipment.
 - b. As informed to us, the company has a phased program of physical verification of its property, plant and equipment, which in our opinion, is reasonable having regard to the size of the company and the nature of its property, plant and equipment. Management has physically verified certain property, plant and equipment during the year and as informed to us, no material discrepancies were noticed as compared to books of account.
 - c. According to the information given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, inventories (except stock in-transit) were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act’ 2013. Therefore, provisions of this clause are not applicable to the company.
4. The company has complied with the provisions of section 186 of the act in respect of investments made. However,
 5. the company has not granted any loan and provided guarantee under section 185 of the act.
 6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder with regard to the deposits accepted from the public are not applicable to the company.
 7. The company is required to maintain cost records pursuant to the rules made by the central government for the maintenance of cost records under sub-section (1) of section 148 of the Act, we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
 8. a. According to the records of the Company, the Company is regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, Goods and Service Tax, custom duty, Income tax, Cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year – end for a period more than six months from the date they became payable.

- b. According to the information and explanation given to us and records of the Company, there are dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax and entry tax on account of disputes as stated below:

Name of Statute	Nature of the Dues	Amount involved (₹ Lakh)	Paid under Protest (₹ Lakh)	Forum where the dispute is pending	Period
Under Income Tax, 1961	Income Tax (Including interest as on the date of order but excluded interest after demand)	1.50	-	Commissioner of Income Tax (Appeals)	A.Y. 2007 – 08
		264.98	-	Commissioner of Income Tax (Appeals)	A.Y. 2012 – 13
		30.09	-	Commissioner of Income Tax (Appeals)	A.Y. 2014 – 15

Name of Statute	Nature of the Dues	Amount involved (₹ Lakh)	Paid under Protest (₹ Lakh)	Forum where the dispute is pending	Period
Sales Tax Act	Sales Tax (Value Added Tax) Demand	3.15	-	Assistant Commissioner, Jaipur	AY 2017-18
		178.13	-	Excise & Taxation Officer-cum-Assessing Authority, Haryana	AY 2015-16
Customs Act, 1962	Customs Duty	9.55	3.50	CESTAT, Ahmedabad	AY 2005-06

8. The Company has not defaulted in repayment of dues to a financial institution and bank. The Company did not have any borrowing from Government and dues to debenture holders.
9. The company has not taken any term loan during the year & therefore provisions of this clause are not applicable to the company. The company has not raised any moneys by way of Public issue/ Follow-on offer.
10. Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees, has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has paid/provided for managerial remuneration in accordance with the provision of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company. Therefore, provisions of this clause are not applicable to the company.
13. Based on our examination of the books and records of the Company, all transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the accompanying Ind AS financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Therefore, provisions of this clause are not applicable to the company.
15. To the best of our knowledge and belief and according to the information and explanations given to us, the company hasn't entered into any non-cash transactions with directors or persons connected with him. Therefore, provisions of this clause are not applicable to the company.
16. Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, provisions of this clause are not applicable to the company.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria

Partner

Place: Noida (Delhi-NCR)

Dated: 26th July, 2019

Membership No.: 022973

UDIN: 19022973AAAABA2971

Annexure – “B” to the Independent Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Merino Panel Products Limited (“the Company”) as of 31st March 2019 in conjunction with our audit of the accompanying Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria

Partner

Place: Noida (Delhi NCR)

Dated: 26th July, 2019

Membership No.: 022973

UDIN: 19022973AAAABA2971

Balance Sheet

as at 31st March, 2019

(Rupees in Lakh, unless otherwise stated)

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3 (a)	12818.77	10731.11
(b) Capital work-in-progress	3 (a)	675.36	182.56
(c) Other intangible assets	3 (b)	128.85	176.48
(d) Biological assets other than bearer plants	4	-	1.53
(e) Financial assets			
(i) Investments	5	4227.14	2699.80
(ii) Loans	6	143.68	123.71
(iii) Other financial assets	7	2.26	1.00
(f) Other non-current assets	8	50.77	184.79
Total non-current assets		18046.83	14100.98
(2) Current assets			
(a) Inventories	9	10348.66	8272.33
(b) Financial assets			
(i) Investments	10	4228.08	4077.05
(ii) Trade receivables	11	8279.73	7609.59
(iii) Cash and cash equivalents	12	936.54	357.29
(iv) Other bank balances	13	-	200.00
(v) Loans	14	80.97	75.53
(vi) Other financial assets	15	413.36	48.90
(c) Current tax asset (Net)	16	98.05	24.08
(d) Other current assets	17	1150.93	1159.70
Total current assets		25536.32	21824.47
Total assets		43583.15	35925.45
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	200.00	200.00
(b) Other equity	19	31689.65	26255.16
Total equity		31889.65	26455.16
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	1375.00	1500.00
(ii) Other financial liabilities	21	14.81	23.81
(b) Deferred tax liabilities (net)	22	1378.11	983.98
Total non-current liabilities		2767.92	2507.79
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1299.83	91.50
(ii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		16.96	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		5117.66	4443.83
(iii) Other financial liabilities	25	1579.54	1934.74
(b) Other current liabilities	26	394.83	280.87
(c) Provisions	27	177.56	209.52
(d) Current tax liabilities (Net)	28	339.20	2.04
Total current liabilities		8925.58	6962.50
Total liabilities		11693.50	9470.29
Total equity and liabilities		43583.15	35925.45

General information and Significant Accounting Policies are given in Notes numbered 1 & 2

The accompanying notes numbered 1 to 50 are an integral part of the Financial Statements

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number: 302049E

For and on behalf of the Board of Directors

B.L.Choraria

Partner

Membership Number: 022973

Champa Lal Lohia

Director

Rup Chand Lohia

Director

Prakash Lohia

Director

A.K.Parui

Company Secretary

Place: New Delhi

Date: 26th July, 2019

Statement of Profit and Loss for the year ended 31st March, 2019

(Rupees in Lakh, unless otherwise stated)

Particulars	Notes	2018-19	2017-18
INCOME			
Revenue from operations	29	53066.65	45236.47
Other income	30	960.54	989.84
Total Income		54027.19	46226.31
EXPENSES			
Cost of materials consumed	31	26588.67	21525.34
Purchases of stock-in-trade		4126.09	2486.60
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(575.58)	247.42
Excise duty		-	623.01
Employee benefits expense	33	4984.46	4189.62
Finance costs	34	263.21	52.38
Depreciation and amortization expense	35	1314.50	1009.95
Other expenses	36	8682.04	7563.02
Total expenses		45383.39	37697.34
Profit before tax		8643.80	8528.97
Tax Expenses			
- Current Tax		2581.88	2831.73
- Deferred Tax		387.19	275.18
Total tax expenses		2969.07	3106.91
Profit for the period from continuing operations		5674.73	5422.06
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements on post employee defined benefit plan		19.87	11.46
Deferred tax on above		(6.94)	(4.00)
Total Other Comprehensive income for the year, net of tax		12.93	7.46
Total Comprehensive income for the year		5687.66	5429.52
EARNINGS PER EQUITY SHARE OF FACE VALUE OF RS.10 EACH			
Basic	43	284.38	271.48
Diluted		284.38	271.48

General information and Significant Accounting Policies are given in Notes numbered 1 & 2

The accompanying notes numbered 1 to 50 are an integral part of the Financial Statements

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number: 302049E

For and on behalf of the Board of Directors

B.L.Choraria

Partner

Membership Number: 022973

Champa Lal Lohia

Director

Rup Chand Lohia

Director

Prakash Lohia

Director

A.K.Parui

Company Secretary

Place: New Delhi

Date: 26th July, 2019

Cash flow statement for the year ended 31st March, 2019

(Rupees in Lakh, unless otherwise stated)

Particulars	2018-19	2017-18
A. Cash flow from operating activities :		
Net profit before tax as per Statement of Profit and Loss	8643.80	8528.97
Adjustments for :		
Depreciation and amortisation expense	1314.50	1009.95
Loss on disposal of property, plant and equipment (net)	23.71	3.96
Loss / (Profit) on sale of investments (net)	7.96	(0.64)
Loss on sale of Biological assets	1.03	-
Fair value changes of financial assets measured at FVTPL	(173.07)	(54.65)
Fair value changes of derivative measured at FVTPL	(22.25)	95.83
Finance costs	263.21	43.60
Interest income	(258.06)	(384.23)
Bad and Doubtful Debts written off	7.64	-
Dividend Income	(1.98)	-
Provision for Bad Debts	70.77	-
Provision/Liabilities no longer required written back	(82.49)	(24.35)
Unrealised foreign exchange loss (net)	27.65	10.52
Operating profit before working capital changes	9822.42	9228.96
Adjustments for :		
Trade receivables	(857.84)	(393.83)
Non-current/current financial and other assets	(177.45)	(792.07)
Inventories	(2076.33)	(399.01)
Trade Payables	772.43	649.92
Non-current/current financial and other liabilities/provisions	338.37	85.12
Cash Generated From operations	7821.60	8379.09
Net direct taxes paid	(2318.69)	(2999.68)
Net Cash from operating activities	5502.91	5379.41
B. Cash flow from investing activities :		
Purchase of property, plant and equipment	(4410.36)	(4104.71)
Purchase of intangible assets	-	(28.43)
Sale of Biological assets other than bearer plants	0.50	-
Proceeds from sale of property, plant and equipment / intangible assets	51.43	21.39
Purchase of investment	(2502.95)	(2075.00)
Proceeds from sale of investment	1140.72	53.31
Interest income	206.98	167.00
Dividend income	1.98	-
Investment in fixed deposits	(104.51)	(36.49)
Net cash flow used in investing activities	(5616.21)	(6002.93)

Cash flow statement or the year ended 31st March, 2019

(Rupees in Lakh, unless otherwise stated)

Particulars	2018-19	2017-18
C. Cash flow from financing activities :		
Proceeds from long-term borrowings	-	1500.00
Repayment of long term borrowings	-	(23.57)
Increase/ (decrease) in cash credit/working capital facilities	1208.33	(773.50)
Interest paid	(262.61)	(52.43)
Dividend paid	(210.00)	(210.00)
Dividend distribution tax paid	(43.17)	(42.75)
Net cash from financing activities	692.55	397.75
Net increase/(decrease) in cash and cash equivalents (A+B+C)	579.25	(225.77)
Cash and cash equivalents at the beginning of the year	357.29	583.06
Cash and cash equivalents at the end of the year	936.54	357.29

General information and Significant Accounting Policies are given in Notes numbered 1 & 2

The accompanying notes numbered 1 to 50 are an integral part of the Financial Statements

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number: 302049E

B.L.Choraria

Partner

Membership Number: 022973

Place: New Delhi

Date: 26th July, 2019

For and on behalf of the Board of Directors

Champa Lal Lohia

Director

Rup Chand Lohia

Director

Prakash Lohia

Director

A.K.Parui

Company Secretary

Statement of changes in equity for the year ended 31st March, 2019

A. Equity share capital

(Rupees in Lakh, unless otherwise stated)

Particulars	Notes	Amount
As at 1st April 2017		200.00
Changes in equity share capital during the year 2017-18	18	-
As at 31st March 2018		200.00
Changes in equity share capital during the year 2018-19	18	-
As at 31st March 2019		200.00

B. Other equity

(Rupees in Lakh, unless otherwise stated)

Particulars	Notes	Securities Premium	General Reserve	Retained earnings	Total other equity
Balance as at 1st April 2017	19	300.00	1987.76	18790.63	21078.39
Profit for the year		-	-	5422.06	5422.06
Other comprehensive income/(expense) (net of tax)		-	-	7.46	7.46
Total comprehensive income for the year		-	-	5429.52	5429.52
Interim dividend on Equity Shares for the year		-	-	(210.00)	(210.00)
Dividend distribution tax on interim dividend on Equity Shares		-	-	(42.75)	(42.75)
Transfer to/(from) general reserve/(retained earnings)		-	542.21	(542.21)	-
Balance as at 31st March 2018	19	300.00	2529.97	23425.19	26255.16

(Rupees in Lakh, unless otherwise stated)

Particulars	Notes	Securities Premium	General Reserve	Retained earnings	Total other equity
Balance as at 01st April 2018	19	300.00	2529.97	23425.19	26255.16
Profit for the year		-	-	5674.73	5674.73
Other comprehensive income/(expense) (net of tax)		-	-	12.93	12.93
Total comprehensive income for the year		-	-	5687.66	5687.66
Dividend		-	-	(210.00)	(210.00)
Tax on dividend		-	-	(43.17)	(43.17)
Transfer to/(from) general reserve/(retained earnings)		-	567.47	(567.47)	-
Balance as at 31st March 2019	19	300.00	3097.44	28292.21	31689.65

The accompanying notes numbered 1 to 50 are an integral part of the Statement of Changes in Equity.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number: 302049E

B.L.Choraria

Partner

Membership Number: 022973

Place: New Delhi

Date: 26th July, 2019

For and on behalf of the Board of Directors

Champa Lal Lohia

Director

Rup Chand Lohia

Director

Prakash Lohia

Director

A.K.Parui

Company Secretary

Notes to the Financial Statements

1 General Information :

Merino Panel Products Limited ("the Company") is a public limited company domiciled in India, and incorporated under the provisions of the Companies Act, 1956. The Company is a multiproduct and multi location company. The Company is subsidiary of Merino Industries Limited. The Registered Office of the company is located at 2nd Floor, 5; Alexandra Court, 60/1, Chowringhee Road, Kolkata - 700020, India.

The Company is engaged in manufacturing and marketing of Decorative Laminates, Prelam Boards, Plywood and Acrylic Solid Surface.

2 Summary of significant Accounting Policies :

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules 2016, other relevant provisions of the Act and accounting principles generally accepted in India. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(ii) Historical cost convention

The financial statements have been prepared as a going concern on accrual basis and under the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer 2.5 accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value.

2.2 Property, Plant & Equipment and Depreciation

- (a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- (b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of statement of profit and loss.
- (c) Capital work in progress is stated at cost and includes pre-operative expenses, project development expenses etc.
- (d) The Company depreciates property, plant and equipment over their useful life as prescribed by part C of schedule II of the Act. In case the cost of part of a Intangible assets is significant to the total cost of the assets, and useful life of that part is different from the remaining useful life of the asset, depreciation is provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers. The management believes that the useful lives of the component best represent the period over which the management expects to use those components.
- (e) Leasehold land is amortised over the period of lease. Leasehold improvements are amortised over the remaining period of lease or estimated useful life, whichever is lower.
- (f) Machinery spares having useful life of more than one year and the carrying value of which exceeds ₹1 Lakh, are capitalised and depreciated over the life of the spares / related asset.

2.3 Intangible Assets and Amortisation

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and net accumulated impairment losses, if any. Intangible Assets are amortised on a straight line basis over a period of five years from the date of capitalisation.

Notes to the Financial Statements

2.4 Impairment Loss

At each balance sheet date, the Company reviews the carrying values of its Intangible assets and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

2.5 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVTPL).

Impairment of financial assets

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognises loss allowance for expected credit losses on financial asset. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred

Notes to the Financial Statements

asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.6 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as expenses in Statement of Profit and Loss in the period in which they are incurred.

2.7 Inventories

Inventories are stated at lower of cost and estimated net realisable value. Cost is determined on moving weighted average basis in case of raw materials, stores and spares and stock-in-trade and generally on annual weighted average basis in other cases. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Biological assets

On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Gains and losses arising on initial recognition of biological assets and any subsequent changes in fair value are recognised in the statement of Profit and loss in the period in which they arise.

Notes to the Financial Statements

2.9 Foreign Currency Transactions

Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rates prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on settlement of transactions and / or restatement are dealt with in the Statement of Profit and Loss.

2.10 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers, volume rebates. Volume rebates give rise to variable consideration.

ii) Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Loyalty points programme

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. The Company's role is only to arrange for another entity to provide the goods and hence, records revenue at the net amount. When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a yearly basis and any adjustments to the contract liability balance are charged against revenue.

Notes to the Financial Statements

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.5 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Application of new standards and amendments

The Company has adopted Ind AS 115 - Revenue from Contracts with Customers with effect from April 01, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. As per the result of evaluation of contracts of the relevant revenue streams, it is concluded that the impact of this change is immaterial to the Company and hence no accounting changes have been done. The accounting for revenue under Ind AS 115 does not, therefore, represent a substantive change from the Company's previous practice for recognising revenue from sales to customers. The Company has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the recognition or measurement of revenues and no transitional adjustment is recognised in retained earnings at April 01, 2018. Additional disclosures as required by Ind AS 115 have been included in these financial statements.

Previous period accounting policy: Revenue Recognition

Sale of services

Sales are recognised upon rendering of services and are recognised net of service tax / goods and services tax as applicable.

Other Income

Interest: Interest income is generally recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable when there is a reasonable certainty to realisation.

Dividend: Dividend income is recognised when the right to receive the dividend is established.

Other items are recognised on accrual basis.

2.11 Other Income

Interest: Interest income is generally recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable when there is a reasonable certainty to realisation.

Dividend: Dividend income is recognised when the right to receive the dividend is established.

Insurance Claim: Insurance claims are accounted for on settlement / realization basis by considering uncertainties in realization. Other items are recognised on accrual basis.

Notes to the Financial Statements

2.12 Employee Benefits

(a) Short-term Employee Benefits :

The undiscounted amount of short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee renders the service.

(b) Post Employment Benefit Plan:

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is actuarially determined on the basis of year end Actuarial valuation (using the Projected Unit Credit Method) and is funded. Re-measurement gains and losses of the net defined benefit liability / (assets) are recognised immediately in other comprehensive income.

(c) Other Long-term Employment Benefits (unfunded):

Other long term employee benefits are actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

2.13 Taxation

Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

2.14 Lease

Operating Lease:

Where the Company is a lessee

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

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets / investment property. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Notes to the Financial Statements

2.15 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments, if any, with original maturities of three months or less.

2.16 Earnings Per Share (EPS)

Basic EPS amount is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earning considered in ascertaining the Company's EPS is the net profit/(loss) for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted EPS amount is computed by dividing the net profit attributable to the equity share holders by the weighted average number of equity shares outstanding during the year, and the weighted average number of equity shares that would be issued to give effect to the dilutive potential.

2.17 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting made to the chief operating decision maker.

The board of directors of the Company has been identified as being the chief operating decision maker. Refer note 42 for segment information presented.

2.19 Dividends

The final dividend on shares is recorded as liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

2.20 Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh of rupees as per the requirement of Schedule III, unless otherwise stated.

2.21 Standards issued but not yet made effective by the Ministry of Corporate Affairs

The following amendments are applicable to the Company from 1st April, 2019. The impacts of these are currently expected to be immaterial:

1. Ind AS 116 - Lease

Ind AS 116 Leases was notified in 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Notes to the Financial Statements

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards when they become effective.

2. Amendment to standards:

Reference	Name / Brief
Annual Improvements to Ind AS(2018)	The amendments comprise of changes in Ind AS 103, Ind AS 111 and Ind AS 12
Ind As 19	Employee benefits - Plan Amendment, Curtailment or Settlement
Ind As 28	Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures
Ind As 109	Financial Instruments - Prepayment Features with Negative Compensation
Ind As 12	Income Taxes - Uncertainty over Income Tax Treatments

2.22 Government Grants

- (i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- (ii) Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- (iii) Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the remaining useful life of the related asset.

2.23 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(i) Estimation of defined benefit obligation

Refer note 38 for details of critical estimates in computation of defined benefit obligation.

(ii) Estimated useful life of tangible asset

Refer note 2.2 for details of critical estimates in useful life of tangible assets.

(iii) Estimation of contingent liability

Refer note 44 for details of critical estimates of contingent liability.

Notes to the Financial Statements

3 (a) Property, Plant and Equipment

(Rupees in Lakh, unless otherwise stated)

PARTICULARS	Land		Buildings (includes on leasehold land)	Roads	Plant and Machinery	Electrical Fittings	Laboratory Equipment	Furniture and Fittings	Computers & Data Processing Units	Office Equipments	Vehicles	Total	Capital Work in Progress	Total
	Leasehold acquisition and development expenses [Refer (a) below]	Freehold												
Deemed cost as at 31st March, 2017	3.95	1307.38	937.38	40.61	4397.03	152.73	0.96	100.46	434.07	79.18	337.17	7790.92	139.47	7930.39
Additions	-	426.02	79.59	5.52	3848.05	170.01	1.83	43.36	80.74	54.12	90.83	4800.07	380.88	5180.95
Disposals	-	-	-	-	19.02	2.26	-	1.62	-	0.50	13.59	36.99	337.79	374.78
Balance as at 31st March, 2018	3.95	1733.40	1016.97	46.13	8226.06	320.48	2.79	142.20	514.81	132.80	414.41	12554.00	182.56	12736.56
Additions during the year	-	516.90	688.31	62.05	1750.67	218.71	-	14.83	68.47	41.98	67.75	3429.67	675.36	4105.03
Disposals	-	-	2.76	-	42.11	40.18	-	2.16	10.37	1.34	22.69	121.61	182.56	304.17
Balance as at 31st March, 2019	3.95	2250.30	1702.52	108.18	9934.62	499.01	2.79	154.87	572.91	173.44	459.47	15862.06	675.36	16537.42
Accumulated Depreciation														
As at 31st March 2017	0.40	-	39.78	10.60	612.54	27.05	0.08	10.82	85.72	20.38	58.98	866.35	-	866.35
Charge for the year	0.40	-	43.63	6.25	687.01	21.48	0.16	13.73	105.88	26.02	63.61	968.17	-	968.17
Disposals	-	-	-	-	3.62	0.74	-	0.22	-	0.22	6.83	11.63	-	11.63
As at 31st March 2018	0.80	-	83.41	16.85	1295.93	47.79	0.24	24.33	191.60	46.18	115.76	1822.89	-	1822.89
Charge for the year	0.40	-	47.58	5.88	942.49	34.68	0.30	16.42	121.25	30.55	67.32	1266.87	-	1266.87
Disposals	-	-	0.28	-	12.87	10.16	-	0.86	9.90	0.89	11.51	46.47	-	46.47
As at 31st March 2019	1.20	-	130.71	22.73	2225.55	72.31	0.54	39.89	302.95	75.84	171.57	3043.29	-	3043.29
Net Carrying amount														
As at 31st March, 2018	3.15	1733.40	933.56	29.28	6930.13	272.69	2.55	117.87	323.21	86.62	298.65	10731.11	182.56	10913.67
As at 31st March, 2019	2.75	2250.30	1571.81	85.45	7709.07	426.70	2.25	114.98	269.96	97.60	287.90	12818.77	675.36	13494.13

Notes:-

a) Development expenditure of ₹23.45 (31st March, 2018 : ₹23.45) on leasehold land taken on 13th December 1994 under a lease for 30 years has been amortised over the period of Lease. Remaining life of the leasehold land is 7 years.

b) Freehold land to the extent of ₹5.79 (31st March, 2018: ₹5.79) have been mortgaged with Axis Bank Consortium for availing working capital loan.

c) Property Plant and Equipment given as security for borrowings (Refer Note No 47)

Notes to the Financial Statements

3 (b) Other intangible assets

(Rupees in Lakh, unless otherwise stated)

Particulars	Computer Software (Aquired item)	Total	Intangible Assets under development	Grand Total
Deemed cost as at 31st March, 2017	142.13	142.13	72.82	214.95
Additions	101.25	101.25	0.15	101.40
Disposals	-	-	72.97	72.97
Balance as at 31st March, 2018	243.38	243.38	-	243.38
Disposals	0.31	0.31	-	0.31
Balance as at 31st March, 2019	243.07	243.07	-	243.07
Accumulated Depreciation				
As at 31st March 2017	25.12	25.12	-	25.12
Charge for the year	41.78	41.78	-	41.78
As at 31st March 2018	66.90	66.90	-	66.90
Charge for the year	47.63	47.63	-	47.63
Disposals	0.31	0.31	-	0.31
As at 31st March 2019	114.22	114.22	-	114.22
Net Carrying amount				
As at 31st March, 2018	176.48	176.48	-	176.48
As at 31st March, 2019	128.85	128.85	-	128.85

Note: 4 Biological assets other than bearer plants (Live Stock)

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Balance	1.53	0.90
Additions/Acquisitions	-	0.63
Sold/Disposal	(1.53)	-
Closing Balance	-	1.53

Note: 5 Investments -non current

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
-Quoted		
Investment in mutual fund measured at FVTPL		
Principal Debt Opportunities Fund, Conservative Plan	-	1.25
31 March 2019: Nil (31 March 2018: 44.288) units		
Birla Sun Life Cash Manager Growth Regular Plan	-	58.53
31 March 2019: Nil (31 March 2018: 14,017.964) units		
Birla Sunlife Short Term Opportunities Fund	58.24	54.36
31 March 2019: 1,88,388.487 (31 March 2018: 1,88,388.487) units		
IDFC Corporate Bond Fund	117.29	109.52
31 March 2019 : 9,21,234.454 (31 March 2018 : 9,21,234.454) units		

Notes to the Financial Statements

Note: 5 Investments -non current (Contd.)

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
ICICI Prudential Bond Fund-Growth	114.56	108.00
(Known as ICICI Prudential Income Opportunities Fund upto 27.05.18)		
31 March 2019: 4,44,818.092 (31 March 2018: 4,44,818.092) units		
ICICI Prudential Medium Term Bond Fund	115.65	109.93
(Known as ICICI Prudential Corporate Bond Fund upto 27.05.18)		
31 March 2019: 4,06,502.413 (31 March 2018: 4,06,502.413) units		
IDFC Bond Fund-Medium Term Plan-Growth	116.32	108.35
(Known as IDFC Super Saver Income Fund-Medium Term upto 29.04.18)		
31 March 2019: 3,72,510.235 (31 March 2018: 3,72,510.235) units		
Birla Sun Life Medium Term Plan	57.30	55.26
31 March 2019: 2,51,457.194 (31 March 2018: 2,51,457.194) units		
Reliance Corporate Bond Fund(G)	-	679.65
31 March 2019 Nil (31 March 2018: 48,50,839.107) units		
HDFC Regular Savings Fund(G)	-	10.41
31 March 2019 Nil (31 March 2018: 30,244.009) units		
IDFC Credit Risk Fund-Regular Plan	27.49	26.00
(Known as IDFC Credit Opp Fund-Reg(G) upto 13.05.18)		
31 March 2019: 2,42,525.368 (31 March 2018: 2,42,525.368) units		
Aditya Birla Sunlife Mutual fund-Fixed term plan - series PN-Regular Growth	268.50	250.17
31 March 2019: 25,00,000 (31 March 2018: 25,00,000) units		
L&T Credit Risk Fund-Growth	265.70	250.81
(Known as L&T Income Opportunity Fund upto 13.05.18)		
31 March 2019: 12,59,890.138 (31 March 2018: 12,59,890.138) units		
HSBC FTS Growth Tenure	267.47	251.35
31 March 2019: 25,00,000 (31 March 2018: 25,00,000) units		
BOI AXA Credit Risk Fund - Regular Plan (CSRGG)	248.53	250.63
31 March 2019: 18,77,567.574 (31 March 2018: 18,77,567.574) units		
ICICI Prudential Fixed Maturity Plan Series 82	266.69	250.51
(Known as ICICI Prudential Mutual fund Fixed Maturity upto 04.05.2021)		
31 March 2019: 25,00,000 (31 March 2018: 25,00,000) units		
ICICI Prudential Credit Risk Fund-Growth	133.78	125.07
(Known as ICICI Prudential Mutual fund Regular Fund upto 27.05.18)		
31 March 2019: 6,73,328.126 (31 March 2018: 6,73,328.126) units		
IDFC Banking and PSU Debt Fund-REG(G)	158.65	-
31 March 2019: 9,86,705.784 (31 March 2018: Nil) units		
Axis Banking and PSU Debt Fund	126.25	-
31 March 2019: 7,223.62 (31 March 2018: Nil) units		
UTI Credit Risk fund-Regular Growth Plan	158.12	-
31 March 2019: 9,45,322.544 (31 March 2018: Nil) units		
AXIS FOCUSSED 25 FUND GROWTH(AFGPG)	50.30	-
31 March 2019: 1,85,597.624 (31 March 2018: Nil) units		

Notes to the Financial Statements

Note: 5 Investments -non current (Contd.)

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
MOTILAL OSWAL MULTICAP 35 FUND REGULAR GROWTH	48.13	-
31 March 2019: 1,85,281.944 (31 March 2018: Nil) units		
FRANKLIN INDIA PRIMA PLUS- GROWTH	51.83	-
31 March 2019: 8,600.155 (31 March 2018: Nil) units		
KOTAK INDIA GROWTH FUND SERIES 5-GROWTH (REGULAR PLAN)	97.22	-
31 March 2019: 10,02,523 (31 March 2018: Nil) units		
AXIS FTP SERIES 97- 1116 DAYS-GROWTH(WIGPG)	104.49	-
31 March 2019: 10,00,000 (31 March 2018: Nil) units		
HDFC FMP 1372 Days, September 2018 (1)-REGULAR-GROWTH	160.08	-
31 March 2019: 15,00,000 (31 March 2018: Nil) units		
ICICI Pru Liquid Fund-Growth	69.78	-
31 March 2019: 25,334.546 (31 March 2018: Nil) units		
ICICI Pru – Equity Savings Fund	2.57	-
31 March 2019: 18,630.94 (31 March 2018: Nil) units		
ICICI Pru – Multicap Fund	2.65	-
31 March 2019: 895.05 (31 March 2018: Nil) units		
ICICI Pru – Balanced Advantage Fund	2.57	-
31 March 2019: 7,273.84 (31 March 2018: Nil) units		
-Unquoted		
-Investment in Alternative Investment fund measured at FVTPL		
Aventus Absolute Return Fund-Class A6	528.23	-
31 March 2019: 50,055.4291 (31 March 2018: Nil) units		
Aventus Enhanced Return Fund-Class A1-9Th Closure	205.63	-
31 March 2019: 17,913.4871 (31 March 2018: Nil) units		
Aventus Enhanced Return Fund-Class A1-13Th Closure	155.36	-
31 March 2019: 13,534.4715 (31 March 2018: Nil) units		
-Investment in Liquid Mutual fund measured at Amortised cost		
India Real Estate Investment Fund	44.00	-
-Investment in Non Convertible debenture measured at Amortised cost (Secured)		
10.25% Aspire Home Finance Corporation Limited	100.75	-
31 March 2019: 10 (31 March 2018: Nil) units of face value of ₹10,00,000 each, Redemption date 30 April 2021		
8.87% Kotak Mahindra Prime Limited	103.01	-
31 March 2019: 10 (31 March 2018: Nil) units of face value of ₹10,00,000 each, Redemption date 17 July 2020		
	4227.14	2699.80
Aggregate amount of unquoted investments	1136.98	-
Aggregate amount of quoted investments	3090.16	2699.80

Notes to the Financial Statements

Note: 6 Loans - non current

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, considered good unless otherwise stated)		
-Security deposits	131.94	122.71
-Loans to employees	11.74	1.00
	143.68	123.71

Note: 7 Other financial assets-non current

Particulars	As at 31st March 2019	As at 31st March 2018
Fixed deposit having maturity more than 1 year [Refer (a) below]	2.26	1.00
	2.26	1.00

(a) Fixed deposit includes deposit as on 31st March, 2019: ₹2.26 (31st March, 2018: ₹1.00) that stands pledged with custom and excise authorities.

Note: 8 Other non-current assets

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, considered good unless otherwise stated)		
Capital advances	28.84	184.76
Prepaid Expense	21.93	-
Statutory deposit	-	0.03
	50.77	184.79

Note: 9 Inventories

Particulars	As at 31st March 2019	As at 31st March 2018
(At lower of cost and net realisable value)		
Raw materials	7367.48	5860.70
[include materials-in-transit 31 March 2019: ₹1669.71; 31 March 2018: ₹1018.01]		
Work-in-progress	109.08	82.34
Finished goods	2005.50	1556.92
[include materials-in-transit 31 March 2019: ₹395.70; 31 March 2018: ₹281.58]		
Stock in Trade	526.84	426.57
[include materials-in-transit 31 March 2019: ₹0.07; 31 March 2018: ₹41.66]		
Stores and spares	339.76	345.80
[include materials-in-transit 31 March 2019: ₹0.43; 31 March 2018: ₹1.16]		
	10348.66	8272.33

(a) Inventories are hypothecated to secure the short term and long term borrowings (Refer Note No 47)

(b) Write down of inventories to net realisable value relating to stores and spares amounted to ₹51.27 (31st March, 2018 ₹Nil).

Notes to the Financial Statements

Note: 10 Investments

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Investments in fixed deposit measured at amortised cost		
Fixed deposit	3843.00	3738.49
Interest accrued on deposits	385.08	338.56
	4228.08	4077.05

Note: 11 Trade receivables

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured - considered good	8272.73	7592.59
Unsecured - considered doubtful (Including dues under litigation)	70.77	-
	8343.50	7592.59
Less: Allowance for Credit Losses	70.77	-
	8272.73	7592.59
Secured - considered good	7.00	17.00
	8279.73	7609.59

(a) Trade receivables are hypothecated to secure the short-term and long-term borrowings (Refer Note No 47)

(b) Movement in Allowance for credit losses is as follows:

Particulars	As at 31st March 2019	As at 31st March 2018
Opening	-	-
Additions (Net)	70.77	-
Closing	70.77	-

These are carried at amortised cost.

Note: 12 Cash and cash equivalents

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and cash equivalents:		
Cash on hand	3.83	4.40
Foreign Currency on hand	0.06	0.13
Fixed Deposit having maturity less than 3 months	660.00	-
Balances with banks:		
On current accounts	209.44	245.84
On cash credit accounts	63.21	106.92
	936.54	357.29

Notes to the Financial Statements

Note: 13 Other bank balances

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Deposits with original maturity of more than three months but less than 12 months	-	200.00
	-	200.00

Note: 14 Loans

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured, considered good unless otherwise stated)		
-Security Deposits [Refer (a) below]	43.01	66.42
-Loans to Employee	37.96	9.11
	80.97	75.53

(a) Include 31st March, 2019: ₹ Nil (31st March, 2018: ₹12.60) with a related party (Refer Note 49)

Note: 15 Other financial assets

Particulars	As at 31st March 2019	As at 31st March 2018
Insurance claim receivable	-	1.80
Interest accrued on deposits	14.29	9.73
Derivative assets	37.25	14.99
Advance for investment	-	20.00
Other receivables	361.82	2.38
	413.36	48.90

Note: 16 Current tax asset (Net)

Particulars	As at 31st March 2019	As at 31st March 2018
Income tax (Net)	98.05	24.08
	98.05	24.08

Note: 17 Other current assets

Particulars	As at 31st March 2019	As at 31st March 2018
Export incentives receivable	420.83	421.61
Advances for expenses	5.32	4.42
Advances to suppliers	21.42	56.15
Prepaid expenses	202.67	262.20
Stamps on hand	0.07	0.15
Balance with statutory / government authorities	500.62	415.17
	1150.93	1159.70

Notes to the Financial Statements

Note: 18 Equity share capital

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Authorised		
27,50,000 (31st March, 2018 : 27,50,000) Equity Shares of ₹10/- each	275.00	275.00
Issued, Subscribed and fully Paid-Up		
20,00,000 (31st March, 2018 : 20,00,000) Equity Shares of ₹10/- each fully paid-up in cash	200.00	200.00

(a) Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March 2019	As at 31st March 2018
Balance outstanding at the beginning of the year	20,00,000	20,00,000
Balance outstanding at the end of the year	20,00,000	20,00,000

(b) Rights, preference and restrictions attached to shares issued:

The Company has only one class of equity share having a par value of ₹10/- each. Each equity shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(c) Shares held by holding company:

Particulars	As at 31st March 2019	As at 31st March 2018
14,93,000 (31st March, 2018 : 14,93,000) Equity Shares held by Merino Industries Limited (MIL), the Holding Company	149.30	149.30

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of the shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of shares	%held	No. of shares	%held
Merino Industries Limited	14,93,000	74.65	14,93,000	74.65
Merino Exports Private Limited	4,90,000	24.50	4,90,000	24.50
	19,83,000	99.15	19,83,000	99.15

Notes to the Financial Statements

Note: 19 Other equity

Particulars	As at 31st March 2019	As at 31st March 2018
Securities premium		
Balance as at the beginning of the year	300.00	300.00
Balance as at the end of the year	300.00	300.00
General reserve		
Balance as at the beginning of the year	2529.97	1987.76
Add: Transfer from retained earning	567.47	542.21
Balance as at the end of the year	3097.44	2529.97
Retained earnings		
Balance as at the beginning of the year	23425.19	18790.63
Add: Profit for the year	5674.73	5422.06
Amount available for appropriations	29099.92	24212.69
Less: Appropriations:		
Interim dividend on Equity Shares for the year	210.00	210.00
Dividend distribution tax on interim dividend on Equity Shares	43.17	42.75
Transfer to General reserve	567.47	542.21
Other comprehensive income		
Remeasurements of post-employment benefit obligations (net of tax)	12.93	7.46
	28292.21	23425.19
	31689.65	26255.16

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Act.

General reserve

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc. This represents free reserve.

Note: 20 Borrowings - non current

Particulars	As at 31st March 2019	As at 31st March 2018
Secured		
Term Loan		
From Banks		
Indian Rupee Loans [Refer (a) below]	1500.00	1500.00
	1500.00	1500.00
Less:- Current maturities of long term debt	125.00	-
	1375.00	1500.00

Notes to the Financial Statements

Note: 20 Borrowings - non current (contd.)

(a) Repayment terms and nature of securities given for Indian Rupee Loans from Banks:

(Rupees in Lakh, unless otherwise stated)

Bank	As at 31st March 2019	As at 31st March 2018	Nature of Securities	Repayment Terms
The Hong Kong and Shanghai Banking Corporation Limited	1500.00	1500.00	Exclusive Charge on the Solar Plant Situated at Budak Village Distt. Hissar, Haryana along with following Mutual funds of the Company:- 1. ICICI Prudential Medium Term Bond Fund (G)- 4,06,502.413 Units ; 2. IDFC Corporate Bond Fund - 9,21,234.45 Units; 3. Aditya Birla Sunlife Short Term Opportunities Fund - 1,88,388.487 units	Repayable in twelve equal quarterly instalments with two-year moratorium period. First instalment is being due on 21st Feb 2020. Interest is payable monthly varying between 7.08 - 7.75 % p.a. The amount of the quarterly instalments is ₹125 Lakh each. Last installment is due on 21st November, 2022.
	1500.00	1500.00		

(b) Outstanding balances of loans as indicated in (a) above are inclusive of current maturities of such loans as disclosed in Note 25.

Note: 21 Other financial liabilities - non current

Particulars	As at 31st March 2019	As at 31st March 2018
Loyalty and bond money payable	14.81	23.81
	14.81	23.81

Note: 22 Deferred tax liabilities (net)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liabilities		
Difference between written down value of block of assets as per income tax laws and book written down value of the property, plant and equipment	1363.80	971.50
Derivative liability	10.12	4.92
Investments	77.97	26.67
	1451.89	1003.09
Deferred Tax Assets		
Disallowance allowable for tax purpose on payment	73.78	19.11
	73.78	19.11
	1378.11	983.98

Notes to the Financial Statements

Note: 22 Deferred tax liabilities (net) (contd.)

Movements in deferred tax liabilities		(Rupees in Lakh, unless otherwise stated)		
Particulars	Property, plant and equipment	Financial assets at fair value through profit or loss	Disallowance	Total
As at 31st March, 2017	704.53	44.88	(44.62)	704.79
Charged / (Credited)				
to profit and loss	266.97	(13.29)	21.51	275.19
to other comprehensive income	-	-	4.00	4.00
As at 31st March, 2018	971.50	31.59	(19.11)	983.98
Charged / (Credited)				
to profit and loss	392.30	56.50	(61.61)	387.19
to other comprehensive income	-	-	6.94	6.94
As at 31st March, 2019	1363.80	88.09	(73.78)	1378.11

Note: 23 Borrowings

Particulars	As at 31st March 2019	As at 31st March 2018
Secured		
Working Capital Loan (Refer (a) below)		
From Banks:		
Overdraft / Cash credit	20.57	16.50
Rupee packing credit loan	1230.00	-
Others (Refer (b) below)		
From Banks:		
Bills discounted with bank	49.26	75.00
	1299.83	91.50

- (a) Working Capital Loans are secured by way of:
- Primary Security: Hypothecation of the trade receivable and inventories of the Company on pari-passu basis, both present and future.
 - Collateral: Charge over all property, plant and equipment including Capital work in progress of the Company both present and future, on pari-passu basis.
- (b) Bills Discounting facility is secured by First Loss Default Guarantee issued to the respective bank upto a ceiling of 5% of the sanctioned limits.

Note: 24 Trade payables

Particulars	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of micro enterprises and small enterprises	16.96	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5117.66	4443.83
	5134.62	4443.83

Notes to the Financial Statements

Note: 25 Other financial liabilities

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Current maturities of long-term debt (Refer Note 20)	125.00	-
Interest accrued but not due on borrowings	0.90	0.30
Liabilities for purchase of capital assets	283.08	926.89
Employee benefits payable	524.18	501.01
Payable to Holding Company	308.48	256.65
Deposits from Customers	9.50	18.00
Contract liability against loyalty points	202.51	18.82
Refund liability against periodical schemes	31.91	113.06
Other payables	93.98	100.01
	1579.54	1934.74

Note: 26 Other current liabilities

Particulars	As at 31st March 2019	As at 31st March 2018
Advances from customers / Contract liability	287.60	184.68
Statutory dues	107.23	96.19
	394.83	280.87

Note: 27 Provisions

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits		
Leave obligations	125.56	103.31
Gratuity [Refer Note 38(iv)]	52.00	106.21
	177.56	209.52

Note: 28 Current tax liabilities (Net)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for income tax (Net)	339.20	2.04
	339.20	2.04

Notes to the Financial Statements

Note: 29 Revenue from operations

(Rupees in Lakh, unless otherwise stated)

Particulars	2018-19	2017-18
(i) Sale of products		
Domestic	35411.71	29762.79
Export	16975.50	14834.58
	52387.21	44597.37
(ii) Sale of services		
Income from job work	31.26	28.02
(iii) Other operating revenues		
Export incentives	483.57	460.82
Scrap sales	164.61	150.26
Revenue from operations	53066.65	45236.47

Note 29.1: Disclosure as per Ind As 115

1: Revenue from contracts with customers:

1.1: Disaggregated revenue information:

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment	2018-19			
	Laminates	Panel products	Others	Total
Type of goods or service				
Sale of goods	43337.24	4693.85	4356.12	52387.21
Sale of services	31.26	-	-	31.26
Others	-	-	164.61	164.61
Total revenue from contracts with customers	43368.50	4693.85	4520.73	52583.08
India	26457.66	4678.41	4471.51	35607.58
Outside India	16910.84	15.44	49.22	16975.50
Total revenue from contracts with customers	43368.50	4693.85	4520.73	52583.08
Timing of revenue recognition				
Goods transferred at a point in time	43337.24	4693.85	4520.73	52551.82
Services transferred over time	31.26	-	-	31.26
Total revenue from contracts with customers	43368.50	4693.85	4520.73	52583.08

Notes to the Financial Statements

1.1: Disaggregated revenue information (contd.):

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(Rupees in Lakh, unless otherwise stated)

Segment	2017-18			
	Laminates	Panel products	Others	Total
Type of goods or service				
Sale of goods	38088.94	3897.66	2610.77	44597.37
Sale of services	28.02	-	-	28.02
Others	-	-	150.26	150.26
Total revenue from contracts with customers	38116.96	3897.66	2761.03	44775.65
India	22912.52	3860.13	2707.60	29480.25
Outside India	15204.44	37.53	53.43	15295.40
Total revenue from contracts with customers	38116.96	3897.66	2761.03	44775.65
Timing of revenue recognition				
Goods transferred at a point in time	38088.94	3897.66	2761.03	44747.63
Services transferred over time	28.02	-	-	28.02
Total revenue from contracts with customers	38116.96	3897.66	2761.03	44775.65

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 42):

Segment revenue	2018-19			
	Laminates	Panel products	Others	Total
External customers	47534.07	4705.48	1787.64	54027.19
Inter-segment	493.58	-	-	493.58
	48027.65	4705.48	1787.64	54520.77
Inter-segment adjustment and elimination	(4659.15)	(11.63)	2733.09	(1937.69)
Total revenue from contracts with customers	43368.50	4693.85	4520.73	52583.08

Segment revenue:	2017-18			
	Laminates	Panel products	Others	Total
External customers	40739.73	3888.49	1598.09	46226.31
Inter-segment	292.34	-	-	292.34
	41032.07	3888.49	1598.09	46518.65
Inter-segment adjustment and elimination	(2915.11)	9.17	1162.94	(1743.00)
Total revenue from contracts with customers	38116.96	3897.66	2761.03	44775.65

Sale includes excise duty collected from customers of ₹ Nil (31st March, 2018: ₹623.01). Revenue from operations for previous periods up to 30th June, 2017 includes excise duty. From 1st July, 2017 the excise duty and most of the indirect taxes in India were replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for 2018-19 is not comparable with that for 2017-18.

Notes to the Financial Statements

1.2 Contract balances

(Rupees in Lakh, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade receivable	8279.73	7609.59
Contract liabilities / Advance from customer	287.60	184.68
Contract liability against loyalty points	202.51	18.82
Refund liability against periodical schemes	31.91	113.06
Trade receivables are non-interest bearing and are generally on terms of 45-90 days.		
Contract liabilities include short-term advances received from customers against future supply of goods.		
Set out below is the amount of revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	184.68	139.90

1.3 Reconciling the amount of revenue recognised in the statement of Profit and Loss with contracted price:

Particulars	2018-19	2017-18
Revenue as per contracted price	54285.86	45889.78
Adjustments:		
Discounts, rebates and schemes	1426.61	933.95
Loyalty points	276.17	180.18
Revenue from contract with customers	52583.08	44775.65

1.4: Performance obligation

Information about the Company's performance obligations are:

The performance obligation is satisfied upon delivery of the product and payment is generally due within 45-90 days from delivery.

Note: 30 Other income

Particulars	2018-19	2017-18
(i) Interest Income from financial asset at amortised cost		
- On bank and other deposits	251.42	383.57
- On loans to others	0.46	0.66
- On Non Convertible debenture	6.18	-
(ii) Claims from insurance company	12.05	28.34
(iii) Provision/liabilities no longer required written back	82.49	24.35
(iv) Profit on sale of property, plant and equipment	3.71	5.92
(v) Recovery of bad debts	1.52	2.07
(v) Tax Paid under Protest-refunded	-	25.48
(vi) Miscellaneous Income	32.50	24.55
(vii) Fair value changes of financial assets measured at FVTPL	173.07	54.65
(viii) Fair value changes of derivative measured at FVTPL	22.25	(95.83)
(ix) Profit/(Loss) on sale of investment measured at FVTPL (Net)	(7.96)	0.64
(x) Net gain on foreign currency transactions and translations	380.87	526.66
(xi) Dividend Income Mutual fund	1.98	-
(xii) Interest on income tax provision written back	-	8.78
	960.54	989.84

Notes to the Financial Statements

Note: 31 Cost of materials consumed

(Rupees in Lakh, unless otherwise stated)

Particulars	2018-19	2017-18
Raw Materials Consumed		
Opening stock	5860.70	5273.18
Purchases during the year	30626.79	22878.98
	36487.49	28152.16
Less: Cost of materials sold	2531.34	766.12
	33956.15	27386.04
Less: Closing stock	7367.48	5860.70
	26588.67	21525.34

Note: 32 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	2018-19	2017-18
Opening stock		
- Work-in-progress	82.34	61.92
- Finished Goods	1556.92	1821.96
- Stock in Trade	426.57	429.37
	2065.83	2313.25
Less: Closing stock		
- Work-in-progress	109.08	82.34
- Finished Goods	2005.49	1556.92
- Stock in Trade	526.84	426.57
	2641.41	2065.83
	(575.58)	247.42

Note: 33 Employee benefits expense

Particulars	2018-19	2017-18
Salaries, Wages, Bonus etc.	4532.10	3769.09
Contribution to Provident and Other Funds [Refer (a) below]	293.20	293.89
Workmen and Staff Welfare	159.16	126.64
	4984.46	4189.62

(a) The Company has recognized an expense of ₹168.99 (31st March 2018 - ₹153.63) towards the defined contribution plan.

Notes to the Financial Statements

Note: 34 Finance costs

(Rupees in Lakh, unless otherwise stated)

Particulars	2018-19	2017-18
Interest expense	220.54	36.53
Interest on shortfall in payment of advance tax	9.08	-
Other borrowing costs	33.59	15.85
	263.21	52.38

Note: 35 Depreciation and amortization expense

Particulars	2018-19	2017-18
Depreciation and amortization of property, plant and equipment (Including leasehold land)	1266.87	968.17
Amortization of Intangible assets	47.63	41.78
	1314.50	1009.95

Note: 36 Other expenses

Particulars	2018-19	2017-18
Consumption of stores and spare parts	741.28	585.05
Power and fuel	2212.81	1818.28
Rent	273.94	205.29
Rates and taxes	78.61	113.43
Repairs to :		
Buildings	48.44	50.27
Plant and machinery	130.82	228.95
Others	58.05	95.71
Legal and professional	134.80	164.65
Vehicle upkeep	281.79	229.00
Carriage outward	950.44	883.01
Packing and forwarding	679.02	577.28
Insurance	118.92	119.47
Commission	325.90	307.17
Printing and stationery	25.28	18.43
Postage and courier	19.95	13.88
Advertisement, publicity and business promotion	982.95	709.43
Travelling	194.62	142.88
Communication	73.21	59.42
Excise duty [refer (a) below]	-	(56.73)
Provision for bad and doubtful debts	70.77	-
Bad debts and advances written off	7.64	0.74
Payments to the auditors [refer (b) below]	16.06	16.15
Bank charges and commission	26.81	28.40

Notes to the Financial Statements

Note: 36 Other expenses (Contd.)

(Rupees in Lakh, unless otherwise stated)

Particulars	2018-19	2017-18
Loss on sale/disposal of property, plant and equipment	28.45	9.88
Corporate social responsibility expense [(refer Note (d))]	164.85	138.50
Charity and donation	199.07	495.22
Software expenses	383.64	193.01
Miscellaneous Expenses (include share of common expenses reimbursed to the Holding Company) [Refer (c) below]	453.92	416.25
	8682.04	7563.02

(a) Represents excise duty related to the difference between the closing stock and opening stock.

(b) Amount paid / payable to the auditors

Particulars	2018-19	2017-18
As Statutory Auditors :		
Statutory audit fees	11.85	11.85
Tax audit fees	2.75	2.75
Other matters (certificates)	0.10	0.29
Reimbursement of expenses	0.77	0.56
As Cost Auditors :		
Audit fees	0.20	0.20
Reimbursement of expenses	0.04	-
As Secretarial Auditors :		
Audit fees	0.35	0.50
	16.06	16.15

(c) Share of common expenses reimbursed to the Holding Company

Particulars	2018-19	2017-18
Salaries, wages and bonus etc.	191.28	145.60
Contribution to provident and other funds	1.59	14.15
Workmen and staff welfare	1.20	1.49
Rent	5.44	4.81
Repairs to others	3.65	5.71
Legal and professional	17.86	11.66
Vehicle upkeep	1.97	1.55
Insurance	3.72	2.11
Printing and stationery	2.78	2.39
Advertisement, publicity and sales promotion	10.03	11.08
Travelling	46.01	34.56
Communication	9.50	9.39
Miscellaneous	13.45	12.15
Total	308.48	256.65

Notes to the Financial Statements

(d) Corporate social responsibility expenditure

(Rupees in Lakh, unless otherwise stated)

Particulars	2018-19	2017-18
The Company undertook Corporate Social Responsibility ('CSR') programme and activities through Trust (Sri Hara Kasturi Memorial Trust) registered under the Income Tax Act and through donation to Ramakrishna Mission Sevashram Vrindaban and Bharat Lok Siksha Parisad:		
(a) Gross Amount required to be spent by the company during the year	163.75	138.50
(b) Amount Spent by the Company through these trusts:		
Construction / acquisition of any assets	-	-
On purpose other than above	164.85	138.50

Note : 37 Tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense

Particulars	31st March 2019	31st March 2018
<i>Current tax</i>		
Current tax on profits for the year	2581.88	2831.73
Total current tax expense	2581.88	2831.73
<i>Deferred tax</i>		
Deferred tax for the year	387.19	275.18
Total deferred tax expense/(benefit)	387.19	275.18
Income tax expense	2969.07	3106.91

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31st March 2019	31st March 2018
Profit before tax	8643.80	8528.97
Tax at the rate of 34.944% (2017-18 – 34.608%)	3020.49	2951.71
Reasons for differences to be documented below:		
Expenditure disallowed under income tax	12.93	106.48
Weighted deduction	63.54	51.60
Others	(55.70)	(2.88)
Income not considered for tax laws	(0.69)	-
Excess provision for income tax	(71.50)	-
Total income tax expense	2969.07	3106.91

Notes to the Financial Statements

Note: 38 - Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

(ii) Post-employment obligations

a) Gratuity

The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is actuarially determined on the basis of year end actuarial valuation (using the Projected Unit Credit Method) and is funded.

The Company operates a gratuity plan through the "LIC Gratuity Fund", a group gratuity scheme from Life Insurance Corporation of India. Every eligible employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

b) Provident Fund

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(iii) Other Long-term Employment Benefits (unfunded)

Other long term employee benefits are actuarially determined (using the Projected Unit Credit Method) at the end of each year.

(iv) Balance sheet recognition

a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(Rupees in Lakh, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2017	269.34	187.78	81.56
Current service cost	63.67	-	63.67
Interest expense / income	20.32	14.46	5.86
Past service cost	21.70	-	21.70
Total amount recognised in profit or loss	105.69	14.46	91.23
Remeasurement			
Return on plan assets, excluding amounts included in interest income	-	(0.84)	0.84
Actuarial gain from change in financial assumptions	(10.55)	-	(10.55)
Actuarial gain from unexpected experience	(1.75)	-	(1.75)
Total amount recognised in other comprehensive income	(12.30)	(0.84)	(11.46)
Employer contributions/ premium paid	-	(55.12)	55.12
Benefit payments	10.91	10.91	-
31st March, 2018	351.82	245.61	106.21

Notes to the Financial Statements

Note: 38 - Employee benefit obligations (contd.)

(Rupees in Lakh, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2018	351.82	245.61	106.21
Current service cost	63.78	-	63.78
Interest expense / income	26.04	18.72	7.32
Total amount recognised in profit or loss	89.82	18.72	71.10
Remeasurement			
Return on plan assets, excluding amounts included in interest expense	-	1.19	(1.19)
Actuarial gain from change in financial assumptions	4.52	-	4.52
Actuarial gain from unexpected experience	(23.19)	-	(23.19)
Total amount recognised in other comprehensive income	(18.67)	1.19	(19.86)
Employer contributions/ premium paid	-	(105.45)	105.45
Benefit payments	20.28	20.28	-
31st March, 2019	402.69	350.69	52.00

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31st March 2019	31st March 2018
Discount rate	7.62%	7.70%
Expected return on plan asset	7.62%	7.70%
Salary growth rate	7.00%	7.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	375.57	432.59	327.21	379.02
% change compared to base due to sensitivity	-6.73%	7.43%	-6.99%	7.73%
Salary growth rate (-/+ 0.5%)	431.37	376.31	377.30	328.54
% change compared to base due to sensitivity	7.12%	-6.55%	7.24%	-6.62%
Attrition rate (-/+ 0.5%)	402.59	402.76	351.68	351.96
% change compared to base due to sensitivity	-0.02%	0.02%	-0.04%	0.04%
Life expectancy/ mortality rate (-/+ 10%)	402.76	402.60	351.93	351.71
% change compared to base due to sensitivity	0.02%	-0.02%	0.03%	-0.03%

Notes to the Financial Statements

Note: 38 - Employee benefit obligations (contd.)

(Rupees in Lakh, unless otherwise stated)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) The major categories of plan assets

The defined benefit plans are funded with an insurance company in India. The Company does not have any liberty to manage the funds provided to the insurance company. Thus the composition of each major category of plan assets has not been disclosed.

(viii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(ix) Defined benefit liability and employer contributions

Expected contribution to post-employment benefits plans for the year ended 31st March, 2020 is ₹494.94.

The weighted average duration of the defined benefit obligation is 21 years (31st March, 2018 : 21 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1- 5 years	Over 5 years
31st March, 2019			
Defined benefit obligation (gratuity)	7.33	78.74	1423.42
Total	7.33	78.74	1423.42
31st March, 2018			
Defined benefit obligation (gratuity)	5.10	49.96	1348.41
Total	5.10	49.96	1348.41

Notes to the Financial Statements

Note: 39 - Capital management

(a) Risk management

The company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence, and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The amount mentioned under total equity in balance sheet is considered as capital. The debt-equity ratio of the Company is as follows:

Debt Equity Ratio

Particulars	31st March 2019	31st March 2018
Debt equity ratio (times)	0.05	0.06

(b) Dividend

(Rupees in Lakh, unless otherwise stated)

Particulars	31st March 2019	31st March 2018
(i) Equity shares		
Interim dividend for the year ended ₹10.50 (₹10.50) per fully paid share	210.00	210.00
Dividend distribution tax on interim dividend on Equity Shares	43.17	42.75

Note: 40 - Fair value measurements

This note gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liabilities and equity instrument are disclosed in Note 2 to the financial statements.

Financial instruments by category

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	3979.38	-	247.76	2699.80	-	-
Security deposits	-	-	174.95	-	-	189.13
Loans to employees	-	-	49.70	-	-	10.11
Fixed deposits	-	-	4230.34	-	-	4078.05
Trade receivable	-	-	8279.73	-	-	7609.59
Cash and cash equivalents	-	-	936.54	-	-	357.29
Other bank balances	-	-	-	-	-	200.00
Derivative assets	37.25	-	-	14.99	-	-
Other financial assets	-	-	376.11	-	-	33.91
Total financial assets	4016.63	-	14295.13	2714.79	-	12478.08

Notes to the Financial Statements

Note: 40 - Fair value measurements (contd.)

(Rupees in Lakh, unless otherwise stated)

Financial instruments by category

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings and interest	-	-	2800.73	-	-	1591.80
Trade payables	-	-	5134.62	-	-	4443.83
Loyalty and bond money payable	-	-	14.81	-	-	23.81
Liabilities for purchase of capital assets	-	-	283.08	-	-	926.89
Employee benefits payable	-	-	524.18	-	-	501.01
Payable to holding company	-	-	308.48	-	-	256.65
Deposits from customers	-	-	9.50	-	-	18.00
Contract liability against loyalty points	-	-	202.51	-	-	18.82
Refund liability against periodical schemes	-	-	31.91	-	-	113.06
Other payables	-	-	93.98	-	-	100.01
Total financial liabilities	-	-	9403.80	-	-	7993.88

(i) Fair value hierarchy

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category consists of derivatives taken by the Company like forward contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- the fair value of the financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:						
Investments	3090.16	889.22	-	2699.80	-	-
Derivative financial asset	-	37.25	-	-	14.99	-
	3090.16	926.47	-	2699.80	14.99	-

Notes to the Financial Statements

Note: 40 - Fair value measurements (contd.)

(Rupees in Lakh, unless otherwise stated)

(iv) Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its biological assets other than bearer plants into level 3 in the fair value hierarchy.

Biological assets other than bearer plants for which fair value (less cost to sell) are disclose

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Biological assets	-	-	-	-	-	1.53
	-	-	-	-	-	1.53

(v) Financial liabilities not measured at fair value but in respect of which fair value is as follows:

Particulars	31st March 2019		31st March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowing	1500.00	1412.24	1500.00	1368.04

(vi) Valuation technique used to determine fair value

(a) Non-current financial assets represent security deposits which do not have a fixed maturity period. These are primarily in the nature of utility deposits and hence considered to be at their respective fair values at the reporting period.

(b) Fair value of borrowings is estimated by discounting expected future cash flows using a current borrowing rate.

(c) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

(vii) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see note (ii) above.

Note: 41 - Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments carried at amortised cost.

Financial instruments that are subject to credit risk and concentration thereof principally consist trade receivables, loans receivables, investments, cash and cash equivalents and derivatives held by the Company. None of the financial instruments of the Company results in material concentration of credit risk.

Notes to the Financial Statements

Note: 41 - Financial risk management (contd.)

(Rupees in Lakh, unless otherwise stated)

i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 45 to 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within the organisation to ensure proper attention and focus for realisation. Further the Company receives on selective basis security deposit from its customers which mitigates the credit risk. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date:

Ageing of trade receivables

Particulars	Not due	Less than one year	More than one year and upto 3 years	More than 3 years	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Trade receivable as at 31 Mar 2019	5997.29	2268.75	84.46	-	70.77	8279.73
Trade receivable as at 31 Mar 2018	5339.17	2248.93	21.49	-	-	7609.59

ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on periodical basis, and may be updated throughout the year subject to approval of the management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. For banks and financial institutions, only high rated banks/institutions are accepted.

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31st March, 2019 and 31st March, 2018 is the carrying amounts as illustrated in Note 41B.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31st March 2019	As at 31st March 2018
- Expiring within one year (bank overdraft and other facilities)	1980.17	2508.50
- Cash and cash equivalents	936.54	357.29
	2916.71	2865.79

The bank Overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

Notes to the Financial Statements

Note: 41 - Financial risk management (contd.)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Rupees in Lakh, unless otherwise stated)

Contractual maturities of financial liabilities 31st March, 2019	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Trade payables	5134.62	-	-	-	5134.62
Borrowings	1424.83	1000.00	375.00	-	2799.83
Interest on borrowings	108.98	128.17	10.65	-	247.80
Loyalty and bond money payable	-	14.81	-	-	14.81
Liabilities for purchase of capital assets	283.08	-	-	-	283.08
Employee benefits payable	524.18	-	-	-	524.18
Payable to holding company	308.48	-	-	-	308.48
Deposits from customers	9.50	-	-	-	9.50
Contract liability against loyalty points	202.51	-	-	-	202.51
Refund liability against periodical schemes	31.91	-	-	-	31.91
Other payables	93.98	-	-	-	93.98
Total financial liabilities	8122.07	1142.98	385.65	-	9650.70

Contractual maturities of financial liabilities 31st March, 2018	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Trade payables	4443.83	-	-	-	4443.83
Borrowings	91.50	625.00	875.00	-	1591.50
Interest on borrowings	109.05	190.29	56.61	-	355.95
Loyalty and bond money payable	-	23.81	-	-	23.81
Liabilities for purchase of capital assets	926.89	-	-	-	926.89
Employee benefits payable	501.01	-	-	-	501.01
Payable to holding company	256.65	-	-	-	256.65
Deposits from customers	18.00	-	-	-	18.00
Contract liability against loyalty points	18.82	-	-	-	18.82
Refund liability against periodical schemes	113.06	-	-	-	113.06
Other payables	100.01	-	-	-	100.01
Total financial liabilities	6578.82	839.10	931.61	-	8349.53

(C) Market risk

The Company's business operations expose it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such market risk may arise out of volatility in currency rates, interest rates and prices.

(i) Foreign currency risk

The Company deals with trade receivables, trade payables etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company also enters into forward contracts for managing its exposure to such foreign currency risk.

Notes to the Financial Statements

Note: 41 - Financial risk management (contd.)

Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-

(Rupees in Lakh, unless otherwise stated)

	As at 31st March 2019		
	USD	EUR	Yen
Financial assets			
Trade receivables	2235.13	93.10	-
Derivatives	(1486.83)	-	-
Financial liabilities			
Trade payables	868.09	1419.90	136.47
Derivatives	(36.60)	(87.48)	-
Net exposure to foreign currency risk	(83.19)	(1239.32)	(136.47)

	As at 31st March 2018			
	USD	EUR	Yen	GBP
Financial assets				
Trade receivables	2272.17	44.45	-	198.42
Derivatives	(1922.81)	-	-	-
Financial liabilities				
Trade payables	830.52	1005.40	91.58	-
Derivatives	(482.41)	-	-	-
Net exposure to foreign currency risk	1.25	(960.95)	(91.58)	198.42

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit before tax		Impact on other components of equity	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
USD sensitivity				
INR depreciates by 5% (31 March 2018 - 8%)*	(4.16)	0.10	(2.71)	0.07
INR appreciates by 5% (31 March 2018 - 8%)*	4.16	(0.10)	2.71	(0.07)
EUR sensitivity				
INR depreciates by 3% (31 March 2018 - 3%)*	(37.18)	(28.83)	(24.19)	(18.85)
INR appreciates by 3% (31 March 2018 - 3%)*	37.18	28.83	24.19	18.85
GBP sensitivity				
INR depreciates by 3% (31 March 2018 - 3%)*	-	5.95	-	3.89
INR appreciates by 3% (31 March 2018 - 3%)*	-	(5.95)	-	(3.89)
Yen sensitivity				
INR depreciates by 3% (31 March 2018 - 3%)*	(4.09)	(2.75)	(2.66)	(1.80)
INR appreciates by 3% (31 March 2018 - 3%)*	4.09	2.75	2.66	1.80

*Holding all other variables constant.

Notes to the Financial Statements

Note: 41 - Financial risk management (contd.)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2019 and 31st March, 2018, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows: (Rupees in Lakh, unless otherwise stated)

Particulars	As at	As at
	31st March 2019	31st March 2018
Variable rate borrowings	1299.83	91.50
Fixed rate borrowings	1500.00	1500.00
Total borrowings	2799.83	1591.50

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

	Impact on profit before tax		Impact on other components of equity	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Interest expense rates – increase by 50 basis points (50 bps)*	(6.50)	(0.46)	(4.23)	(0.30)
Interest expense rates – decrease by 50 basis points (50 bps)*	6.50	0.46	4.23	0.30

* Holding all other variables constant

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through Profit/Loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The Company's Board of Directors reviews and approves all investment decisions.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the mutual fund prices on the Company's equity.

Particulars	Impact on profit before tax	
	As at 31st March 2019	As at 31st March 2018
Mutual fund value - Increase 7% (7%)*	281.64	188.99
Mutual fund value - Decrease 7% (7%)*	(281.64)	(188.99)

Impact on profit before tax

Notes to the Financial Statements

Note : 42 - Segment reporting

(Rupees in Lakh, unless otherwise stated)

The Company's operating segments are organised and managed through the respective business managers, according to the nature of products manufactured and sold with each segment representing a strategic business unit. These business units' performance are reviewed by the board of director of the Company (Chief Operating Decision Maker - 'CODM').

The reporting segments of the Company are as below:

- a) Laminate Comprises manufacturing and selling of Decorative Laminates, Chemicals (primarily meant for captive consumption) and trading of Papers and Chemicals.
- b) Panel Products Comprises manufacturing and selling of Panel Boards and Plywoods.
- c) Others represent all unallocable items not included in segments
- d) Geographical segments considered for disclosure are
 - (i) Sales within India
 - (ii) Sales outside India

Summary of the segmental information for the year ended and as of 31 March 2019 is as follows:

Particulars	Laminate	Panel Products	Other (unallocable)	Elimination	Total
Segment Revenue					
Revenue	47534.07	4705.48	1787.64		54027.19
Inter segment sales	493.58			(493.58)	-
	48027.65	4705.48	1787.64	(493.58)	54027.19
Segment Results [Profit/(Loss) before interest and tax]	9130.82	503.67	(727.48)		8907.01
Finance cost	220.29	0.17	42.75		263.21
Profit/(Loss) Before Tax	8910.53	503.50	(770.23)		8643.80
Less : Current Tax			2581.88		2581.88
Less : Deferred Tax			387.19		387.19
Profit after tax			(3739.30)		5674.73
Segment Assets	21792.49	1375.54	20415.12		43583.15
Segment Liabilities	5369.57	255.75	6068.18		11693.50
Segment Capital Expenditure	3356.26	73.41	-		3429.67
Segment Depreciation and Amortisation	1252.16	56.85	5.49		1314.50

Notes to the Financial Statements

Note : 42 - Segment reporting (contd.)

Summary of the segmental information for the year ended and as of 31 March 2018 is as follows:

(Rupees in Lakh, unless otherwise stated)

Particulars	Laminate	Panel Products	Other (unallocable)	Elimination	Total
Segment Revenue					
Revenue	40739.73	3888.49	1598.09	-	46226.31
Inter segment sales	292.34			(292.34)	-
	41032.07	3888.49	1598.09	(292.34)	46226.31
Segment Results [Profit/(Loss) before interest and tax]	8955.46	516.95	(891.04)		8581.37
Finance cost	40.04	1.12	11.24		52.40
Profit/(Loss) Before Tax	8915.42	515.83	(902.28)		8528.97
Less : Current Tax			2831.73		2831.73
Less : Deferred Tax			275.18		275.18
Profit after tax			(4009.19)		5422.06
Segment Assets	25427.70	1498.53	8999.22		35925.45
Segment Liabilities	5135.39	173.82	4161.08		9470.29
Segment Capital Expenditure	4849.78	21.82	-		4871.60
Segment Depreciation and Amortisation	953.71	52.87	3.37		1009.95

Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Within India	35264.05	29793.64
Outside India	16975.50	14834.58
	52239.55	44628.22

(b) Carrying Amount of Segment Assets:

Particulars	As at 31st March 2019	As at 31st March 2018
Within India	20839.78	24315.56
Outside India	2328.25	2610.67
	23168.03	26926.23

Entity wide disclosures

Company has one customer which constitute of 11.60% (31st March, 2018 12.83%) of total revenue of the Company.

All non-current assets of the Company (excluding financial assets) are located in India.

Notes to the Financial Statements

Note: 43 Earnings per share

(Rupees in Lakh, unless otherwise stated)

Particulars	31st March 2019	31st March 2018
(i) Basic		
Number of equity shares at the beginning of the year	20,00,000	20,00,000
Number of equity shares at the end of the year	20,00,000	20,00,000
Weighted average number of equity shares outstanding during the year (A)	20,00,000	20,00,000
Nominal value of each equity Share (₹)	10	10
Profit / (Loss) for the year (₹ In Lakh) (B)	5687.66	5429.52
Earnings per share (Basic) (₹) (B/A)	284.38	271.48
(ii) Diluted		
Weighted average number of equity shares outstanding during the year	20,00,000	20,00,000
Earnings per share (Diluted) (₹)	284.38	271.48

Note: 44 Contingent liabilities:

Particulars	31st March 2019	31st March 2018
Claims against the Company not acknowledged as debts :		
Disputed Tax and Duty for which the Company has preferred appeals before appropriate authority :		
Income Tax	296.57	778.06
Sales Tax	181.28	5.30
Custom Duty (Amount paid under protest ₹3.50)	9.55	9.55
	487.40	792.91

Notes:-

(i) In respect of the contingent liabilities shown in (b) above, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any. In respect of contingent liabilities shown above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursement in respect of the above contingent liabilities.

Note: 45 Capital and other commitments

Particulars	31st March 2019	31st March 2018
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	255.62	635.05
(b) Other Commitments		
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty with an undertaking to fulfil quantified export. Certificate for fulfilment of ₹715.20 (31 March 2018 : ₹1318.11) is yet to be received.	81.31	231.42
Obligation against Advance Licenses	3540.64	449.75
Outstanding Letters of Credit	384.77	1166.03
TOTAL	4262.34	2482.25

Notes to the Financial Statements

Note: 46 Operating Leases

(Rupees in Lakh, unless otherwise stated)

The Company has entered into cancellable operating leases and transactions for leasing of accommodation for office spaces, godown etc. The tenure of leases generally varies between 1 year and 3 years. Terms of the lease include operating term for renewal, increase in rent in future periods and term for cancellation.

Related lease rental aggregating to ₹273.94 (31st March, 2018 : ₹205.29) has been debited to the Statement of Profit and Loss.

Note: 47 Assets given as security

The Carrying amount of assets given as security for current and non current borrowings are:

Particulars	31st March 2019	31st March 2018
Current		
Financial assets		
Trade receivables	8279.73	7609.59
Non-financial assets		
Inventories	10348.66	8272.33
Total current assets given as security	18628.39	15881.92
Non-Current		
Property, Plant and Equipment	12818.77	10731.11
Capital work-in-progress	675.36	182.56
Total non current assets given as security	13494.13	10913.67
Total assets given as security	32122.52	26795.59

Note: 48 Details relating to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31st March 2019	31st March 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	16.96	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.05	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.49	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.05	-
Further interest remaining due and payable for earlier years	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the Financial Statements

Note: 49 Related Party Transactions

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

i) List of related parties where control exists and also other related parties with whom transactions have taken place and their relationships:

Sl. No.	Name	Relationship
a)	Holding Company	
	Merino Industries Limited	
b)	Enterprise having substantial interest in the Company	
	Merino Export Private Limited	
c)	Key Management Personnel(KMP)	
	Mr. Manoj Lohia	Whole-time Director
	Mr. Deepak Lohia	Whole-time Director
	Mr. Champa Lal Lohia	Director
	Mr. Rup Chand Lohia	Director
	Ms. Ruchira Lohia	Director
	Mr. Prakash Lohia	Director
	Mr. Bikash Lohia	Director
	Mr. Asok Kumar Parui	Director & Company Secretary
	Mr. Anil Jajoo	Director
	Mr. Gautam Bhattacharjee	Independent Director
	Mr. Sujitendra Krishna Deb	Independent Director (resigned from 18.06.2018)
	Mr. Sisir Kumar Chakrabarti	Independent Director
	Mr. Amar Nath Roy (expired on 12-06-2017)	Independent Director
	Mr. Bama Prasad Mukhopadhaya	Independent Director
d)	Relatives of KMP	
	Mr. Prasan Lohia	Son of Mr. Rup Chand Lohia
	Mr. Madhusudan Lohia	Son of Mr. Prakash Lohia
	Ms. Tara Devi Lohia	Wife of Mr. Champa Lal Lohia
	Ms. Shashi Lohia	Wife of Mr. Bikash Lohia
e)	Entities over which Key Management Personnel together with their relatives have significant influence :	
	Merino Services Limited	
	Man Kumar Lohia and Brothers	
	Sri Hara Kasturi Memorial Trust	
	Sri Prem Chand Lohia Memorial Trust	
	Sri Man Kumar Lohia Memorial Trust	
	Anupriya Marketing Limited	
	Kasturi Bai Gopi Babu Cold Storage Pvt. Ltd.	

Notes to the Financial Statements

Note: 49 Related Party Transactions (contd.)

(Rupees in Lakh, unless otherwise stated)

S. No.	Related Party	Relationship	Outstanding as at 31st March 2019	Outstanding as at 31st March 2018	Payable/receivable/others	Nature of Transaction	2018-2019	2017-2018
1	Merino Industries Limited	Holding Company	86.67	99.54	Trade Payables	Revenue from Operations	1985.39	2483.24
						Sale of Tangible Assets and Intangible Assets	36.20	-
						Other Income	1.25	-
						Purchase of Tangible Assets and Intangible Assets	27.69	9.64
						Purchases	2266.50	2592.33
						Repair Charges Paid	57.55	110.96
						Royalty on Trade Mark Paid	0.59	0.59
			308.48	256.65	Other Financial Liability	Rent, other charges and reimbursement paid	403.01	265.59
						Rent, other charges and reimbursement received	0.29	1.12
						Dividend Paid	156.77	156.77
2	Merino Exports Private Limited	Enterprise having substantial interest in the Company				Revenue from Operations	-	2.80
						Rent, other charges and reimbursement paid	54.04	52.41
						Dividend Paid	51.45	51.45
3	Merino Services Limited	Entity over which key management personnel together with their relatives have significant influence	28.39	157.68	Trade Payables	Software Charges	330.04	355.74
						Purchase of Tangible Assets and Intangible Assets	0.05	0.79
						Rent, other charges and reimbursement paid	2.77	-
						Revenue from Operations	4.08	0.06
						Rent, other charges and reimbursement received	-	0.29
4	Mankumar Lohia and Brothers	Entity over which key management personnel together with their relatives have significant influence	0.32	-	Trade Payables	Rent, other charges and reimbursement paid	42.61	41.10
			-	12.60	Security Deposit	Refund of Security Deposit	12.60	12.60
5	Ms. Shashi Lohia	Relative of Key Management Personnel				Rent, other charges and reimbursement paid	1.68	1.68
6	Ms. Ruchira Lohia	Key Management Personnel				Dividend Paid	0.18	0.18
7	Mr. Bikash Lohia	Key Management Personnel				Dividend Paid	0.26	0.26
8	Mr. Champa Lal Lohia	Key Management Personnel				Dividend Paid	0.11	0.11
9	Mr. Deepak Lohia	Key Management Personnel	1.76	-	Trade Payables	Directors' Remuneration / benefits	126.78	119.66
						Rent, other charges and reimbursement paid	1.76	-
						Dividend Paid	0.24	0.24

Notes to the Financial Statements

Note: 49 Related Party Transactions (contd.)

(Rupees in Lakh, unless otherwise stated)

S. No.	Related Party	Relationship	Outstanding as at 31st March 2019	Outstanding as at 31st March 2018	Payable/receivable/others	Nature of Transaction	2018-2019	2017-2018
10	Mr. Gautam Bhattacharjee	Independent Director				Sitting Fees	1.40	1.20
11	Mr. Sujitendra Krishna Deb	Independent Director				Sitting Fees	-	0.50
12	Mr. Sisir Kumar Chakrabarti	Independent Director				Sitting Fees	1.00	1.10
13	Mr. Bama Prasad Mukhopadhyay	Independent Director				Sitting Fees	0.70	-
14	Ms. Tara Devi Lohia	Relative of Key Management Personnel	1.61	-	Trade Payables	Rent, other charges and reimbursement paid	1.61	-
15	Mr. Madhusudan Lohia	Relative of Key Management Personnel				Dividend Paid	0.39	0.39
16	Mr. Manoj Lohia	Key Management Personnel				Directors' Remuneration / benefits	114.01	120.61
						Dividend Paid	0.20	0.20
17	Mr. Prakash Lohia	Key Management Personnel				Dividend Paid	0.11	0.11
18	Mr. Prasan Lohia	Relative of Key Management Personnel				Dividend Paid	0.20	0.20
19	Mr. Rup Chand Lohia	Key Management Personnel				Dividend Paid	0.11	0.11
20	Sri. Hara Kasturi Memorial Trust	Entity over which key management personnel together with their relatives have significant influence				Donation Paid	2.43	23.00
						Donation for CSR	35.85	-
						Sale of Live Stock	0.50	-
						Revenue from Operations	-	0.05
21	Mr. Prem Chand Lohia Memorial Trust	Entity over which key management personnel together with their relatives have significant influence				Donation Paid	-	276.00
						Donation for CSR	114.00	-
22	Kasturi Bai Gopi Babu Cold Storage Pvt. Ltd.	Entity over which key management personnel together with their relatives have significant influence				Purchases	0.23	-
23	Anupriya Marketing Limited	Entity over which key management personnel together with their relatives have significant influence	39.38	37.68	Trade Payables	Marketing Service Provider Fee	323.20	296.22

Notes to the Financial Statements

Note: 49 Related Party Transactions (contd.)

(Rupees in Lakh, unless otherwise stated)

Compensation to key management personnel	31st March 2019	31st March 2018
Short-term employee benefits	240.79	203.77
Long-term employee benefits*	-	36.50
Total compensation	240.79	240.27

* No Separate Valuation is done for Key Managerial Personnel in respect of post employment benefits and long term employee benefits. They are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available.

** Transactions are inclusive of GST, where ever applicable.

Note: 50 Previous year's figures

The previous year's figures have been reclassified and regrouped to conform to this year's classification and grouping.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration Number: 302049E

B.L.Choraria

Partner

Membership Number: 022973

Place: New Delhi

Date: 26th July, 2019

For and on behalf of the Board of Directors

Champa Lal Lohia

Director

Rup Chand Lohia

Director

Prakash Lohia

Director

A.K.Parui

Company Secretary

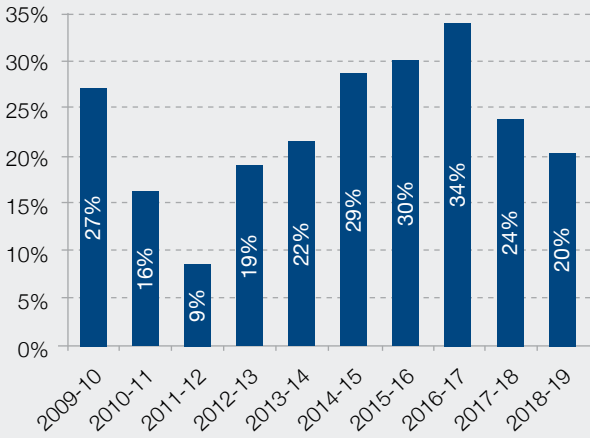
RESULTS FOR TEN YEARS AT A GLANCE (₹ Lakh)

	As per previous GAAP							As per Ind AS		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Gross income	15903.94	18945.50	20387.23	26546.14	31167.35	34865.86	36594.15	43247.50	46226.31	54027.19
Gross expenditure	13071.40	16624.38	18774.39	23222.45	27231.85	29091.64	29619.46	32570.84	36635.01	43805.68
Finance Costs	139.76	231.97	323.83	422.61	272.74	152.57	76.96	116.56	52.38	263.21
Operating profit	2692.78	2089.15	1289.01	2901.08	3662.76	5621.65	6897.73	10560.10	9538.92	9958.30
Depreciation	404.51	442.76	493.69	562.71	583.37	782.47	788.64	903.46	1009.95	1314.50
Profit before tax	2288.27	1646.39	795.32	2338.37	3079.39	4839.18	6109.09	9656.64	8528.97	8643.80
Tax - Current Tax	839.32	508.23	248.38	684.83	1032.57	1761.54	2098.79	3212.18	2831.73	2581.88
- Deferred Tax	2.98	39.52	(30.55)	94.82	23.23	(43.64)	118.26	214.27	275.18	387.19
- Fringe Benefit Tax	0.24	0.00	(0.66)	-	-	-	-	-	-	-
Profit after tax	1445.73	1098.64	578.15	1558.72	2023.59	3121.28	3892.04	6230.19	5422.06	5674.73
Earnings per share (₹)	72.29	54.93	28.91	77.94	101.18	156.06	194.60	310.98	271.48	284.38

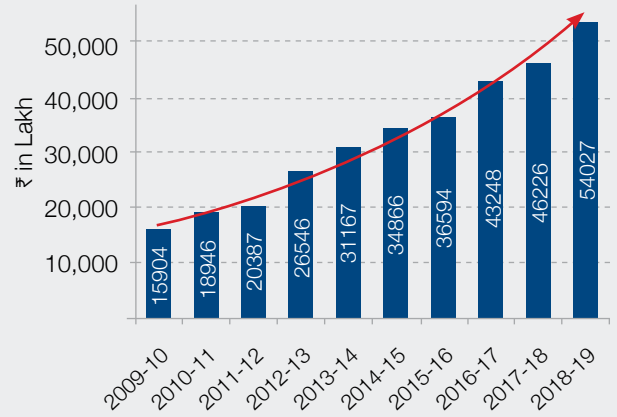
YEAR-END FINANCIAL POSITION FOR TEN YEARS AT A GLANCE (₹ Lakh)

	As per previous GAAP							As per Ind AS		
	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019
SOURCES OF FUNDS										
Share capital	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Reserves and surplus	3927.65	4782.23	5238.35	6553.00	8430.35	11447.50	15111.58	21078.39	26255.16	31689.65
Shareholder's fund	4127.65	4982.23	5438.35	6753.00	8630.35	11647.50	15311.58	21278.39	26455.16	31889.65
Long term loan	797.38	399.55	485.31	373.31	250.36	65.61	23.57	1.95	1500.00	1375.00
Other borrowings	2501.13	3144.55	3335.10	2772.95	2565.07	1781.96	869.03	865.00	91.50	1299.83
Loan funds	3298.51	3544.10	3820.41	3146.26	2815.43	1847.57	892.60	866.95	1591.50	2674.83
Deferred tax liability(net)	281.41	320.93	290.38	385.20	408.43	364.79	496.16	704.79	983.98	1378.11
Funds available	7707.57	8847.26	9549.14	10284.46	11854.21	13859.86	16700.34	22850.13	29030.64	35942.59
APPLICATION OF FUNDS										
Fixed assets	5672.94	6889.54	8024.36	8560.49	9051.88	10031.02	5752.36	8145.34	12979.94	16780.49
Depreciation	2618.38	2996.52	3393.85	3938.52	4392.67	5050.77	-	891.47	1889.79	3157.51
Fixed assets (net)	3054.56	3893.02	4630.51	4621.97	4659.21	4980.25	5752.36	7253.87	11090.15	13622.98
Other assets(Net)	4653.01	4954.24	4918.63	5662.49	7195.00	8879.61	10947.98	15596.26	17940.49	22319.61
Funds employed	7707.57	8847.26	9549.14	10284.46	11854.21	13859.86	16700.34	22850.13	29030.64	35942.59

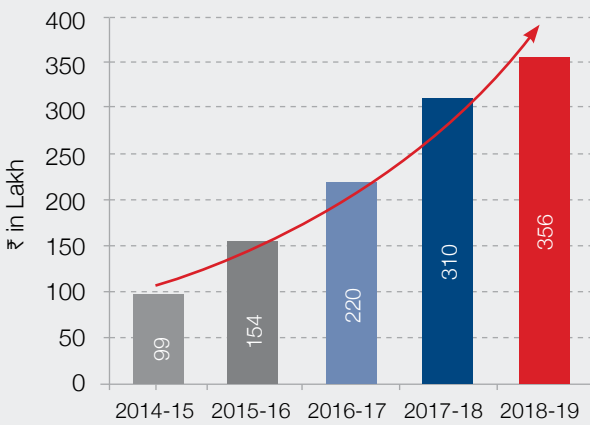
Return of Total Asset



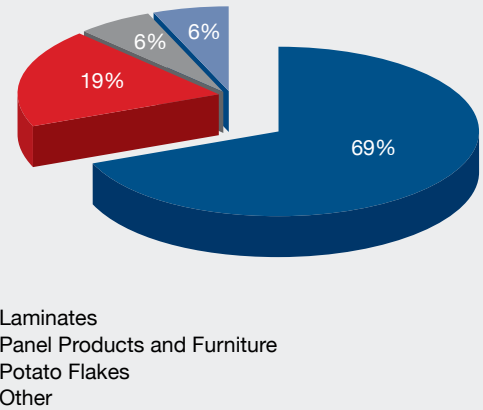
Gross Income



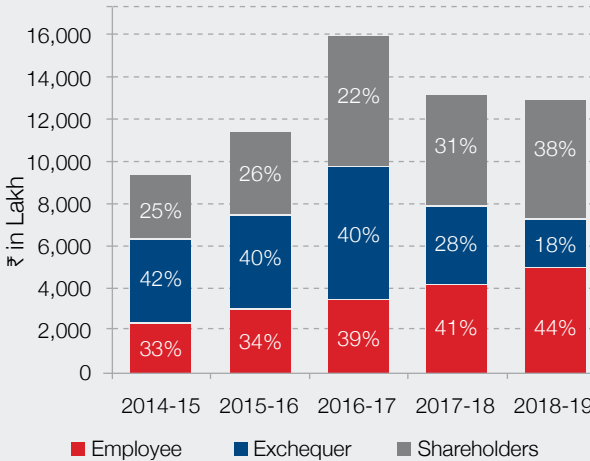
Group CSR Expenditure



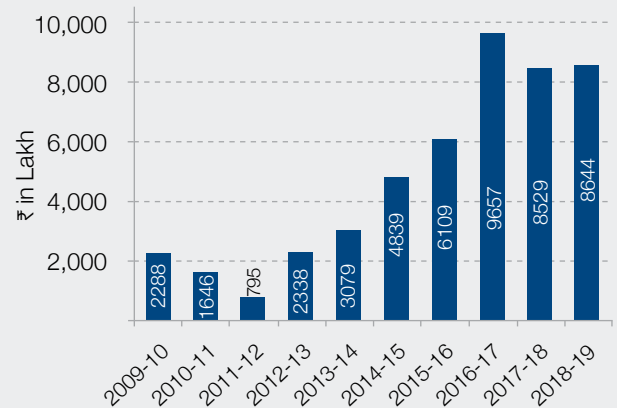
Group Segment Revenue



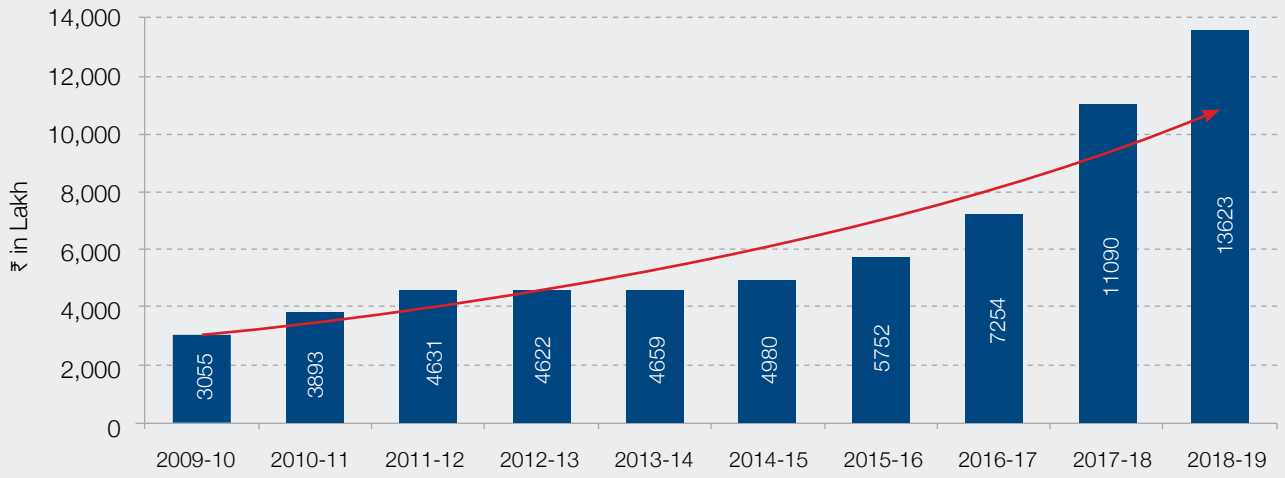
Distribution of Value Added



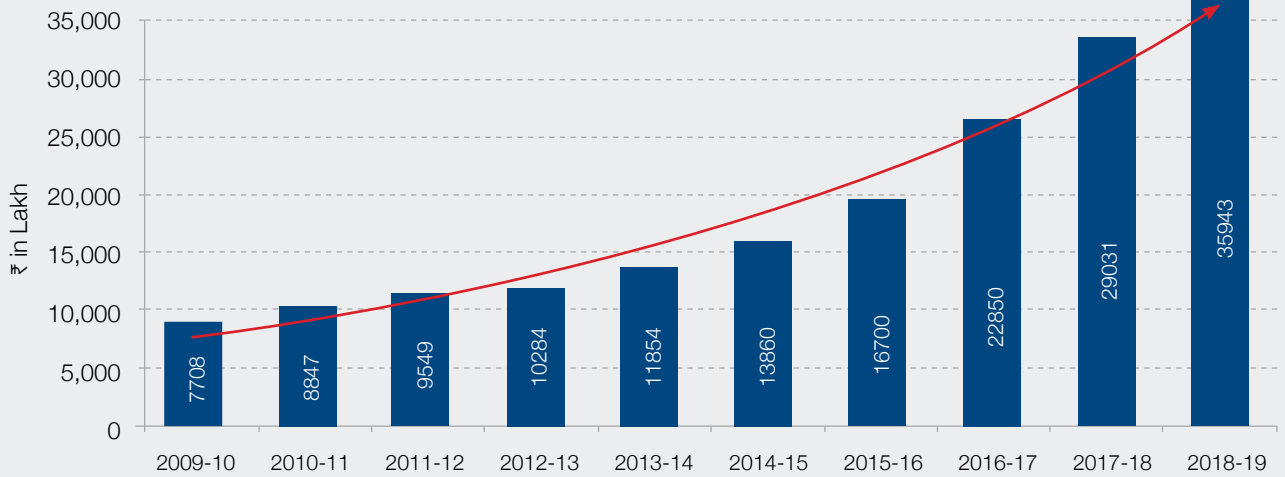
Profit Before Tax



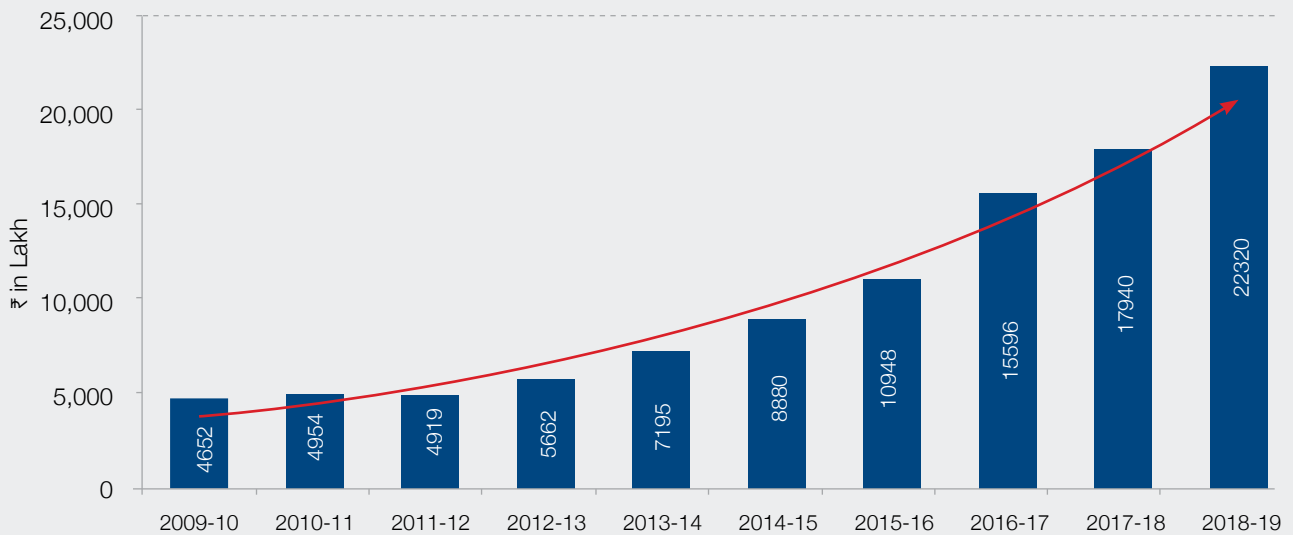
Property, Plant & Equipment



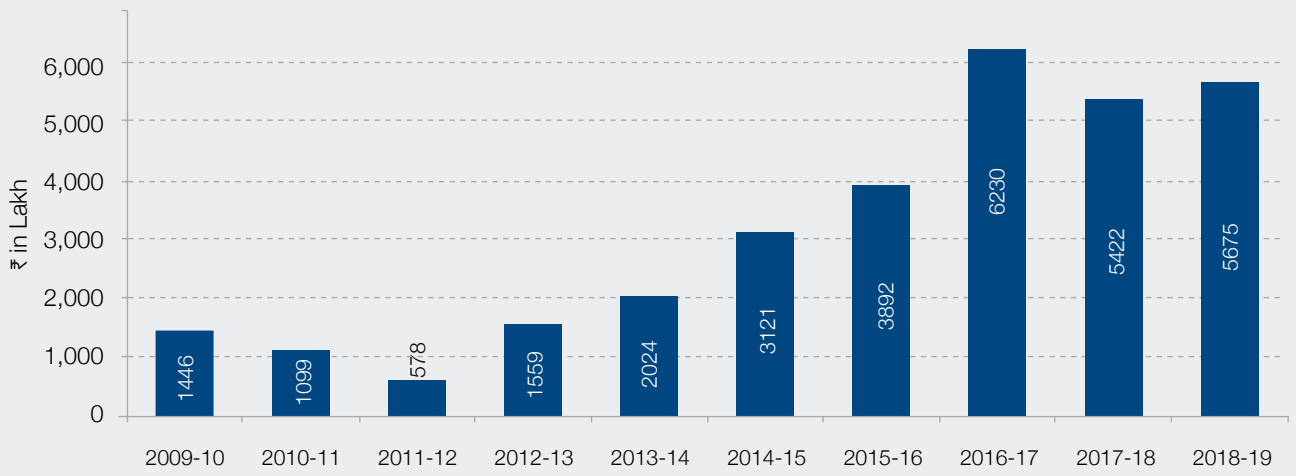
Net Funds Employed



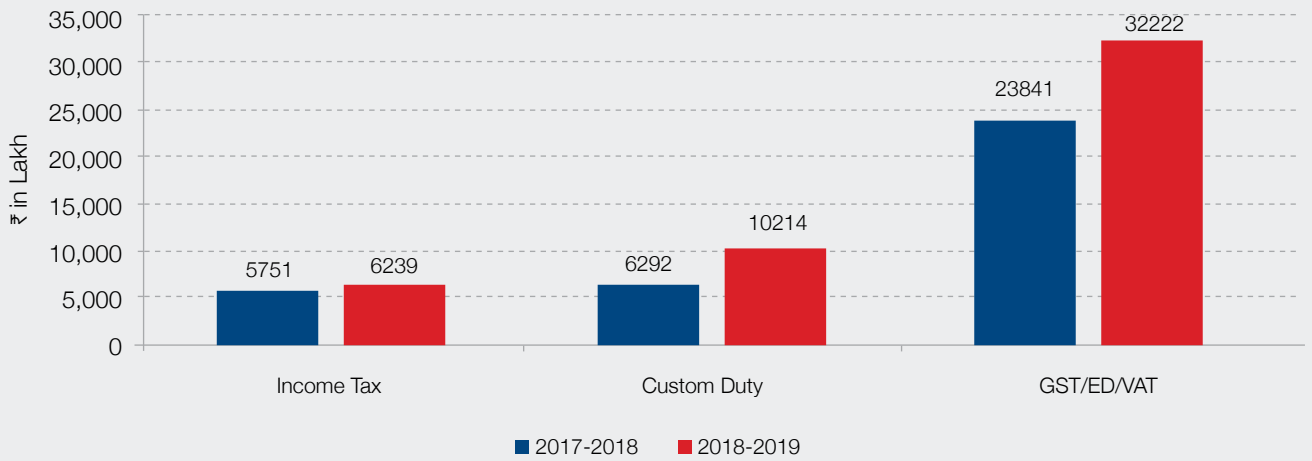
Net Other Assets



Profit After Tax



Group Contribution to Exchequer (Gross)



Merino Panel Products Limited

CIN: U20299WB1994PLC064386

Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020

Phone: 2290-1214, Fax: 91-33-2287-0314, E-mail: merinokol@merinoindia.com

Website: www.merinoindia.com

NOTICE

TO THE MEMBERS,

NOTICE is hereby given that the 25th Annual General Meeting of the members of Merino Panel Products Limited will be held at the Conference Hall, Academy of Fine Arts, 2, Cathedral Road, Kolkata-700071 on Monday, the 23rd day of September, 2019 at 10-00 a.m. to transact the following items of business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the declaration and payment of Interim Dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Asok Kumar Parui (DIN 00061267), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rup Chand Lohia (DIN 00063290), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Champa Lal Lohia (DIN 00154019), who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS:

6. To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2020 and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Basu, Banerjee, Chakraborty, Chattopadhyay & Co., Cost Accountants (Firm Registration No. 000206) of 42-B, Shibtala Street, P.O. Uttarpara, Dist. Hooghly, PIN: 712258 appointed by the Board of Directors to conduct the audit of the cost records relating to the applicable products of the Company for the financial year ending 31st March, 2020, be paid a remuneration of ₹22,000/- plus out of

pocket expenses and the Board of Directors be and is hereby authorised to do all acts and take all steps as may be necessary to ensure due compliance to the enactments in this regard for the time being in force to give effect to this resolution.”

7. To give authority to the Board of Directors for making donation to charitable and other funds not directly related to the business of the Company and in this regard to consider and, if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, authority be and is hereby given to the Board of Directors of the Company to contribute to bonafide and charitable funds (including corpus) upto the limit of ₹10,00,00,000/- (Rupees ten crore only) during the financial year 2019-2020 notwithstanding that such amount in the financial year may exceed five percent of the average net profits for the three preceding financial years of the Company.”

By order of the Board
For Merino Panel Products Limited

Asok Kumar Parui
Director & Company Secretary
ACS 1885

26th July, 2019

Registered Office:

5, Alexandra Court,
60/1, Chowringhee Road,
Kolkata: 700 020
CIN: U20299WB1994PLC064386
Phone: 033 2290-1214
Fax: 2287-0314
E-mail: merinokol@merinoindia.com
Website: www.merinoindia.com

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy / proxies to attend and to vote on a poll instead of himself / herself and such a proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other member or shareholder.
2. The instrument of proxy, in order to be valid and effective, must be delivered at the registered office of the company not later than forty-eight hours (48 hours) before the commencement of the meeting. Attendance slip and proxy form are enclosed.
3. The statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 concerning the items of special business as per the agenda items to be transacted at this Annual General Meeting is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2019 to 23rd September, 2019 (both days inclusive).
5. All the documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company during office hours on all working days from the date hereof upto the date of the Meeting.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 RELATING TO SPECIAL BUSINESS SET OUT IN THE ANNEXED NOTICE

RELATING TO ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Basu, Banerjee, Chakraborty, Chattopadhyay & Co., Cost Accountants (Firm Registration No. 000206) of 42-B, Shibatala Street, P.O. Uttarpara, Dist. Hooghly, PIN: 712258 to conduct the audit of the cost records of the Company relating to the applicable products for the financial year ending 31st March, 2020 at a remuneration of ₹22,000/- plus out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be fixed by the shareholders of the Company. Accordingly, their consent is sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for fixation of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

RELATING TO ITEM NO. 7

The Company had been authorized to contribute to bonafide and charitable funds in terms of Section 181 of the Companies Act, 2013 (the Act).

As per the Act, the Board can contribute to bonafide charitable and other funds and prior permission of shareholders in a general meeting shall be required only if the aggregate contributions in any Financial Year exceed five percent of the Company's average net profits for the three preceding financial years.

Subject to the approval of the shareholders, the Board has plans to spend upto a maximum limit of ₹10,00,00,000/- (Rupees ten crore only) during the Financial Year 2019-20, which exceeds the above limit. The expenditure would be channelized mainly towards contributions (including corpus) to group managed / other Trust(s) and also to such other Trust(s) as the Board would deem fit. The primary objectives of making to the funds / trusts where donations would be made would include eradicating hunger, poverty, promoting preventive health care, sanitation, education, gender equality, empowerment of women, ensuring environmental sustainability, protection of national heritage, undertaking training to promote rural sports, establish, maintain and grant aid to hospitals etc. and also various other public charitable activities.

As such, the Board recommends passing the resolution.

All the Whole-time and Promoter Directors, who also fall under the category of Key Managerial Personnel (KMP) are directly or indirectly interested or concerned, financial or otherwise in the resolution, as substantial donations will be made to the Trust(s) in which they are directly or indirectly concerned and interested to the extent the contribution made to these trusts.

However, none of Mr. Anil Jajoo, Director, Dr. Gautam Bhattacharjee, Mr. Sisir Kumar Chakrabarti and Mr. Bama Prasad Mukhopadhyay, Independent Directors and Mr. Asok Kumar Parui, Director & Company Secretary also falling under the category of KMP and including their relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 7 of the Notice.

The above item of special business to be transacted at this meeting of the Company does not relate to or affect any other company.

MERINO PANEL PRODUCTS LIMITED

CIN: U20299WB1994PLC064386
 Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020
 Phone: 2290-1214, Fax: 91-33-2287-0314, E-mail: merinokol@merinoindia.com
 Website: www.merinoindia.com

ATTENDANCE SLIP

Master Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER:
 I hereby record my presence at the 25th Annual General Meeting of the Company being held at the Conference Hall, Academy of Fine Arts, 2, Cathedral Road, Kolkata-700071 on Monday, the 23rd day of September, 2019 at 10-00 a.m.

SIGNATURE OF SHAREHOLDER / PROXY

>C

MERINO PANEL PRODUCTS LIMITED

CIN: U20299WB1994PLC064386
 Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020
 Phone: 2290-1214, Fax: 91-33-2287-0314, E-mail: merinokol@merinoindia.com
 Website: www.merinoindia.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):			
Registered Address:			
Master Folio No.		E-mail ID:	
*Client ID:		*DP ID:	

I / We being the member / members holding shares of MERINO PANEL PRODUCTS LIMITED, hereby appoint:

- (1) Name E-mail Id
 Address Signature or failing him/her
- (2) Name E-mail Id
 Address Signature or failing him/her
- (3) Name E-mail Id
 Address Signature or failing him/her

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company being held at the Conference Hall, Academy of Fine Arts, 2, Cathedral Road, Kolkata-700071 on Monday, the 23rd day of September, 2019 at 10-00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Serial Number	Resolution
Ordinary Business:	
1.	Consideration and adoption of the Audited Financial Statement, Reports of the Board of Directors and Auditors for the year ended 31.03.2019
2.	Confirmation of the declaration and payment of Interim Dividend
3.	Approval for re-appointment of Mr. Asok Kumar Parui (DIN 00061267) who retires by rotation
4.	Approval for re-appointment of Mr. Rup Chand Lohia (DIN 00063290) who retires by rotation
5.	Approval for re-appointment of Mr. Champa Lal Lohia (DIN 00154019) who retires by rotation
Special Business:	
6.	Approval for payment of remuneration of Cost Auditors
7.	Approval to give authority for making donation to charitable and other funds

Signed thisday of September, 2019

Affix Revenue Stamp

Signature of Shareholder(s): _____ Signature of Proxy holder(s): _____

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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