



**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**  
(Govt. of Maharashtra Enterprise)

CIN : U45200MH1974SGC017206

43<sup>rd</sup>  
ANNUAL REPORT  
AND ACCOUNTS

2015-16

Regd.Office: "FDCM BHAVAN" Plot No.359/B, Ambazari, Hingana Road,  
Nagpur 440036

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**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**  
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**CIN : U45200MH1974SGC017206**

**Regd.Office: "FDCM Bhavan" Plot No.359/B, Ambazari, Hingana Road,  
Nagpur-440036**

**BOARD OF DIRECTORS**

(31-03-2016)

**DIRECTORS**

Shri Sudhir Mungantiwar

Shri Vikas kharge

Shri A.K.Nigam

Shri Paraag jaiin Nainuttia

Shri Prakash Kashinath Mahajan

**MANAGING DIRECTOR**

Shri Sarjan Bhagat

**COMPANY SECRETARY**

CS Shri Saurav Singh

**CONTROLLER OF ACCOUNTS AND FINANCIAL ADVISER**

CA Kaustubh Vinay Bhamburkar

## **AUDITORS**

**KHANZODE & SHENWAI**  
**CHARTERED ACCOUNTANTS**  
GS 20/21 AMARJYOTI PALACE,  
WARDHA ROAD, DHANTOLI,  
NAGPUR - 440012.

**JODH JOSHI & CO.**  
**CHARTERED ACCOUNTANTS**  
RAVINAGAR SQUARE,  
AMARAVATI ROAD,  
NAGPUR - 440010.

## **BANKERS**

**Bank of Maharashtra**

**State Bank of India**

**Bank of India**

**Central Bank of India**

**Canara Bank**

## **MEDICINAL UNIT / REGIONAL OFFICES**

### **MEDICINAL PLANTS CONSERVATION & DEVELOPMENT BRANCH.**

359/B , "FDCM Bhavan", Ambazari,  
Hingna Road, Nagpur-440036

### **SOUTH CHANDRAPUR REGION**

Forest Colony, Mul Road,  
CHANDRAPUR-442401

### **NORTH CHANDRAPUR REGION**

Forest Colony, Mul Road,  
CHANDRAPUR-442401

### **NAGPUR REGION**

"359/B , "FDCM Bhavan", Ambazari,  
Hingna Road, Nagpur-440036

### **NASIK REGION**

Vanvikas Bhavan  
Kalika Mandir Marg  
NASIK- 422002

### **WFP & AFFORESTATION REGION**

359/B , "FDCM Bhavan", Ambazari,  
Hingna Road, Nagpur-440036

### **SANGALI REGION**

Hanuman Nagar, Forest Colony,  
MIDC-Road, Kupwada, Sangli-  
416436



**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED.**  
*(Govt. of Maharashtra Enterprise)*  
**CIN: U45200MH1974SGC017206**

**Regd. Office:-359/B , FDCM Bhavan , Ambazari, Hingana Road, Nagpur-440036.**

E-mail- md@fdcm.nic.in

website: www.fdcn.nic.in

No.CSL/AGM-43/ 3199

Nagpur, Dated 30.12.2016

To,

1	Shri Shree Bhagwan, Representative of Governor of Maharashtra, Principal Chief Conservator of Forests, (Wildlife), Maharashtra State, 'Van Bhavan', Ramgiri Road, Civil Lines, Nagpur- 440 001.	2	Shri B.S.K.Reddy, Alternate Representative of Governor of Maharashtra, Additional Principal Chief Conservator of Forests, (Budget, Planning & Development), Maharashtra State, 'Van Bhavan', Ramgiri Road,Civil Lines,Nagpur- 01.
3	Hon'ble Shri Chandansingh Sadhusingh Chandel, Chairman, FDCM Ltd., Allaplli Road, In front of Hanuman Mandir, Chandrapur- 442 701.	4	Shri Vikas Kharage, Nominee Director, FDCM Ltd., Secretary (Forests), Revenue & Forest Department, Mantralaya, Mumbai- 400 032.
5	Shri Sarjan Bhagat Member & Nominee Director, FDCM Ltd., Principal Chief Conservator of Forests, (Head of Forest Force), Maharashtra State, Van Bhavan', Ramgiri Road, Civil Lines, Nagpur- 440 001.	6	Dr. Suresh Gairola, Member & Managing Director, FDCM Ltd., FDCM Bhavan, 359/B, Hingana Road, Ambazari, Nagpur 440 036
7	Shri K. H. Govinda Raj, Nominee Director, FDCM Ltd., Managing Director, Maharashtra Tourism Development Corporation Ltd., C.D.O. hutments, Opp. LIC Building, Madam Kama Road, Mumbai- 400 020	8	Shri A. R. Chadha, Nominee Director, FDCM Ltd., Principal Chief Conservator of Forest & Director General, Social Forestry, Central Building, Pune - 411 001.
9	Shri Prakash Kashinath Mahajan, Nominee Director, FDCM Ltd., Joint Secretary (Forests), Revenue & Forest Department, Mantralaya, Mumbai- 400 032.	10	M/S Ratan Chandak & Co, Chartered Accountants, Shreewardhan Complex, 7- Farmland, Ramdaspath, Nagpur- 440 010.
11	M/S Jodh Joshi & Co., Chartered Accountants, 1 <sup>st</sup> Floor, J.P. House, Ravi Nagar Square, Amravati Road, Nagpur- 440 010	12	M/S Khanzode & Shenwai, Chartered Accountants, GS 20/21, Amarjyoti Palace, Wardha Road, Dhantoli, Nagpur- 440 012.

## **SHORTER NOTICE OF THE FORTY THIRD ANNUAL GENERAL MEETING**

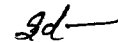
SHORTER NOTICE is hereby given that the Forty Third Annual General Meeting of the Members of Forest Development Corporation of Maharashtra Limited will be held on Saturday, the 31<sup>st</sup> December, 2016 at 12.00 Noon in the Chamber of Principal Chief Conservator of Forests (Head of Forest Force), Maharashtra State, 'Van Bhavan', Ramgiri Road, Civil Lines, Nagpur- 440 001 to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt audited financial statement as at 31<sup>st</sup> March 2016 the Board's Report and Auditors' Report thereon.
2. To declare a dividend on equity shares.
3. To note the appointment / re-appointment of Directors made by the Governor of Maharashtra in place of all the existing Directors retiring thereat as per Government order No. FDC-2016/CR-95/F-5 dated 02<sup>nd</sup> September, 2016.
4. To confirm the appointment and remuneration of Joint Auditor appointed by Comptroller and Auditor General of India through order No. CA.V/COY/MAHARASHTRA,MFORDV(2)/1515 dated 08.09.2016 for financial year 2016-17. In terms of section 139(5) read with section 142 of the Companies Act 2013 and to pass the following resolution, with or without modifications(s) as Ordinary Resolution:

“RESOLVED THAT M/S Jodh Joshi & Co., Chartered Accountant (Registration No. WR0036) and M/S Ratan Chandak & Co, Chartered Accountant (Registration No. WR0167) be and are hereby appointed as Joint Auditors of the Company, to held office from the conclusion of the Annual General meeting uptill the conclusion of the next Annual General Meeting of the Company on remuneration as fixed by the (CAG) as per order No. CA.V/COY.MAHARASHTRA. MFORDV(2)/1515 dated 08.09.2016.

By order of the Board of Directors,



( Dr. Suresh Gairola )  
Managing Director.  
DIN:07608559  
DATE: 30.12.2016

### **Notes:**

- i) A copy of the audited Financial Statement, the Board's Report and Auditors' Report stated under Item No.1 above is attached herewith. The comments, if any, of the Comptroller and Auditor General of India thereon are yet to be received and will be placed at the meeting, if received by then.
- ii) The Share Transfer Book of the Company will remain closed on the 30<sup>th</sup> December 2016 and that day will be the 'Record Date' for determination of

entitlement of dividend for the year ended 31<sup>st</sup> March 2016, if declared by Members of the Company in the Annual General Meeting.

- iii) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.**

Proxy, in order to be effective, must be deposited at the Registered Office of the Company, not less than forty-eight hours before the time fixed for holding the meeting. Attendance Slip, Blank Proxy Form and Consent for Circulation of Shorter Notice, Annual Account Board Report, Auditor Report are attached herewith.

- iv) A Representative of Governor of Maharashtra or in his absence the Alternate Representative of Governor of Maharashtra shall be deemed to be a Member entitled to attend and vote at the Meeting. A copy of Govt. order No.FDC-2016/CR-94/F-5 dated 02<sup>nd</sup> December 2016 appointing Representative / Alternate Representative of the Governor of Maharashtra for this meeting is enclosed herewith for ready reference.
- v) Two members present in person of whom one shall be a representative of the Governor shall be a quorum for a general meeting. As per section 103 of the Companies Act 2013. If the quorum is not present within half an hours from the time appointed for holding a meeting of the Company.

The meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine.

If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding meeting, the members present shall be the quorum.

Copy for information & necessary action forwarded to The Controller of Accounts & Financial Adviser, FDCM Ltd., Nagpur.

## BOARD REPORT

**To,**  
**The Members,**  
**Forest Development Corporation of Maharashtra Limited**  
**359/B, Hingana Road, Ambazari,**  
**Nagpur-440036**

Your Directors have pleasure in submitting their 43<sup>rd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

### FINANCIAL RESULTS

The Company's financial performance for the year ending on March, 2016 along with previous year's financial year figures are given hereunder:

S.No.	Particulars	For the Year ended on 31 <sup>st</sup> March, 2015 (In Rs.)	For the Year ended on 31 <sup>st</sup> March, 2016 (In Rs.)
1	Net Sales /Income from Business Operations	1,34,81,93,444	1,44,47,07,315
2	Other Income	16,16,86,232	22,49,21,292
	<b>Total Income</b>	<b>1,50,98,79,676</b>	<b>1,66,96,28,607</b>
3	Less C.O.G.S./Other Expenses	1,07,46,32,740	1,01,17,73,196
4	Less Depreciation	10,80,617	10,33,448
	<b>Profit after depreciation and COGS &amp; Other Expenses</b>	<b>43,41,66,319</b>	<b>65,68,21,963</b>
5	Less Current Income Tax	11,53,00,000	13,75,00,000
6	Less Deferred Tax	(24,765)	13,94,479
	<b>Net Profit after Tax</b>	<b>31,88,91,084</b>	<b>51,79,27,485</b>
7	Dividend	53,14,500	2,16,23,470
	<b>Net Profit after dividend and Tax</b>	<b>31,35,76,584</b>	<b>49,63,04,015</b>
8	Amount transferred to General Reserve/Capital Reserve	20,10,77,049	15,86,20,491
9	Balance carried to Balance Sheet	11,24,99,535	33,76,83,524
10	Earning per share (Basic)	32.53	128.02
11	Earning per Share(Diluted)	02.82	11.13

#### 1. OPERATIONS

The Company achieved a turnover of Rs. 166.96 Cr during the current year, as against Rs. 150.99 Cr during the previous year.

#### 2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs 6.40 per share aggregating to Rs. 1,79,65,500/- for the current financial year. The dividend if approved and declared in the forthcoming 43<sup>rd</sup> Annual General meeting would result a Dividend outflow of Rs.



1,79,65,500 and dividend Distribution Tax of Rs. 36,57,970 aggregating a total outflow of Rs. 2,16,23,470.

**3. SHARE APPLICATION MONEY PENDING ALLOTMENT**

The documents for loan from Government of Maharashtra (New Loan) for different activities, have not been executed, and the recording of the transactions were made as per terms & conditions of the G.R issued by the Government. Later on, the Government of Maharashtra vide G.R. No. FDC-2006/CR-155/F-5 dated 05.08.2008 approved the conversion of loan liability including interest thereon of Rs. 34,400.00 Lacs into Share Capital as a full & final settlement. The disclosure of Rs. 34,400.00 Lacs under "Share Application Money Account" was made, in the year 2007-08 on the strength of G.R. During the year 2010-11, Government issued G.R. No. S-14-2006/CR-155/F-5 dated 15.09.2010 revoking the G.R. dated 05.08.2008 in pursuance of G.R. No. Vetan 2010/CR-11/F-5 dated 14.06.2010. The issue of conversion of loan liability of Rs. 34,400.00 Lacs into Share Capital was under active consideration at Government level for the approval of the Cabinet, pursuant to decision taken at high level meeting of Government authorities held on 15.12.2010.

In this connection, the meeting was held on 05.03.2012 at Mantralaya, Mumbai under the Chairmanship of Principal Secretary (Finance) where Principal Secretary (Forest), Secretary (Expenditure), Secretary (Accounts & Treasury), Joint Secretary (Forest) and Managing Director, FDCM Limited, were present and in anticipation of Government approval, decision has been taken to repay outstanding MFP plan loan of Rs. 4,945.89 lacs in the instalment of Rs. 2,000.00 Lacs & Rs. 2,945.89 Lacs and remaining loan liability of Rs. 29,454.11 lacs was proposed for conversion into share Capital. Accordingly Board's consent was obtained for the said decision and loan of Rs. 49.46 Crore has been paid to the Government in two instalments. The Government has issued G.R. No FDC-2011/CR-14/F-5 dated 19.12.2012 for conversion of loan liability of Rs. 294.54 Crore into share capital by book adjustment during the year 2012-13. However due to non availability of budget provision during the year 2012-13 to 2014-15 book adjustment could not be carried out in the books of Forest Department and therefore the amount is shown under Share Application Money pending allotment in the accounts of the Company.

**4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unclaimed Dividend last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

The handover of the Company forest area to the Forest Department/Government of Maharashtra for wildlife sanctuaries, buffer zone have severely impacted the sales and financial condition of the Company during the year under review.

The Honourable High Court of Judicature at Bombay Nagpur Bench, Nagpur has passed the following order on writ petition number 1196 of 2001.

- i. The Honourable court ordered the Company that The Account Assistant, Deputy Engineer, Junior Engineer and Draftsman in employment of the Company are entitled to benefits of 4<sup>th</sup> Pay Revision from 1<sup>st</sup> of January, 1986 to 31<sup>st</sup> of December, 1993. The approximate amount of 4<sup>th</sup> pay revision is Rs. 38,88,529/-
- ii. The Honourable court ordered the Company to release arrears of amount of 5<sup>th</sup> Pay Revision from 1<sup>st</sup> of January, 1996 till 31<sup>st</sup> of March, 2004. The exercise of computing arrears shall be completed within period of six months from the date of order and arrears becoming due and payable to the employees shall be released thereafter within next three months. The approximate amount of 5<sup>th</sup> pay revision is Rs.28,48,30,130

**6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

**7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Board takes responsibility for the overall process of risk management in the organization. The business risk is managed through cross functional involvement and communication across departments.

**8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company is set out in Annexure-1 of this report in the format prescribed in the Company (CSR policy) Rules, 2014. The policy is available on the Company's website [www.fdcn.nic.in](http://www.fdcn.nic.in).

The Board has also approved the following reason in its meeting held on 30<sup>th</sup> December 2016 held at FDCM Bhavan, 359/B, Hingana Road, Ambazari, Nagpur-440036 for not spending the CSR earmarked amount during the financial year 2015-16:

**The Company could not spend Rs. 1.34 cr (approx) on its CSR activities for the financial year 2015-16 as per section 135 of the Companies Act, 2013 to preserve the profit for future activities/operations due to the transfer of productive area to Government for wildlife sanctuaries/buffer zone and its liability towards the arrears of 05th pay commission of Rs. 29.00 cr approx.**

**9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

**11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS**

**(A) Management Reply on Statutory Auditors Comments for Financial Year 2015-16.**

<b>Sr. No.</b>	<b>Observations of Statutory Auditors</b>	<b>Reply</b>
1	An item wise list of fixed assets containing the particulars is maintained but not updated. The Company has not produce before us proper records showing full particulars including quantitative details and situations of fixed assets.	Requirement is noted for compliance. Suitable instruction will be issued to subordinate officers.
2	As informed to us, fixed assets have not been physically verified by the management during financial year 2015-16. Since the physical verification has not been carried out by the management during the financial year 2015-16, we cannot comment on existence of material discrepancies, if any and its consequential effects in the books of accounts.	Requirement is noted for compliance. Suitable instruction will be issued to subordinate officers.
3	As informed to us, the stock of raw material, finished goods and work in progress has not been physically verified by the management during the financial year 2015-16. Since the physical verification has not been carried out by the management during the financial year 2015-16, we cannot comment on existence of material discrepancies, if any and its consequential effects in the books of accounts. Further attention is invited to Note No. 36.	Requirement is noted for compliance. Suitable instruction will be issued to subordinate officers."

**(B) Management reply on C&AG comments for financial year 2014-15.**

This is to inform the members of the Company that the Company has received 02(two) comments from Comptroller and Auditors General of India (C&AG) on the Financial Statement for the financial year 2014-15. Explanation on the Comments of the Comptroller and Auditor General of India under section 143 (6)(b) of the Companies Act, 2013 on the Financial Statements of the Company year ended 31st March, 2015 is provided below:

<b>Comments of CAG of India</b>	<b>Explanation by the Board</b>
<p><b>"COMMENT ON FINANCIAL POSITION</b>                      Balance Sheet                      B. Assets                      1. Non-Current Assets                      (a) Fixed Assets                      ii)Capital Work-in-Progress: Rs. 5.71 Crore                      1. The Company had paid an advance of Rs. 5.05 Crore to Nagpur Improvement Trust (NIT) for the construction of its New Administrative Building at Nagpur. As at the end of March, 2015, the value of work completed of the said building was Rs. 1.85</p>	<p>The Company has disclosed its according Policy under Note No.22 (h) and the annual accounts are prepared on the basis of these accounting Policies consistently. No advances etc. have been paid during current financial year 2014-15 to NIT. The accounting treatment given in previous year's pursuant to capital work in progress is already accepted by Joint Statutory Auditors and CAG.</p>

<p>Cre. The Company did not show this amount as an Advance and instead the entire amount had been shown under Capital work-in-progress.</p> <p>This has resulted in understatement of Capital Advances (under Loans &amp; Advances) by Rs.3.20 Crore (Rs.5.005 Crore - Rs.1.85 Crore) and Overstatement of Capital work-in-progress to the extent of work not completed.</p>	<p>In view of above position there is no understatement of advances or overstatement of Capital work-in-progress.</p>
<p><b>OTHER COMMENTS</b></p> <p>Statement of Profit and Loss</p> <p>2. As stated by the Company in its Notes to Accounts at Note 52, the Hon'ble High Court of Nagpur Bench has passed order in Sept. 2015 to release the benefits of the 4th Pay revision and Vth Pay Commission. Accordingly provision for the same has been made in the accounts of Rs. 2887.19 lakh by including it under Employees Benefit Expenses (Note 18)</p> <p>The Company, as required by schedule III of the Companies Act, 2013, did not disclose it as a separate item on the fact of the statement of Profit and Loss, it being an exceptional/extraordinary item.</p>	<p>Accordingly to accounting standard (AS)-5 Net Profit or Loss for the period, prior period items and changes in accounting policies - Extra ordinary items are income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the enterprise and therefore are not expected to reoccur frequently or regularly. IVth Pay &amp; Vth Pay Commission arrears is not distinct arose from ordinary activity of the enterprise. Therefore disclosure is not required by way of separate item on the face of the statement of Profit &amp; Loss A/c. Voluntary Company has made detailed disclosure in Notes to Account Note No.52 (i). This disclosure also validated by Joint Statutory Auditors appointed by CAG.</p>

The Company has not received the C&AG comments for the financial year 2015-16 till the approval of the Board Report. If the Company received the comments of C&AG after the date of convening of Annual General Meeting the same will be presented in the Board report for the financial year 2016-17.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

**13. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 2 and is attached to this Report.

**14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 4 Board meetings held on 29.06.2015, 28.09.2015, 29.12.2015 & 28.03.2016 during the financial year under review.

**15. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**17. DEPOSITS**

The Company has not accepted any deposits during the year under review.

**18. DIRECTORS**

As per article no 89(2) of the Article of Association of the Company, at every Annual General Meeting of the Company, all the Directors including the Chairman and the Vice Chairman shall retire from the office.

As per Government order no. FDC-2016/CR-95/F-5 dated 02<sup>nd</sup> September, 2016 all the existing directors including Chairman is re-appointed.

The following are the change in directorship during the year ended on 31<sup>st</sup> March 2016:

S. No.	Name of Director	Appointment/Cessation
1	Shri Sudhir S. Mungantiwar	Appointment
2	Shri U.M. Farooqui	Cessation

3	Shri A.K. Saxena	Cessation
4	Shri Prakash Kashinath Mahajan	Appointment
5	Dr. Arvind Kumar Jha	Cessation
6	Shri Sarjan Bhagat	Appointment

**19. DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

**20. PREVENTION OF SEXUAL HARASSMENT**

All the women associates (permanent, temporary, contractual) as well as any women visiting the Company's office premises or women service providers are covered under the sexual harassment policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. The Company constituted the committee for the same.

During the year under review, the Company has not received any complaint in this regard.

**21. STATUTORY AUDITORS**

M/s Ratan Chandak & Co., Chartered Accountants and M/s Jodh Joshi & Co., Chartered Accountant are appointed as Joint Statutory Auditors from the conclusion of Annual General Meeting till the conclusion of next Annual General Meeting of the Company on the remuneration as fixed by the Comptroller & Auditor General of India as per order No. CA. V/COY. MAHARASHTRA, MFORDV(2)/1515 dated 08<sup>th</sup> Day of September 2016.

**22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

**23. CHANGES IN SHARE CAPITAL**

During the financial year 2015-16, the share capital of the Company has been increased from Rs. 27,95,25,800/- to Rs. 28,12,71,800/- pursuant to allotment of 17,460 equity shares of Rs. 100/- each under Right Issue of the Company.

**24. SHARES**

**a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

**b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

**c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

**d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

## 25. INCIDENCE AFTER BALANCE SHEET DATE

### i) Status of Management Plan (Position for Future)

Survival of FDCM is solely depends on Management Plans. In order to manage the leased forests on scientific basis, the FDCM Ltd. has prepared management plans for all the 13 Forest Project Divisions, which have not been approved by Govt. of India. The details of operational period of the Management Plans are as under:

Period	Division	No. of Divisions	Current Status
2015-16 to 2025-26	Brahamapuri & Pranhita	2 Divisions.	Approved by APCCF, Central (MOEF), Nagpur on 15.12.2015.  Approved by GOI.
2016-17 to 2026-27	Nagpur, Bhandara, West Chanda, Central Chanda, Markhanda, West Nasik, Thane, Dahanu, Yawatmal, Kinwat & Sangli Region	10 Divisions,  1 Region.	Yet to be approved by APCCF, Central (MOEF) Nagpur
2007-08 to 2016-17	Gondia	1 Division	Will be completed by March 2017
	Total	13 Divisions  & 1 Region	

During the last 10 years of plan period, no significant productive area have been transferred to FDCM. More over during this period, some of the highly productive forest area under the control of FDCM have been transferred to wildlife wing of forest department for various wild life, resulting loss of huge amount of revenue in last couple of years.

Some of the low productive areas have been transferred to FDCM, which will take some time to become productive.

ii) In Pranhita Forest Project Dn. Of South Chandrapur Region, Forest Produce costing Rs. 1.80 lac burnt in fire on 10.04.2016. Necessary insurance claim has been submitted to the Oriental Insurance Company Ltd. Chandrapur. Receipt of claims is awaited.

## 26. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also

acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Chandansingh Sadhusingh Chandel**  
**Chairman**  
**DIN: 07524839**

**Dr. Suresh Chandra Gairola**  
**Managing Director**  
**DIN: 07608559**

Date:30-12-2016  
Place: Nagpur



## ANNEXURE-1

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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

The Forest Development Corporation of Maharashtra Limited believes in Principles of "Serving Society". It aims to achieve, consolidate and strengthen good corporate including socially and environmentally responsible business practices that balance financial profit with social well being. Our vision is to actively contribute to the social and economic development of the communities in the State of Maharashtra. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. FDCM shall continue to enhance value creation in society through its primary business of promoting self-sustaining investment in projects related to plantations and Forest Development for sustainable development in the state of Maharashtra. The aim of CSR activities shall be to complement the primary business of the company with the overall social and environmental concerns related to its primary business.

2. The Composition of the CSR Committee:

The CSR Committee of the Board of the Company comprises the following members:

S.No.	Name of Member	Designation
1.	Shri Vikas Kharage, Secretary (Forests)	Chairman
2.	Shri Sarjan Bhagat, PCCF (Head of Forest Force)	Member
3.	Shri S.C. Gairola, Managing Director of FDCM	Member

3. Average net profit of the company for last three financial years: Rs. 67.03 Cr
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 1.34 cr
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year; Rs. 1.34 cr
  - (b) Amount unspent, if any; Rs. 1.34 cr
  - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified.	sector in which the project is	Projects or programs (1) Local area or other (2) Specify	Amount outlay (budget ) project or wise	Amount spent on the projects or programsSub heads:	Cumul ative - expen diture upto to the	Amount spent Direct or through impleme nting

		covered	the State and district where projects or Programs Was undertaken		(1)Direct expenditure on projects or programs.  (2)Overhea ds :	report ing period	agency
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	<b>TOTAL</b>	-	-	-	-	-	-

\*Give details of implementing agency:

6. In case the company has failed to spend the two per cent, 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.

**The Company could not spend Rs. 1.34 cr (approx) on its CSR activities for the financial year 2015-16 as per section 135 of the Companies Act, 2013 to preserve the profit for future activities/operations due to the transfer of productive area to Government for wildlife sanctuaries/buffer zone and its liability towards the arrears of 05<sup>th</sup> pay commission of Rs. 29.00 cr approx.**

**7. Responsibility Statement:**

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

Sd/-

(Vikas S. Kharage)  
(Chairman CSR Committee)  
DIN: 07121837

Sd/-

(Dr. Suresh Chandra Gairola)  
Managing Director  
DIN: 07608559

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U45200MH1974SGC017206
2	Registration Date	16-02-1974
3	Name of the Company	Forest Development Corporation of Maharashtra Limited
4	Category/Sub-category of the Company	Company Limited by Shares
		State Government Company
5	Address of the Registered office & contact details	FDCM Bhavan, 359/B, Hingana Road, Ambazari, Nagpur-440036
6	Whether listed company	N.A
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
--	--	--	--

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Teak Timber	4403	48.53
2	Teak Poles	4403	13.84
3	Non-Teak Timber	4403	9.14
4	Non-Teak Poles	4403	1.11
5	Bamboo	9401	13.60
6	Bamboo bundles	9401	5.08
7	Teak Firewood	4407	2.27
8	Non-Teak Firewood	4407	5.81
9	Nursery/Seed/Plants	1209	0.57
10	Vermi Compost/Compost	6805	0.05

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

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	

IV. SHARE HOLDING PATTERN									
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(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF		2	2	0.00%		2	2	0.00%	0.00%

b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)		27,95,256	27,95,256	100.00%		28,12,716	28,12,716	100.00%	0.62%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	-	27,95,258	27,95,258	100.00%	-	28,12,718	28,12,718	100.00%	0.62%
<b>(2) Foreign</b>									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	-	27,95,258	27,95,258	100.00%	-	28,12,718	28,12,718	100.00%	0.62%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%

Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Total Public (B)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			-	0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	-	27,95,258	27,95,258	100.00%	-	28,12,718	28,12,718	100.00%	0.62%

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Governor of Maharashtra	27,95,256	100.00%	0	28,12,716	100.00%	0	0.62%
2	Shri A.K. Nigam (Nominee of Governor)	1	0.00%	0	1	0.00%	0	0.00%
3	Shri Sarjan Bhagat (Nominee of Governor)	1	0.00%	0	1	0.00%	0	0.00%
4			0.00%			0.00%		0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	31-03-2015		27,95,258	100.00%		0.00%
	Changes during the year	29-06-2015	Allot	12,980	0.46%	28,08,238	99.84%
		28-09-2015	Allot	2,920	0.10%	28,11,158	99.94%
		28-03-2016	Allot	1,560	0.06%	28,12,718	100.00%
	At the end of the year			28,12,718	100.00%		0.00%

**(iv) Shareholding Pattern of top ten Shareholders**

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name	Shri Sudhir S. Mungantiwar					
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
2	Name	Shri Vikas S. Kharage					
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
3	Name	Shri A.K. Nigam					
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1	0.00%	1	0.00%
4	Name	Shri Paraag Jain Nainuttia					
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
5	Name	Shri Prakash Kashinath Mahajan					
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
6	Name	Shri Sarjan Bhagat					
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	31-10-2015	Transfer	1	0.00%	1	0.00%
	At the end of the year			1	0.00%	1	0.00%

#### V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amt. Rs./Lacs)	
				Total Indebtedness	
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-	-
<b>Change in Indebtedness during the financial year</b>					
* Addition	-	-	-	-	-
* Reduction	-	-	-	-	-
<b>Net Change</b>	-	-	-	-	-

Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Name	Designation	
		A.K. Nigam	Sarjan Bhagat	
		Managing Director	Managing Director	
1	Gross salary	11,20,740.00	922600	
	(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			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>11,20,740.00</b>	<b>9,22,600.00</b>	<b>-</b>
	<b>Ceiling as per the Act</b>			

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors	-	-	-	-
	Fee for attending board committee	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Overall Ceiling as per the Act</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
		Name		

	Designation	CEO	CFO	CS	
1	Gross salary	N.A	N.A	N.A	N.A
	(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-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Chandansingh Sadhusingh Chandel**  
**Chairman**  
**DIN: 07524839**

**Dr. Suresh Chandra Gairola**  
**Managing Director**  
**DIN: 07608559**



फैक्स नं. } 2209 2326  
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महालेखाकार (लेखापरीक्षा)-III महाराष्ट्र यांचे कार्यालय  
महालेखाकार (लेखापरीक्षा)-III महाराष्ट्र का कार्यालय  
प्रतिष्ठा भवन, तल मंजिल,  
101, महर्षि कर्वे मार्ग, मुंबई - 400 020.  
OFFICE OF THE ACCOUNTANT GENERAL  
(AUDIT) - III, MAHARASHTRA  
PRATISHTHA BHAVAN, GROUND FLOOR,  
101, MAHARSHI KARVE MARG, MUMBAI - 400 020.

संख्या /No. गोपनीय

मले/लेप-III/बालेप-I/फॉरेस्ट/2015-16/ 711

दिनांक / Date : \_\_\_\_\_

सेवा में,  
प्रबंध निदेशक,  
फॉरेस्ट डेवलपमेंट कार्पोरेशन ऑफ महाराष्ट्र लिमिटेड,  
नागपुर



विषय: मार्च 31, 2016 को समाप्त हुए वर्ष के फॉरेस्ट डेवलपमेंट कार्पोरेशन ऑफ महाराष्ट्र लिमिटेड, नागपुर के लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मार्च 31, 2016 को समाप्त हुए वर्ष के फॉरेस्ट डेवलपमेंट कार्पोरेशन ऑफ महाराष्ट्र लिमिटेड, नागपुर के लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियाँ (Comments) संलग्न हैं।

वार्षिक सर्वसाधारण सभा (AGM) होने के पश्चात, वार्षिक रिपोर्ट की पांच मुद्रित प्रतियाँ कृपया इम कार्यालय को भेज दें।

भवदीय,

*डी. के. शेखर*

(डी. के. शेखर)

महालेखाकार (लेखापरीक्षा)-III

संलग्न: यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED NAGPUR FOR THE YEAR ENDED ON 31 MARCH, 2016.**

---

The preparation of Financial Statements of **Forest Development Corporation of Maharashtra Limited, Nagpur** for the year ended on **31 March, 2016** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013 is responsible for expressing opinion on these Financial Statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **28 September 2016**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the Financial Statements of **Forest Development Corporation of Maharashtra Limited, Nagpur** for the year ended on **31 March, 2016**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6) (b) of the Companies Act, 2013 which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report.

**COMMENTS ON FINANCIAL POSITION**

**Balance Sheet**

**Assets**

**Non-current assets**

**Other non-current assets (Note no. 9)**

**Compensation claims for plantations assets receivable from Government/other agencies**

**₹211.31 crore**

1. This includes compensation claims of ₹ 7.98 crore towards expenditure for developing land of the Kinwat Division, Revenue and Forest Department (₹6.44 crore);

₹0.23 crore for the Chopan Talao Project, Irrigation Department and ₹ 1.31 crore for plantation assets under Varpani Project, Irrigation Department.

The claims were rejected by the Forest/ Irrigation Departments. Therefore, these claims should have been provided for as doubtful debts. Non provision has resulted in overstatement of Other Non-current assets and Profit by ₹7.98 crore.

**Other Current assets (Note 14)**

**Other receivable ₹ 5.78 crore**

2. This includes ₹ 2.35 crore towards expenditure incurred on modernization of two guest houses of Forest Department, temporarily given to the company for operation which were later given back to the Forest Department. The Company incurred an expenditure of ₹ 2.35 crore on the Assets which were handed back and hence, the expenditure needs to be charged to Profit and Loss account as the Company no longer possesses the Assets.

This has resulted in overstatement of Current Assets and Profit by ₹2.35 crore.

**For and on Behalf of  
the Comptroller & Auditor General of India**



**(D. K. Sekar)**

**ACCOUNTANT GENERAL (AUDIT)-III**

**Place: Mumbai**

**Date:**

**KHANZODE & SHENWAI**  
**CHARTERED ACCOUNTANTS**  
GS20/21 AMARJYOTI PALACE,  
GROUND FLOOR  
WARDHA ROAD, DHANTOLI,  
**NAGPUR - 440012.**

**JODH JOSHI & CO**  
**CHARTERED ACCOUNTANTS**  
FIRST FLOOR, J P HOUSE  
RAVINAGAR SQUARE,  
AMRAVATI ROAD,  
**NAGPUR - 440010.**

## **AUDITOR'S REPORT**

**To,**  
**The Members of**  
**Forest Development Corporation of Maharashtra Limited**

### **1. Report on Financial Statements**

We have audited the accompanying financial statements of **Forest Development Corporation of Maharashtra Limited** (the Company), which comprise of the Balance Sheet as at **31st March, 2016**, the Statement of Profit and Loss and Cash flow Statement, of the Company for the year then ended, and a summary of the significant accounting policies and other explanatory information annexed thereto.

### **2. Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

#### **4. Opinion:**

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

- a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;***
- b) in the case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date.***
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.***

#### **5. Report on Other Legal and Regulatory Requirements:**

5.1 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 Act, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the order.

5.2 As required by Section 143 (3) of the Companies Act 2013, 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, the Statement of Profit and Loss and Cash Flow Statement, dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March 2016, and taken on record by the board of directors, none of the directors are disqualified as on 31<sup>st</sup> March 2016, from being appointed as a director in terms of Section 164 (2) of the Companies Act 2013.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (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 financial statements – Attention is invited to Note no. 50 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred to Investor Education and Protection Fund by the company.

**For Khanzode & Shenwai**  
**Chartered Accountants**  
**(FRN - 112415W)**

**For Jodh Joshi & Co**  
**Chartered Accountants**  
**(FRN – 104317W)**

Sd/-  
**(CA Aniruddha Shenwai)**  
**Partner**  
**(M. No.036853)**

Sd/-  
**(CA Jaydeep Shah)**  
**Partner**  
**(M. No.041002)**

**Place: Nagpur**  
**Date: 28/09/2016**

**Place: Nagpur**  
**Date: 28/09/2016**

## ANNEXURE-A TO THE AUDITOR'S REPORT

(Referred to in our report of even date to the members of Forest Development Corporation of Maharashtra Limited on the Financial Statements of the Company for the year ended as on March 31, 2016)

- i.
  - a. An item wise list of fixed assets containing the particulars is maintained but not updated. The Company has not produced before us proper records showing full particulars including quantitative details and situations of fixed assets. Attention is invited to Note No. 51 (e).
  - b. As informed to us, fixed assets have not been physically verified by the management during financial year 2015-16. Since the physical verification has not been carried out by the management during the financial year 2015-16, we cannot comment on existence of material discrepancies, if any and its consequential effects in the books of accounts.
  - c. The title deeds of immovable properties owned by the Company are held in the name of the Company. The title deeds of immovable properties in the form of Building Constructed on leasehold land are held in the name of the Company. Attention is invited to Note No 7
- ii.
  - a. As informed to us, the stock of raw material, finished goods and work in progress has not been physically verified by the management during the financial year 2015-16. Since the physical verification has not been carried out by the management during the financial year 2015-16, we cannot comment on existence of material discrepancies, if any and its consequential effects in the books of accounts. Further attention is invited to Note No.36.
- iii.
  - a. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Hence this clause is not applicable.
- iv. In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Company Act, 2013 in respect of loans, investment, guarantees, and security.
- v. The Company has not accepted deposits from the public, and consequently the directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under are not applicable.
- vi. As informed to us, the Central Government has not specified for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of any of the activities carried on by the company.
- vii.
  - a. According to information and explanation given to us, during the year, undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, service tax and excise duty value added tax, cess and other material statutory dues applicable to it have generally been deposited regularly with appropriate authorities. No such amounts were outstanding for a period exceeding six months.
  - b. According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or custom duty or excise duty which have not been deposited with the appropriate authorities on account of any dispute except in case of value added tax which is described below :

Name of Statute	Nature of Dues	Disputed Unpaid Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
MVAT Act 2002	Sales Tax Matters	9,30,609/-	2010-11	Joint Commissioner (Appeal) Sales Tax, Nagpur
MVAT Act 2002	Sales Tax Matters	4,20,032/-	2011-12	Joint Commissioner (Appeal) Sales Tax, Nagpur

- viii. In our opinion and according to information and explanation given to us, the Company has not defaulted in the repayment of dues to the financial institutions, banks and debenture holders.
- ix. Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and loans. Accordingly, the Provisions of clause 3(ix) of the Order are not applicable to the company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company has been noticed or reporting during the year.
- xi. The managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 and read with schedule V of the Companies Act, 2013.
- xii. The company is not a Nidhi Company. Therefore, the provisions of clause (xii) are not applicable to the company.
- xiii. All the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details has been disclosed in the financial statements as required by the Accounting Standard-18 "Related Party Disclosures". – Refer Note No. 44.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3(xiv) of the Order is not applicable to the company.
- xv. The Company has not entered in to non-cash transaction with directors or person connected with them which will come under the purview of Sec 192 of Companies Act 2013. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the company.

**For Khanzode & Shenwai**  
**Chartered Accountants**  
**(FRN - 112415W)**

Sd/-  
**(CA Aniruddha Shenwai)**  
**Partner**  
**(M. No.036853)**

**Place: Nagpur**  
**Date: 28/09/2016**

**For Jodh Joshi & Co**  
**Chartered Accountants**  
**(FRN - 104317W)**

Sd/-  
**(CA Jaydeep Shah)**  
**Partner**  
**(M. No.041002)**

**Place: Nagpur**  
**Date: 28/09/2016**



## **“Annexure B” to the Auditor’s 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 **Forest Development Corporation of Maharashtra Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI 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 applicable to an audit of Internal Financial Controls and, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Khanzode & Shenwai**  
**Chartered Accountants**  
**(FRN - 112415W)**

**Sd/-**  
**(CA Aniruddha Shenwai)**  
**Partner**  
**(M. No.036853)**

**Place: Nagpur**  
**Date: 28/09/2016**

**For Jodh Joshi & Co**  
**Chartered Accountants**  
**(FRN - 104317W)**

**Sd/-**  
**(CA Jaydeep Shah)**  
**Partner**  
**(M. No.041002)**

**Place: Nagpur**  
**Date: 28/09/2016**

**Forest Development Corporation of Maharashtra Limited**  
**Balance Sheet as at 31st March, 2016**

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
		Rs	Rs
<b>A EQUITY AND LIABILITIES :</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	281,271,800	279,525,800
(b) Reserves and surplus	2	9,901,756,680	9,297,163,894
		<b>10,183,028,480</b>	<b>9,576,689,694</b>
<b>2 Share application money pending allotment</b>	23	2,947,463,164	2,946,709,164
<b>3 Current liabilities</b>			
(a) Short-term borrowings	3	-	-
(b) Trade payables	4	7,185,488	1,916,596
(c) Other current liabilities	5	2,024,798,017	1,024,045,006
(d) Short-term provisions	6	962,023,470	808,214,500
		<b>2,994,006,975</b>	<b>1,834,176,102</b>
<b>TOTAL :</b>		<b>16,124,498,619</b>	<b>14,357,574,960</b>
<b>B ASSETS :</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	84,236,668	80,921,135
(ii) Capital work-in-progress		90,401,696	57,139,140
(b) Deferred Tax Asset (net)	46	4,331,480	5,725,959
(c) Long-term loans and advances	8	21,329,704	24,293,463
(d) Other non-current assets	9	2,139,390,105	1,882,987,664
		<b>2,339,689,653</b>	<b>2,051,067,361</b>
<b>2 Current assets</b>			
(a) Current Investments	47	1,750,121,521	1,154,127,550
(b) Inventories	10	9,944,094,085	9,513,897,530
(c) Trade receivables	11	458,409,736	330,915,657
(d) Cash and cash equivalents	12	546,481,310	331,453,989
(e) Short-term loans and advances	13	977,877,194	859,955,013
(f) Other current assets	14	107,825,120	116,157,860
		<b>13,784,808,966</b>	<b>12,306,507,599</b>
<b>TOTAL :</b>		<b>16,124,498,619</b>	<b>14,357,574,960</b>
See accompanying notes forming part of the financial statements	1-53		

In terms of our report attached.

For and on behalf of the Board of Directors,

For Khanzode & Shenwai  
Chartered Accountants,  
F R No- 112415 W

Sd/-  
(Chandansingh Sadhusingh Chandel)  
Chairman  
DIN # 07524839

Sd/-  
(CA Aniruddha Shenwai)  
Partner  
M No. 036853

For Jodh Joshi & Co  
Chartered Accountants,  
F R No- 104317W

Sd/-  
(Dr. S. C. Gairola)  
Managing Director  
DIN # 07608559

Sd/-  
(CA Jaydeep Shah)  
Partner  
M No. 041002

Sd/-  
(CS Saurav Singh)  
Company Secretary  
A - 22053

Place : Nagpur  
Date 28/09/2016

Place : Nagpur  
Date : 28/09/2016

**Forest Development Corporation of Maharashtra Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
		Rs	Rs
<b>A REVENUES :</b>			
Revenue from operations	15	1,444,707,315	1,348,193,444
Other income	16	224,921,292	161,686,232
<b>Total revenue (A)</b>		<b>1,669,628,607</b>	<b>1,509,879,676</b>
<b>B EXPENSES :</b>			
(a) Cost of material sold	17	941,217,226	990,284,140
(b) Employee benefits expenses	18	28,411,836	37,640,897
(c) Depreciation	19	1,033,448	1,080,617
(d) Other expenses	20	42,144,134	46,707,703
<b>Total expenses (B)</b>		<b>1,012,806,644</b>	<b>1,075,713,357</b>
<b>Profit before tax (A-B)</b>		<b>656,821,963</b>	<b>434,166,319</b>
<b>Less Tax expenses</b>			
(a) Current tax		137,500,000	115,300,000
(b) Deferred tax	46	1,394,478	(24,765)
<b>Profit from continuing operations</b>		<b>517,927,485</b>	<b>318,891,084</b>
<b>Profit for the year carried to balance sheet</b>		<b>517,927,485</b>	<b>318,891,084</b>
<b>Earning Per Share of face value of Rs 100 each</b>	45	<b>128.02</b>	<b>32.53</b>
<b>Diluted Earning Per Share of face value of Rs 100 each</b>	45	<b>11.13</b>	<b>2.82</b>

In terms of our report attached.

For and on behalf of the Board of Directors,

For Khanzode & Shenwai,  
Chartered Accountants,  
F R No- 112415 W

Sd/-  
(Chandansingh Sadhusingh Chandel)  
Chairman  
DIN # 07524839

Sd/-  
(CA Aniruddha Shenwai)  
Partner  
M No. 036853

Sd/-  
(Dr. S. C. Gairola)  
Managing Director  
DIN # 07608559

For Jodh Joshi & Co  
Chartered Accountants,  
F R No- 104317W

Sd/-  
(CA Jaydeep Shah )  
Partner  
M No. 041002

Sd/-  
(CS Saurav Singh)  
Company Secretary  
A - 22053

Place : Nagpur  
Date : 28/09/2016

Place : Nagpur  
Date : 28/09/2016

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

Particulars	2015-16 (Rs)	2014-15 (Rs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before Tax as per Profit &amp; Loss Account</b>	<b>656,821,963</b>	<b>434,166,319</b>
<b>Adjustments for:</b>		
Depreciation	12,431,932	12,496,847
Provision for doubtful debts (net)	1,823,656	1,926,341
Amount written off	1,187,694	1,307,094
Initial Plantation cost written off	533,657,476	45,772,018
Development cost of seed plot written off	462,911	578,751
Interest Income ( treated seperately)	(134,375,056)	(143,842,265)
Provison written back credited to P & L account	(398,313)	(142,441)
Profit on sale of Fixed asset	(421,298)	-
Compensation claim receipt of plantation handed over other agencies and its cost written off ( Net)	(80,694,503)	(6,682,497)
	<b>333,674,499</b>	<b>(88,586,152)</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>990,496,462</b>	<b>345,580,167</b>
<b>Adjustments for:</b>		
(Increase)/ decrease in Trade Receivables	(127,494,079)	(40,760,582)
(Increase)/ decrease in Other Current/Non current assets	(248,069,700)	(42,102,376)
(Increase)/ decrease in Inventories ( Finished Goods/WIP)	(102,126,053)	(92,563,834)
(Increase)/ decrease in Plantations & Nursery	(328,070,502)	(591,274,720)
(Increase)/ decrease in Short Term Loans & Advance	(114,958,422)	(155,458,325)
Increase/ (decrease) in Trade Payables/Other Current	1,159,830,872	433,815,589
<b>Changes in working capital</b>	<b>239,112,116</b>	<b>(488,344,248)</b>
<b>Operating Profit before Income Tax &amp; Dividend</b>	<b>1,229,608,578</b>	<b>(142,764,081)</b>
Less: Income tax paid (net)	118,036,763	135,627,390
<b>Net Cash from Operating Activities</b>	<b>1,111,571,815</b>	<b>(278,391,471)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(52,494,533)	(16,939,127)
Purchase of term deposit	(1,750,121,521)	(1,154,127,550)
Receipt of term deposit	1,154,127,550	1,059,340,000
Sale of Fixed assets	421,298	-
Compensation Claim Receipt	80,694,503	6,682,497
Interest Income	134,375,056	143,842,265
<b>Net Cash from Investing Activities</b>	<b>(432,997,647)</b>	<b>38,798,085</b>

<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Share Capital from GOM		1,746,000	577,000
Funds from/to on Govt of Maharashtra /Other Agencies/ activities		(459,978,347)	151,813,861
Dividend with Tax paid		(5,314,500)	(37,849,229)
Net Cash from Financing Activities		(463,546,847)	114,541,632
Net Increase/(Decrease) in Cash and Cash Equivalents :		215,027,321	(125,051,754)
Opening Balance of Cash & Cash Equivalents (as on April 1)		331,453,989	456,505,743
Closing Balance of Cash & Cash Equivalents (as at March 31) (Refer Note 12)		546,481,310	331,453,989

Notes to Cash Flow Statement:

- a. The above cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3. (AS 3) 'Cash Flow Statement' as specified in Companies (Accounting Standards) Rule, 2006
- b. The figures for the previous year have been regrouped where necessary to conform to current year's classification.

In terms of our report attached.

For Khanzode & Shenwai,  
Chartered Accountants  
F R No - 112415 W

Sd/-

(CA Aniruddha Shenwai)  
Partner  
M No. 036853

For Jodh Joshi & Co  
Chartered Accountants,  
F R No- 104317W

Sd/-

(CA Jaydeep Shah )  
Partner  
M No. 041002

Place : Nagpur  
Date : 28/09/2016

For and on behalf of the Board of Directors,

Sd/-

( Chandansingh Sadhusingh Chandel )  
Chairman  
DIN # 07524839

Sd/-

(Dr. S. C. Gairola)  
Managing Director  
DIN # 07608559

Sd/-

(CS Saurav Singh)  
Company Secretary  
A - 22053

Place : Nagpur  
Date : 28/09/2016

**Forest Development Corporation of Maharashtra Limited**

**Note 1 Share capital**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	(Rs)	Number of shares	(Rs)
<b>(a) Authorised</b> Equity shares of Rs 100 each with voting rights	35,00,000	350000000	35,00,000	350000000
<b>(b) Issued</b> Equity shares of Rs 100 each with voting rights ( Out of which 1,66,636 shares issued for consideration other than cash)	2,812,718	281,271,800	2,795,258	279,525,800
<b>(c) Subscribed and fully paid up</b> Equity shares of Rs 100 each with voting rights	2,812,718	281,271,800	2,795,258	279,525,800
<b>GRAND TOTAL OF SHARE CAPITAL</b>	<b>2,812,718</b>	<b>281,271,800</b>	<b>2,795,258</b>	<b>279,525,800</b>

**Forest Development Corporation of Maharashtra Limited**

**Note 1 Share capital (contd.)**

**Share held by shareholders holding more than 5% of aggregate shares in the Company**

Class of shares /	Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Name of Shareholder and Number of shares held	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
(a) Equity shares with voting rights	Governer of Maharashtra (including 2 shares held by 2 nominees)	2,812,718	100.00%	2,795,258	100.00%
(b) Preference	NIL	NIL	0.00%	NIL	0.00%

**Notes:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting

Particulars	Opening Balance	Fresh issue	Bonus	Other Changes	Closing Balance
Equity shares with voting rights					
Year ended 31st March, 2016					
- Number of shares	2,795,258	17,460			2,812,718
- Amount (in Rs.)	279,525,800	1,746,000	-	-	281,271,800
Year ended 31st March, 2015					
- Number of shares	2,789,488	5770	-	-	2,795,258
- Amount (in Rs.)	278,948,800	577,000	-	-	279,525,800

**Rights, Preference and Restriction Attached to Equity Shares :**

Particular	Current Year	Previous Year
Voting Rights	2,812,718	2,795,258
Dividend Rights	2,812,718	2,795,258
Restrictions :		
Other Matters		-
<b>Total</b>	<b>2,812,718</b>	<b>2,795,258</b>

Details of share holding Company etc:

Not Applicable

Details of securities convertible into Equity Shares/ Preference Shares:

NIL



## Forest Development Corporation of Maharashtra Limited

### Note 2 - Reserves and surplus

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
<b>(A) Capital reserve</b>	<b>3,975,508,600</b>	<b>3,708,599,338</b>
<b>(B) Surplus in Statement of Profit and Loss Account</b>		
Opening balance	5,588,564,556	5,503,030,874
Add: Profit for the year	517,927,485	318,891,084
Income tax for earlier year		
	6,106,492,041	5,821,921,958
Less: Appropriations		
i) Dividend proposed to be distributed to equity	17,965,500	4,542,500
ii) Tax on proposed dividend	3,657,970	772,000
iii) Capital reserve for management plan (Mandatory)	158,620,491	201,077,049
iv) Transitional provision for Depreciation as per Companies Act, 2013	-	26,965,853
<b>Closing balance of Surplus (B)</b>	<b>5,926,248,080</b>	<b>5,588,564,556</b>
<b>GRAND TOTAL ( (A) + (B) )</b>	<b>9,901,756,680</b>	<b>9,297,163,894</b>

### Note 3 Short-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
Unsecured Loan from Government of Maharashtra Under World Bank Assistance for Maharashtra Forestry Project	NIL	NIL
<b>Grand Total</b>	<b>-</b>	<b>-</b>

### Note 4 Trade payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
<b>Trade payables:</b>		
a) Trade payables (other than SSI undertaking)	7,185,488	1,916,596
<b>Grand Total</b>	<b>7,185,488</b>	<b>1,916,596</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**

**Note 5 Other current liabilities**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
(a) Trade deposits from Suppliers/ Contractors	21,483,548	11,087,613
(b) Advances from Customer	193,448,003	172,214,656
(c) Statutory / Other remittances payable (TDS, Contributions to CPF and VAT etc.	86,525,400	38,114,804
(d) Other payables	807,812,728	716,467,360
(e) Other deposits under various Govt Schemes	915,528,338	86,160,573
<b>Grand Total</b>	<b>2,024,798,017</b>	<b>1,024,045,006</b>

**Note 6 Short-term provisions**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
(a) Provisions :		
1) Provision for Income Tax Current Year	137,500,000	115,300,000
2) Provision for Income Tax of earlier Year	802,900,000	687,600,000
3) Provision for proposed equity dividend	17,965,500	4,542,500
4) Provision for tax on proposed dividends	3,657,970	772,000
<b>Grand Total</b>	<b>962,023,470</b>	<b>808,214,500</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**

**Note 7 Tangible Assets**

Particulars	2015-16 (Amount in RS)											
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Balance as on 1st April 2015	Additions	Disposals( Sale / Adjustment)	Gross Block as at 31st March 2016	As on 1st April 2015	For the Year	Disposals( Sale / Adjustment)	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015		
<b>Tangible assets</b>												
(a) Land- Freehold	110,738	-	-	110,738	-	-	-	-	110,738	110,738		
(b) Buildings												
i) Building RCC Frame Structure	12,280,455	-	-	12,280,455	7,296,538	119,816	7,416,354	4,983,917	4,864,101	4,983,917		
ii) Building Other than RCC Frame structure	79,493,758	7,134,586	-	86,628,344	41,646,918	2,842,603	44,489,521	37,846,840	42,138,823	37,846,840		
iii) Fences, Wells & Tube Wells	5,369,522	1,641,328	-	7,010,850	1,969,745	1,344,647	3,377,588	3,399,777	3,633,262	3,399,777		
iv) Others ( including Temporary Structures, etc)	7,884,934	2,379,327	-	10,264,261	4,290,200	3,508,696	7,798,896	3,594,734	2,465,365	3,594,734		
<b>Total ( i to iv )</b>	<b>105,028,669</b>	<b>11,155,241</b>	-	<b>116,183,910</b>	<b>55,203,401</b>	<b>7,815,762</b>	<b>63,082,359</b>	<b>49,825,268</b>	<b>53,101,551</b>	<b>49,825,268</b>		
(c) Roads												
Non Carpeted Roads	216,062	-	-	216,062	118,297	97,753	216,050	97,765	12	97,765		
(d) Plant and Machinery	5,290,325	476,368	-	5,766,693	2,513,708	227,415	2,741,123	2,776,617	3,025,570	2,776,617		
(e) Furniture and Fixtures	17,762,365	1,086,163	-	18,848,528	5,703,425	1,650,564	7,353,989	12,058,940	11,494,539	12,058,940		
(f) Office equipment												
i) Office equipment	5,481,333	484,138	-	5,965,471	2,712,200	1,036,821	3,748,529	2,769,133	2,216,942	2,769,133		
ii) Survey mathematical instrument	415,238	1,114,752	-	1,529,990	227,461	241,293	468,754	187,777	1,061,236	187,777		
iii) Wireless Apparatus	11	1,598,890	-	1,598,890	2,939,661	1,278,114	4,217,283	2,956,921	11	11		
<b>Total ( i to iii )</b>	<b>5,896,582</b>	<b>1,254,020</b>	-	<b>7,150,602</b>	<b>2,939,661</b>	<b>1,278,114</b>	<b>4,217,283</b>	<b>2,956,921</b>	<b>3,278,189</b>	<b>2,956,921</b>		
(g) Computers	5,555,185	1,254,020	-	6,809,205	3,943,711	1,277,779	5,207,923	1,611,474	1,601,282	1,611,474		
(h) Vehicles												
1) Motor Cars	6,286,085	-	(2)	6,286,083	3,939,885	532,151	4,485,911	2,346,200	1,800,172	2,346,200		
2) Other Vehicles	26,900,932	2,723,836	(2)	29,624,768	17,763,722	2,336,433	19,800,155	9,137,210	9,824,613	9,137,210		
<b>Total ( i to ii )</b>	<b>33,187,017</b>	<b>2,723,836</b>	<b>(2)</b>	<b>35,910,851</b>	<b>21,703,607</b>	<b>2,868,584</b>	<b>24,286,066</b>	<b>11,483,410</b>	<b>11,624,785</b>	<b>11,483,410</b>		
(i) W.F.P Assets (At Token Value)	1	-	-	1	-	-	-	-	1	1		
(ii) Computer Asset Under M.F.P (At Token Value)	1	-	-	1	-	-	-	-	1	1		
<b>GRAND TOTAL ( a to i )</b>	<b>173,046,945</b>	<b>18,294,518</b>	<b>(2)</b>	<b>191,341,461</b>	<b>92,125,810</b>	<b>15,215,971</b>	<b>107,104,793</b>	<b>84,236,668</b>	<b>80,921,135</b>	<b>80,921,135</b>		
Previous year (Including assets discarded but not sold)	283,780,884	14,223,709	124,963,647	173,046,945	174,104,706	16,018,899	92,125,810	109,676,177	80,921,135	109,676,177		
<b>CAPITAL WORK IN PROGRESS</b>	57,139,140	34,200,015	937,459	90,401,696	90,401,696	-	97,997,795	90,401,696	90,401,696	57,139,140		

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED.**

**Note-8 Long-term loans and advances**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
<b>(a) Loans and advances to employees - Secured</b>		
i) Vehicle Advance	638,628	1,363,517
Interest Accrued but not due thereon	562,754	912,361
ii) House Building Advance	4,058,025	5,481,747
Interest Accrued but not due thereon	2,312,901	2,152,067
iii) Computer Advance	242,330	617,901
<b>Sub Total ( a= i to iii)</b>	<b>7,814,638</b>	<b>10,527,593</b>
<b>(b) Security deposits</b>	<b>13,515,066</b>	<b>13,765,870</b>
<b>Grand Total</b>	<b>21,329,704</b>	<b>24,293,463</b>

**Note-9 Other Non-Current assets**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	(Rs)	(Rs)
Unsecured, considered good		
(a) Compensation Claims for Plantation Assets receivable from Govt./Other Agencies	2,113,074,006	1,850,765,638
(b) Others Receivables	26,316,099	32,222,026
<b>Grand Total</b>	<b>2,139,390,105</b>	<b>1,882,987,664</b>

**Schedule A to Note 9-Other Receivables**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	(Rs)	(Rs)
1) Hire charges receivable from Govt/Z.P.	50,316	50,316
2) Expenses on Tiger Safari of SGNP receivable from GOM	5,021,998	5,021,998
3) Cost of Building (Pmt.) receivable from Forest Dept	-	240,913
4) Exptd. incurred in respect of Warpani irrigation	11,037	11,037
5) Modern Forest Fire Control Project Exp. Receivable from Govt	21,232,748	26,897,762
<b>Grand Total</b>	<b>26,316,099</b>	<b>32,222,026</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED.**

**Note-10 Inventories**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
(a) Nursery ( At Cost) - 10.1	37,749,858	38,364,345
(b) Plantations ( At Cost)	9,367,326,742	9,038,641,754
(c) Finished goods ( As taken, valued and certified by management at Production Cost or Net Realisable value whichever is less ) - 10.2	241,246,757	188,996,886
(d) Work in Progress ( At Cost) - 10.3	297,770,728	247,894,545
<b>Grand Total</b>	<b>9,944,094,085</b>	<b>9,513,897,530</b>

**Note : 10.1 - Nursery**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
Establishment of Teak Nursery	2,708,659	3,009,621
Establishment of Root Trainer Nursery	4,674,521	5,380,520
Establishment of Clonal Nursery	214,594	272,013
Est. of Medicinal plant Nursery MSHMPB Pune	536,073	-
Teak Nursery	23,846,322	24,209,310
Polypot Nursery	1,375,419	1,895,596
Root Trainer Nursery	2,973,459	2,786,144
Medicinal Plant Nursery	470,958	443,217
Bamboo Bed Nursery	820,518	252,119
Hightech Nursery	129,335	115,805
<b>Total of Note 10.1</b>	<b>37,749,858</b>	<b>38,364,345</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED.**

**Note : 10.2 - Closing Stock-At cost or net realisable value whichever is less**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
Stock of Plantation Thinning Materials	188,784,720	141,451,768
Stock of Seed	515,100	2,067,439
Stock of Vermi Compost/Compost	158,950	842,086
Stock of Harvesting Material	10,977,803	9,612,832
Stock of Overwood Removal Activity	35,543,671	29,410,711
Stock in Suspense of Thinning Activity	4,275,490	4,412,937
Stock in Suspense of Harvesting material	632,751	632,751
Stock in Suspense of Overwood Removal Activity	358,272	488,170
Stock of Medicinal Plantation Activity	-	78,192
<b>Total of Note : 10.2</b>	<b>241,246,757</b>	<b>188,996,886</b>

**Note : 10.3 - Work in Progress-At Cost**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs	Rs
Work in Progress of Plantation/thinning	62,471,579	32,815,370
Work in progress of Overwood Removal Activity	12,867,435	3,528,096
Work in progress of Harvesting Activity	2,345,536	7,328,072
Work in progress of Seed Collection activity	3,138,200	555,008
Work in progress of Vermi compost/Compost Activity	212,505	252,617
Work in Progress under Turnkey Plantations	200,162,932	178,224,660
Apportionment of common overhead (As per note 21 read with note 24) Turnkey Plantations	16,572,541	25,190,722
<b>Total of Note : 10.3</b>	<b>297,770,728</b>	<b>247,894,545</b>

## FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED.

### Note-11- Trade receivables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	(Rs)	(Rs)
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	8,691,075	10,281,307
Unsecured, considered good	3,447,480	7,812,899
Unsecured, considered good ( Turnkey Projects)	17,891,388	23,321,372
Unsecured, Doubtful	16,822,945	15,118,187
Unsecured, Doubtful (Turnkey Projects)	8,441,368	8,441,368
	55,294,256	64,975,133
Less: Provision for doubtful trade receivables	25,264,313	23,559,555
<b>Total :</b>	<b>30,029,943</b>	<b>41,415,578</b>
b) Other Trade receivables		
Secured, considered good	397,563,207	270,468,881
Unsecured, considered good ( Turnkey Projects)	30,816,586	19,031,198
<b>Total :</b>	<b>428,379,793</b>	<b>289,500,079</b>
<b>Grand Total</b>	<b>458,409,736</b>	<b>330,915,657</b>

### Note-12 Cash and cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
	(Rs)	(Rs)
(a) Cheques, drafts on hand	6,159,138	152,135,614
(b) Balances with banks	59,311,900	28,580,792
(i) In current accounts	481,005,137	150,731,989
(ii) In Savings account		
(c) Postal stamps in hand	5,135	5,594
<b>Grand Total</b>	<b>546,481,310</b>	<b>331,453,989</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED.**

**Note-13 Short-term loans and advances**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	(Rs)	(Rs)
Unsecured, considered good unless otherwise specified		
(a) Loans and advances to employees/Others	32,413,436	33,662,494
(b) Prepaid expenses	1,536,926	2,247,450
(c) Deposit with Suppliers/Contractors/Other Agencies	1,959,450	114,450
(d) Deposit with MTDC receivable from beneficiaries under Eco-tourism	2,000	2,000
(e) Advance Income Tax current year	118,036,763	135,627,390
(f) Advance Income Tax earlier year	823,928,619	688,301,229
<b>Grand Total</b>	<b>977,877,194</b>	<b>859,955,013</b>

**Note-14 Other Current Assets**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	(Rs)	Rs
Unsecured, considered good unless otherwise specified		
(a) Insurance Claim Receivable	1,452,067	675,733
(b) Others Receivables	57,820,789	56,065,778
(c) Accruals		
(i) Interest accrued on deposits/SB Account	48,552,264	59,416,349
<b>Grand Total</b>	<b>107,825,120</b>	<b>116,157,860</b>



# FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED

## Note 15 Revenue From Operations

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
(a) Sale of products (Gross) (Refer Note (i) below)	1,376,391,933	1,295,076,748
Less: Goods Return	1,832,705	1,054,435
Sale of Products (Net)	1,374,559,228	1,294,022,313
(b) Turnkey Plantation Receipts	44,939,796	29,728,246
(c) Other operating revenues	12,545,428	11,352,959
(d) Receipts from Eco-tourism	12,662,863	11,865,211
(e) Grants for Eco-tourism Activity	-	1,224,715
<b>Total of Revenue From Operations</b>	<b>1,444,707,315</b>	<b>1,348,193,444</b>

### Note -(i)

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
(i) <b>Sale of products (Gross) comprises:</b>		
a) Plantation Thinning Activity	879,016,419	825,057,812
b) Harvesting Activity	89,663,357	127,629,348
c) Overwood Removal Activity	399,055,435	324,743,323
d) Others ( Includes Seed, Teak Stump/Plants,Compost/Vermi Compost etc )	8,578,530	17,646,265
e) Medicinal Plant activity	78,192	-
<b>Total- Sale Of Products</b>	<b>1,376,391,933</b>	<b>1,295,076,748</b>
(ii) Goods Return :		
a) Plantation Thinning Activity	610,850	305,300
b) Harvesting Activity	295,400	110,200
c) Overwood Removal activity	926,455	638,935
<b>Total - Goods Return</b>	<b>1,832,705</b>	<b>1,054,435</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**

**Note 16 Other Income**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
(a) Interest income (Refer Note (i) below)	134,375,056	143,842,265
(b) Compensation Claim Received	80,694,503	6,682,497
(c) Other non-operating income	9,851,733	11,161,470
<b>Grand Total - Other Income</b>	<b>224,921,292</b>	<b>161,686,232</b>

**Note (i)**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
(i) Interest income comprises:		
Interest from banks on:		
Deposits	124,647,683	136,945,614
Other balances	8,948,753	3,376,706
Interest on loans and advances	778,620	633,709
	134,375,056	140,956,029
(ii) Interest on income tax refund	-	2,886,236
<b>Grand Total - Interest income</b>	<b>134,375,056</b>	<b>143,842,265</b>

## FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED

### Note 17 Cost Of Materials Sold

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
a) Cost of Material Sold - Finished Goods ( As Per Note 17.1)	874,111,040	930,010,112
b) Cost of Teak Stumps/Seedlings/Polypots etc sold	5,036,472	7,124,510
c) Cost of Seed Collection ( Seed Unit) ( As Per Note 17.2)	249,629	5,448,222
d) Cost of Vermi Compost/Compost ( As per Note 17.3)	492,606	125,234
e) Cost of Medicinal Plant Activity ( As Per Note 17.4)	10,879,023	11,836,857
f) Turnkey Plantation Expenses	50,448,456	35,739,205
<b>Grand Total</b>	<b>941,217,226</b>	<b>990,284,140</b>

## FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED

### Note 17 Cost of Material Sold

#### Note 17.1 - Cost of Material Sold - Finished Goods

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
Opening Stock of Thinning activity materials	141,451,768	105,708,334
Opening stock of Harvesting activity materials	9,612,832	7,821,752
Opening stock in suspense of Harvesting activity material	632,751	632,751
Opening stock of Overwood removal activity material	29,410,711	19,510,629
Opening stock in suspense of Thinning material	4,412,937	4,497,363
Opening stock in suspense of Overwood Removal Activity	488,171	488,171
Opening work in progress of Thinning activity	32,815,370	26,815,117
Opening work in progress of Harvesting activity	7,328,071	230,771
Opening work in progress of Overwood removal activity	3,528,096	14,805,395
<b>Expenditure during the year:</b>		
On Thinning Activity (Incl plantation cost w/off Rs 317.46 Lacs) (previous year Rs 457.72 Lacs)	533,657,476	516,872,860
On Harvesting Activity	68,773,507	50,585,404
On Overwood removal activity	138,724,563	153,112,007
<b>Apportionment of Common Expenditure:</b> (As per Note 21 read with Note 24)		
On Thinning Activity	173,727,545	203,666,077
On Harvesting Activity	9,541,659	9,940,073
On Overwood removal activity	38,287,643	45,734,771
<b>Total :</b>	<b>1,192,393,100</b>	<b>1,160,421,475</b>
<b>Less:</b>		
Closing Stock of Thinning activity materials	188,784,720	141,451,768
Closing Stock of Harvesting activity materials	10,977,803	9,612,832
Closing Stock of Overwood removal activity materials	35,543,671	29,410,711
Closing stock in suspense of Harvesting Activity	632,751	632,751
Closing stock in suspense of Thinning Activity	4,275,490	4,412,937
Closing stock in suspense of Overwood material	358,272	488,171
Closing work in progress of Thinning Activity	62,471,579	32,815,370
Closing work in progress of Harvesting activity	2,345,536	7,328,071
Closing work in Progress of Overwood removal activity	12,867,435	3,528,096
Cost of departmentally used Thinning materials	218	712,908
Cost of departmentally used Overwood removal materials	24,585	17,748
Cost of thinning material burnt written off	-	-
	<b>318,282,060</b>	<b>230,411,363</b>
<b>Cost of Material Sold - Finished Goods</b>	<b>874,111,040</b>	<b>930,010,112</b>

**Note 17.2- Cost of Seed Collection**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
Opening Stock	2,067,439	2,919,190
Opening work in progress	555,008	5,731,884
Expenditure during the year ( incl cost of seed plot Rs 4.63 Lac written off) (Previous year 5.79 Lacs)	4,337,120	5,747,983
<b>Total :</b>	<b>6,959,567</b>	<b>14,399,057</b>
<b>Less:</b>		
Closing Stock	515,100	2,067,439
Closing work in progress	3,138,200	555,009
Cost of Seed used for departmental works	3,056,638	6,328,387
<b>Total :</b>	<b>6,709,938</b>	<b>8,950,835</b>
<b>Cost of Seed Collection</b>	<b>249,629</b>	<b>5,448,222</b>

**Note 17.3 - Cost of Vermi Compost/Compost**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	
Opening Stock	842,086	131,706
Opening work in progress	252,617	267,036
Expenditure during the year	1,022,467	1,458,674
<b>Total :</b>	<b>2,117,170</b>	<b>1,857,416</b>
<b>Less:</b>		
Closing Stock	158,950	842,086
Closing work in progress	212,505	252,617
Cost of Compost/Vermi Compost used for Dept works	1,253,109	637,479
<b>Total :</b>	<b>1,624,564</b>	<b>1,732,182</b>
<b>Cost of Vermi Compost/Compost</b>	<b>492,606</b>	<b>125,234</b>

**Note 17.4 - Cost of Medicinal Plant Activity**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	
Opening Stock	78,192	78,192
Expenditure during the year	10,800,831	11,836,857
<b>Total :</b>	<b>10,879,023</b>	<b>11,915,049</b>
<b>Less:</b>		
Closing Stock	-	78,192
<b>Cost of Medicinal Plant Activity</b>	<b>10,879,023</b>	<b>11,836,857</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**

**Note 18 Employee Benefits Expenses**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
<b>a) Common Expenses</b>		
1) Salaries and wages	215,665,736	315,091,348
<b>2) Contributions to provident and other funds</b>		
Grauity	26,047,181	18,061,997
Leave Encashment & Retirement Benefit	16,409,895	11,601,542
Pension / Leave Salary Contribution	2,897,476	2,715,379
CPF Contribution & Other Contribution	22,079,061	28,664,722
3) Staff Welfare Expenses	1,019,015	273,979
	284,118,364	376,408,967
Less : Common Exp transferred (As per Note 21 read with Note 24)	255,706,528	338,768,070
<b>Sub Total of Common Expenses</b>	<b>28,411,836</b>	<b>37,640,897</b>
<b>Grand Total</b>	<b>28,411,836</b>	<b>37,640,897</b>

**Note 19 Depreciation**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
<b>a) Common Expenses</b>		
Depreciation as per Note 7	15,215,971	16,018,899
Less :-Transfer to Other Activity	4,881,491	5,212,728
Net Depreciation	10,334,480	10,806,171
Less : 90% Common Exp transferred (As per Note 21 read with Note 24)	9,301,032	9,725,554
<b>Sub Total of Common Expenses</b>	<b>1,033,448</b>	<b>1,080,617</b>
<b>Grand Total</b>	<b>1,033,448</b>	<b>1,080,617</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**

**Note 20 Other expenses**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rs	Rs
<b>a) Common Expenses</b>		
<b>Administrative Expenses :</b>		
Remuneration to managing director	2,043,340	1,817,158
Sitting Fees to directors	7,000	10,500
Travelling and Conveyance	5,674,957	5,748,502
Rent	2,808,890	2,733,574
Rates and taxes	1,348,941	1,343,554
Advertisement	393,293	435,458
Books and periodicals	146,036	140,189
Printing and stationery	2,951,376	3,318,731
Postage, Telephones & Telegrams	2,466,929	2,209,258
Office expenses	11,712,417	10,908,277
Bank Charges/Commission	178,838	331,645
Uniform expenses for staff	165,220	218,653
Insurance of assets	424,621	715,835
Website expenses	24,500	6,500
Training expenses	4,529,833	11,007,212
<b>Repairs and Maintenance to :</b>		
Roads and Buildings	14,372,939	17,960,790
Plant and Machinery	599,823	353,478
Vehicles	9,744,699	10,763,218
	59,593,652	70,022,532
<b>Less : Common Exp transferred (As per Note 21 read with Note 24)</b>	<b>53,634,287</b>	<b>63,020,279</b>
<b>Sub Total of Common Expenses</b>	<b>5,959,365</b>	<b>7,002,253</b>
<b>b) Non- Common Expenses</b>		
<b>Administrative Expenses :</b>		
Payment to Auditors as :		
Audit fees	231,000	228,000
Tax audit fees	69,300	68,400
Vat audit fees	231,000	228,000
Gratuity trust audit fees/contribution	355,210	557,980
out of pocket expenses ( Reimbursement of Travelling expenses)	39,017	85,300
	<b>925,527</b>	<b>1,167,680</b>
Service Tax	169,716	266,264
Professional tax	2,000	2,000
MVAT Expenses	192,635	-
Filing fees and registration fee	49,300	35,900
Legal expenses	1,037,060	931,877
Stamp duty	2,167	-
<b>Exp-Eco tourism</b>		
Total Expenditure	17,783,167	26,629,208
Less : Transfer to respective activity	681,915	7,383,737
<b>Net Expenditure</b>	<b>17,101,252</b>	<b>19,245,471</b>
Research & Development	1,560,509	636,642
Preparation of Management Plan	6,985,435	-
Amount written off/forefeitted	1,187,694	1,307,094
Recruitment Process Expenditure	-	4,769,915
Retrenchment Compensation	1,025,000	3,000,000
Compensation for Wildlife Attack etc	4,122,818	6,416,266
Wildlife Protection & Management	-	800
Doubtful Rent receivable (Provision)	-	1,925,541
Provision for doubtful debts & Advance	1,823,656	-
<b>Sub Total of Non Common Expenses (b)</b>	<b>36,184,769</b>	<b>39,705,450</b>
<b>Grand Total</b>	<b>42,144,134</b>	<b>46,707,703</b>

**FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED.**

**Note No. " 21 "**

**Apportionment of 90% Common Expenses for the year 2015-16**

Sr. No.	Activity	2015-16	2014-15
		Share of Common Expenses	Share of Common Expenses
	<b><u>As per Note No.24</u></b>		
1	Maharashtra Forestry Project	124,921	410,410
2	Wasteland Development Programme (Under Bank Finance)	7,096	51,742
3	Ongoing Teak Plantations Programme	4,513,652	18,521,581
4	Enrichment Plantations Programme	3,365	12,377
5	Management Plan (Mandatory) Plantations Programme	66,768,728	91,311,386
6	Turnkey Plantations (work in progress)	16,572,541	25,190,722
7	Medicinal Plant		
	1) Under NMPB	7,055,617	10,506,182
	2) Under Other Source	331,830	3,022,903
	<b>Total (1 to 7)</b>	<b>95,377,750</b>	<b>149,027,303</b>
8	Thinning Activity Cost of Materials	173,727,546	203,666,077
9	Harvesting Activity Cost of Materials	9,541,659	9,940,073
10	Overwood Removal Activity Cost of Materials	38,287,643	45,734,771
11	Turnkey Plantation (Completed Projects)	1,707,248	3,145,679
	<b>Total (8 to 11)</b>	<b>223,264,096</b>	<b>262,486,600</b>
	<b>GRAND TOTAL</b>	<b>318,641,846</b>	<b>411,513,903</b>



## **FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED**

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

### **Note 22. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a. Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), including the accounting standards notified under the relevant provisions of the Companies Act, 2013.

The accounting policies followed in preparation of these financial statements are consistent with those followed in the previous year.

#### **b. Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, actual results could differ from those estimates.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Any revision to accounting estimates is recognized prospectively in the future periods.

Examples of such estimates include provisions for doubtful debts, income taxes, the useful lives of fixed assets etc.

#### **c. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and cheques/ drafts in hand, postal stamps in hand.

#### **d. Common Expenditure**

As per past practice, the establishment and other overheads which are treated as common expenses for Company as a whole, are apportioned and capitalized to certain long term earmarked activities executed during the year and balance to the Profit and Loss Account, as explained in Note No.24. read with note 21.

#### **e. Direct Expenditure**

The expenses directly allocated and incurred for activities are generally charged to those respective activities. Such expenses include wages, materials, establishment and other overheads cost.

The expenditure on stores and spares incurred during the year is charged to the respective heads of account during the year.

#### **f. Inventory and Work in progress**

The closing stock of material i.e. forest produce ready for sale is valued at production cost based on number of trees removed or average realizable value whichever is less. The closing balance of work in progress is valued at cost. As per the policy consistently followed by the Company, depreciation charged to profit and loss account has not been taken into account while calculating the production cost.

The Nursery and Plantations under different activities are valued at cost.

Expenditure equal to 10% of opening balance and additions during the year under Establishment of nursery account and 20% of gross expenditure under Establishment of Root trainer/Clonal nursery account is transferred to Teak nursery account, Root trainer / Clonal nursery account respectively. Where no nursery works are in operation, 10% / 20% of such expenditure is written off to profit & loss account. However, even where the nursery works are partly in operation, out of such 10% / 20% expenditure in proportion of actual utilisation of capacity compared to the targeted, is written off.

#### **g. Writing off the Plantation Cost / Seed Plots**

i) The proportionate initial plantation cost pertaining to the respective areas is written off in proportion that the trees removed bear to the trees standing immediately before thinning to take due cognizance of the differing survival percentage in different areas. The initial plantation cost of Bamboo plantations is written off in total eight cuts. The cost of the medicinal plantations is written off in the year of production considering the different period for the different plants. In respect of the plantations which are handed over to the project authorities or Govt. as per orders, the total initial plantation cost is written off / adjusted in the accounts. The development expenditure in respect of seed plots in Seed Units is written off at the rate of 20% of the opening balance in that account.

ii) Unsuccessful plantations in certain segments are not written off until the overall current realizable value of plantation cost included as current asset in the Balance Sheet is sufficient to cover the loss in one or more segments so estimated.

#### **h. Fixed assets and capital work-in progress**

Fixed assets, both tangible and intangible, are stated at cost of acquisition/construction less accumulated depreciation. Cost includes purchase price, taxes, duties, freight and other directly attributable expenses of bringing the assets to its working condition for the intended use. Other pre operative expenses for major projects are also capitalized, where appropriate.

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

The cost of building materials on hand and unconsumed on the date of Balance Sheet is included under separate head "Capital Work in Progress"

#### **i. Depreciation and amortization**

Depreciation on tangible fixed assets is provided based on useful life of the asset as prescribed in Schedule II of the Companies Act, 2013.

Pursuant to the enactment of Companies Act, 2013 the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated/ amortized over the revised/ remaining useful lives. The written down value of

fixed assets whose lives have expired as at 01.04.2014 have been adjusted, in the opening balance of retained earnings.

Proportionate depreciation for the additions/subtractions of these assets has been calculated taking entire month as base of addition / subtraction. No depreciation on the assets discarded but not sold is provided after having been discarded. Further the fixed assets transferred to the project authorities or Govt. as per orders are written off at the written down value.

Assets individually costing up to Rs. five thousand are fully depreciated in the year of purchase.

**j. Impairment of assets**

In accordance with AS 28 'Impairment of Assets', the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable.

**k. Grants Accounting**

The Company recognizes government grants only when there is reasonable assurance that the condition attached to them shall be complied with, and the grant will be received.

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

Government grants related to revenue are recognized on a systematic basis in the profit and loss statement over the periods necessary to match them with related costs which they are intended to compensate. Such grants are either shown separately under Income or deducted in reporting the related expense.

The funds received from Government for specific activities are credited to the funds accounts of the respective activities.

**l. Investment**

A Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made.

**m. Research and Development Expenditure**

The expenditure incurred in-house or otherwise under the head "Research and Development" including the expenditure on Irrigated/Energy plantation etc. undertaken as Research and Development i.e. on experimental basis is wholly charged to the Profit and Loss A/c under that head in the year in which it is incurred.

**n. Revenue Recognition**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer, and are stated net of trade discounts, rebates.

The Profit or Loss in turnkey projects is recognized by the Company in the year of completion of project/termination of contract.

**o. Leave encashment**

The Company provides for the leave encashment retirement benefit for employees. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the annual amount informed by Life Insurance Corporation of India.

**p. Gratuity**

Liabilities with regard to the gratuity benefits payable in future are determined by LIC at each Balance Sheet date using the Projected Unit Credit method. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

Gratuity is funded through group gratuity insurance scheme of the Life Insurance Corporation of India ('LIC').

Gratuity is provided on the basis of valuation done by LIC for the eligible time-scale employees of the Company.

**q. MVAT Recovery and Payments**

MVAT recovery and payments are recorded in the separate account maintained for that purpose. Any undisputed tax demands for earlier years assessments not ascertainable earlier are accounted for in the year in which same are paid or received.

**r. Compensation claim for area transferred to Government Department/ Agencies**

The compensation claims of properties in Plantations & others to be transferred to the Govt. Department / Agencies are recognised on the basis of claims preferred by the Company, after approval of the proposal by the Government. In case of surrender of plantations and other assets, to the Government departments, the compensation claims are recognised on cost basis.

**s. Provisions and Contingent Liabilities**

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date.

Contingent Assets are not recognized or disclosed in the financial statements.

**t. Accounting for taxes on income**

Tax expense comprises current income tax and deferred tax charge or credit. Current tax provision is made annually based on the tax liability computed in accordance with provision

of the Income tax Act, 1961.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized only when there is a reasonable certainty of their realization.

**u. Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**v. Earnings per share**

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year

**w. Proposed Dividend**

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General meeting.

**Note 23. Share application money account**

The documents for loan from Govt. of Maharashtra (New loan) for different activities, have not been executed, and the recording of the transactions were made as per terms & conditions of the G.Rs. issued by the Govt. Later on, the Govt. of Maharashtra vide G.R. No. FDC-2006/CR-155/F-5 dt.5.8.2008 approved the conversion of loan liability including interest thereon of Rs.34400.00 Lac into Share Capital as a full & final settlement. The disclosure of Rs.34400.00 Lac under "Share Application Money Account" was made, in the year 2007-08 on the strength of the G.R. During the year 2010-11, Govt issued G.R. No. S-14-2006/CR-155/F-5 dt. 15.9.2010 revoking the G.R. dated 5.8.2008 in pursuance of G.R. No. Vetan 2010/CR-11/F-5 dt. 14.6.2010. The issue of conversion of loan liability of Rs. 34400.00 Lac into Share Capital was under active consideration at Govt. level for the approval of the Cabinet, pursuant to decision taken at high level meeting of Govt. authorities held on 15.12.2010.

In this connection, the meeting was held on 5.03.2012 at Mantralaya, Mumbai under the Chairmanship of Principal Secretary (Finance) where Principal Secretary (Forests), Secretary (Expenditure), Secretary (Accounts & Treasury), Joint Secretary (Forests) and Managing Director, FDCM Ltd., were present and in anticipation of Government approval, decision has been taken to repay outstanding MFP plan loan of Rs.4945.89 Lac in the installment of Rs.2000.00 Lac & Rs. 2945.89 Lac and remaining loan liability of Rs. 29454.11 Lac was proposed for conversion into Share Capital. Accordingly Board's consent was obtained for the said decision and loan of Rs. 49.46 Crore has been paid to the Govt. in two installments. The Govt. has issued GR No. FDC-2011/CR-14/F-5 dt. 19.12.2012 for conversion of loan liability of Rs. 294.54 Crore into Share Capital by book adjustment during the year 2012-13. However due to non availability of budget provision during the year 2012-13 to 2015-16 book adjustment could not be carried out in the books of Forest Deptt. and therefore the amount is shown under Share Application Money in the accounts of the Company.

Further an amount of Rs. 20.52 lac received from GOM during the year is included under "share application money A/c ", Company have allotted the shares subsequently as on 27/06/2016.

**Note 24. Apportionment of Common Expenditure**

Out of the total common expenses during the year of Rs.3540.46 Lac, (Previous year Rs. 4572.38 lac) an amount of Rs.953.78 Lac (Previous year Rs. 1490.27 lac) has been capitalized to certain long term activities in proportion to field expenses during the year in these activities.

**Note 25. Forest Development Tax Scheme**

The funds provided by Government of Maharashtra to implement Forest Development Tax schemes have been included under "Reserve and Surplus" in the Balance Sheet, since the same are not considered in the nature of loans and advances.

**Note 26. Wasteland Development Programme**

The Wasteland Development Programme under Government finance as well as under Bank finance has been implemented pursuant to G. R. No. FLD-1086/303/CR-3/F-2 dt. 3rd June 1987, No. EGS-1188/188/EGS-6 dt.7th February 1989 and No. FDM-1090/2400/CR-73/90/F-2 dt. 1st February 1991. The Wasteland Development Programme under government finance including EGS / MREGS is being carried on, as agency of Govt. of Maharashtra. The funds provided by the Govt. for establishment cost & overheads and expenses of the activities of Waste Land Development Programme has been appropriated under Reserve & Surplus, Unsecured Loans & Deposits and Advances depending upon the nature of receipts & the expenditure is also appropriated in the respective plantations account, accordingly. The expenditure of Rs.282.13 Lac in excess of the funds received under these programmes is shown under other Current assets as receivable. The expenditure under MREGS includes an expenditure of Rs.112.14 lac (Previous year Rs. 112.14 lac) incurred by RFO in West Nasik FPDn, during 2012-13 is subject to the result of enquiry initiated which is under progress.

**Note 27. Medicinal Plantation Activity**

The Funds from different sources of Medicinal Plantation Activity of the company are included under the Reserve and Surplus / Deposit and advances in Balance sheet and the expenditure is charged to the Medicinal Plantation Activity in Current Assets. The Establishment costs and overheads of the Medicinal Plant conservation and development branch is charged in the medicinal plantation harvesting activity.

**Note 28. Modern Forest Fire Control Project**

The balance with scheduled bank of Rs. 0.12 Lac (Previous year Rs.0.12 lac) as at 31.3.2016 and other assets belonging to Modern Forest Fire Control Project, though held in the name of the Company, have not been shown in the Balance Sheet as at 31st March, 2016 since the project is being carried on by the Company on behalf of Govt. of Maharashtra on cash basis system without charging any commission. The project received an amount of Rs. 375.22 Lac (Previous year Rs. 284.94 lac) during the year 2015-16 and incurred expenditure of Rs. 334.66 Lac. (Previous year Rs. 323.95 lac).

The excess expenditure incurred up to previous year by the Company is receivable from Govt. The consolidated receivable of Rs. 212.33 Lac (Previous year Rs. 268.98 lac) for excess expenditure is being pursued with the Govt. (Refer Note 9A)

#### **Note 29. Activities/ Schemes under CAMPA**

The Govt of India has released funds under CAMPA for Natural Assisted Regeneration, Forest Management, Infrastructure Development, Wild Life Protection & Management and other allied activities, through PCCF, MS, Nagpur. The funds received and expenditure (net of expenditure) has been included under Deposit & Advances and Reserve and Surplus in the balance sheet.

#### **Note 30. Gorewada International Zoo**

Gorewada Project at Nagpur is under implementation as per G.R. No.WLP/1009/CR-119/F-1 dt. 25.11.2011. For this Rs. 9031.00 Lac (Previous year Rs. 2260.00 lac) has been received by the Company and expenditure to the tune of Rs. 1252.87 Lac (Previous year Rs. 1777.77 lac) has been incurred by the Company during the year. The funds received and expenditure incurred (net of expenditure) has been included under the head "Other current liabilities".

#### **Note 31. Seed Farms**

Seed farms admeasuring 90.00 ha. (Approx.) at Makhamalabad, Taloda, Kinwat and Amgaon along with their assets taken from the Forest Department are in use and control of the Company. The terms and conditions for the use thereof have not been determined till 31.3.2016.

#### **Note 32. Removal of Overwood/ Harvesting Activity**

The Govt. of India in the Ministry of Environment and Forests approved the working of forests subject to creation and maintenance of the Management Plan (Mandatory) Plantations Reserve out of the surplus funds of that activity. During the year, the Company carried on the activity of Removal of Over wood under Teak Plantation Working Circle, and harvesting works, in other working circles. The total expenditure and revenue under this activity during the year, has been disclosed under the cost of material sold account and sales account respectively. The Company has incurred the expenditure of Rs.2397.94 Lac (Previous year Rs. 2814.58 lac) on the Management Plan (Mandatory) Plantations activity under current assets. In view of the linkage of keeping aside the adequate funds for the creation and maintenance of Management Plan (Mandatory) plantations for future, out of sale proceeds of the harvested crop, the total resources required of Rs.1586.20 Lac (Previous year Rs. 2010.77 lac) has been provided during the year, as per the applicable rates of minimum wages.

#### **Note 33. Transfer of Forest Areas to Company**

The Govt. of Maharashtra issued letter No .FDC-1094/CR-578/F-5 dated 11.9.1997 and the G.R. No. FDC-1094/CR-578/F-5 dt.23.9.1997 finalizing the forest areas transferred to FDCM Ltd. The terms and conditions of transfer by Patta deed etc. are yet to be finalized by the Govt.

As per para (IX) of G.R.No.FDC-1074/64746/F-5 dt. 27th June 1978, FDCM Ltd. was required to pay the lease rent of Re.1/- per annum for the period of 5 years from the commencement of the lease or actual taking over the leased land whichever is earlier. After expiry of this period, the FDCM was to pay Govt. of Maharashtra such lease rent, as may be fixed. However the lease rent has not been fixed so far. Vide G.R. No. FLD-1087/ 2462/CR-347/F-2 dt. 6.9.1990, FDCM Ltd. is required to pay Re.1/- patta rent per block per year. However, since the patta of forest land has not been executed till 31.3.2016 the exact liability of patta rent has not been ascertained and provision of lease rent as per earlier G.R. DT. 27.06.1978 is made by the Company up to 31.3.2016.

**Note 34. Transfer of Areas by Company to Forest Department**

During the year following areas have been transferred to Forest Department.

Forest Project Dn.	Area (ha.)	Date of handing over
Central Chanda	321.25	06.07.2015
Pranhita	1448.325	27.05.2015
Nagpur	8970.870	29.04.2015

**Note 35. Possession of Company's Land & Buildings by Forest Department**

The Land and buildings at Chopda, of the erstwhile Yawal Division of Nashik Region amounting to Rs. 21.90 Lac (Previous year Rs.21.90 lac) is in possession of Forest Dept. The consideration or otherwise of the same is yet to be finalized and hence the ownership of the same still lies with the company.

**Note 36. Physical Verification of Inventory**

No physical verification of closing stock is done by the management at the year end, however the following discrepancies were noticed in earlier years.

i) The physical verification of closing stock of harvesting activity at Lonara in Umred range of Nagpur Division costing Rs. 6.33 Lac (Previous year Rs.6.33 lac) could not be done due to the prevention of the Company's employees by the local people from entering in the respective areas inspite of Company's efforts at the appropriate level. It was decided to sell the materials by calling tenders, however there was no response for the tenders.

ii) In the physical verification the difference due to shortage in the stock of material, of Rs. 34.91 Lac (Previous year Rs.37.59 lac) has been observed in Central Chanda Division and Rs. 5.31 Lac (Previous year Rs.5.31 lac) in Markhanda Division. Since the matter is under administrative action, the same is kept under stock in suspense account.

iii) In Markhanda FPDn. material costing Rs. 0.94 Lac (Previous year Rs.0.94 lac) was fired by anti social elements on 28.04.2012. Though the material was insured, the Oriental Insurance Company has rejected the insurance claim submitted by the Company. The closing stock has been shown under stock in suspense account.

iv) In Pranhita F.P.Dn. material costing to Rs. 5.18 lac burnt by antisocial elements at Jimalgutta Sale depot is shown under stock in Suspense A/c, since the matter is under administrative action.

**Note 37. Disclosure as per AS-15 relating to Gratuity & Leave Encashment retirement benefits to employees**

**A) Gratuity in respect of FDCM Limited employees excluding Vanmajoor:-**

1	Assumption	As on 31.03.2015	As on 31.03.2016
	Discount Rate	8.00 %	8.00 %
	Salary Escalation	7.00 %	10.00 %



2	<b>Table showing changes in present value of obligation as on 31.03.2016</b>		<b>Amount In Rs.</b>
	Present value of obligations as at beginning of year	382217370.00	357319772.00
	Interest cost	30577390.00	28585582.00
	Current Service cost	12091417.00	11641919.00
	Benefits paid	(97388803.00)	(90691709.00)
	Actuarial (gain) / loss on obligations	29822398.00	60781484.00
	Present value of obligations as at end of year	357319772.00	367637048.00
3	<b>Table showing changes in fair value of plan assets as on 31.03.2016</b>		
	Fair value of plan assets as at beginning of year	365094622.00	355335279.00
	Expected return on plan assets	33030941.00	28586599.00
	Contributions	54598519.00	37238196.00
	Benefits paid	(97388803.00)	(90691709.00)
	Actuarial gain / (loss) on Plan assets	-NIL-	-NIL-
	Fair value of plan assets at end of year	355335279.00	330468365.00
4	<b>Table showing fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	365094622.00	355335279.00
	Actual return of plan assets	33030941.00	28586599.00
	Contributions	54598519.00	37238196.00
	Benefits paid	(97388803.00)	(90691709.00)
	Fair value of plan assets at the end of year	355335279.00	330468365.00
	Funded status	(1984493.00)	(37168683.00)
	Excess of Actual over estimated return on plan assets	-NIL-	-NIL-
	(Actual rate of return=Estimated rate of return as ARD falls on 31st March)		
5	<b>Actuarial Gain / Loss recognized as on 31.03.2016</b>		
	Actuarial (gain) / loss on obligations	(29822398.00)	(60781484.00)
	Actuarial (gain) / loss for the year - plan assets	-NIL-	-NIL-
	Actuarial (gain) / loss on obligations	29822398.00	60781484.00
	Actuarial (gain) / loss recognized in the year	29822398.00	60781484.00
6	<b>The amounts to be recognized in the balance sheet and statements of profit and loss</b>		
	Present value of obligations as at the end of year	357319772.00	367637048.00
	Fair value of plan assets as at the end of the year	355335279.00	330468365.00
	Funded status	(1984493.00)	(37168683.00)
	Net asset / (liability) recognized in balance sheet	(1984493.00)	(37168683.00)
7	<b>Expenses recognized in statement of Profit and Loss</b>		
	Current Service cost	12091417.00	11641919.00
	Interest cost	30577390.00	28585582.00
	Expected return on plan assets	(33030941.00)	(28586599.00)

Net actuarial (gain) / loss recognized in the year	29822398.00	60781484.00
Expenses recognized in statement of Profit and loss	39460264.00	72422386.00

B) Company approached Government for some clarification of gratuity related to Vanmajoor. Company has not finalized the scheme of gratuity of LIC for vanmajoor. Process of selecting scheme of gratuity is under process for want clarification from Government. However for accounting purpose company has used the quotation cum valuation provided by LIC for providing liability of gratuity for Vanmajoor. As scheme is not linked up with LIC, the LIC has shown its inability to provide required information for disclosure under AS-15.

C) The LIC has shown inability to provide the information required for disclosure as per AS – 15 in respect of leave encashment retirement benefit. Hence the disclosure could not be made.

**Note 38. Provision for Corporate Social Responsibility (CSR)**

In view of Guidance Note on “Accounting for expenditure on Corporate Social Responsibility Activities” issued by The Institute of Chartered Accountants of India , Para 8, Company have not created any provision for CSR as company has not undertaken any certain CSR Activity during the year and Company also not entered into contractual obligation for CSR Activity.

**Note 39. Compensation Claim**

During the year, the Compensation claims of the properties/ plantations of the Company of Rs.806.95 Lac (Previous year Rs. 66.82 lac) have been accounted for as per the directives of the Board. (Refer Note 16)

Further Compensation Claims for Plantation assets are receivable from Government & other agencies Rs.21130.74 Lac ( Previous year Rs 18507.66 Lac) (Refer Note 9)

Company is pursuing the matter for recovery of compensation claims from Government & Government agencies. No receivables are treated as doubtful for any provision though the amount is pending from long period since it is outstanding from Government & Government agencies.

**Note 40. Accounting of Sale of Material in the areas of Mansinghdeo Wildlife Sanctuary**

Amount received from sale of material from the areas under Mansinghdeo Wildlife Sanctuary transferred to Forest Deptt. in Nagpur F.P.Dn. is included under other payable to C.C.F. Wildlife M.S. Nagpur for Rs.12.05 lac (Previous year Rs. 11.90 lac) under other current liabilities after deducting the expenses incurred as per directives of the Hon’ble Supreme Court.

**Note 41. Interest on un-utilized Funds**

No provision of interest on the amounts remaining to be paid to Govt. and other un-utilised Govt. funds under certain activities being carried out has been made in absence of any directives from the Govt.

**Note 42. Micro, Small and Medium Enterprises Development Act 2006**

Based on the information available with the Company, there are no suppliers/Contractors/Service providers who are registered as Micro, Small or Medium enterprise under the Micro, Small and Medium Enterprises Development Act 2006, as at 31.3.2016.

**Note 43. Segment Reporting - AS-17**

The Company's main activity is raising plantation, and hence there are no separate reportable segment as per the Accounting Standard 17 (AS - 17).

**Note 44. Related Party Transactions - AS-18**

In respect of disclosure on related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, it is stated that the following officers are the related party as Managing Directors. There are no related party transactions except the payment of salary and allowances etc. during the year.

Sr. No.	Name of Officer Year 2014-15	Period	Salary. & Allow. (Rs. in lac)
1	Shri A.K. Nigam	01.04.2014 to 31.3.2015	22.23

Sr. No.	Name of Officer Year 2015-16	Period	Salary. & Allow. (Rs. in lac)
1	Shri A.K. Nigam	01.04.2015 to 19.10.2015	11.21
2	Shri Sarjan Bhagat	19.10.2015 to 31.03.2016	9.22

**Note 45. Earning per Share - AS-20**

As per Accounting Standard-20, Basic Earning Per Share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average equity shares outstanding during the period. Details are as under:

Earning Per Share	2015-16	2014-15
Net Profit after tax and Provision for Mandatory Reserve & Transitional Provision	Rs.3593.07 Lac	Rs 908.48 Lac
Weighted Average No of Equity Shares (Nos)	28,06,614	27,92,400
Diluted No of Equity Shares (Nos) (Refer Note 23)	3,22,81,250	32,259,490
Basic Earning Per Share	Rs.128.02	Rs 32.53
Diluted Earning Per Share	Rs.11.13	Rs 2.82

**Note 46. Deferred Tax Asset & Liabilities - AS- 22**

Particular	(Rs. in Lac)	
	31.03.2016	31.03.2015
<b>Deferred tax assets:</b>		
Provision for Gratuity & Leave encashment	7.48	24.31
Provision for Doubtful Debts	2.53	2.71
Provision for Doubtful Rent	-	0.001
Depreciation on Fixed Asset	33.30	30.22
<b>Total</b>	<b>43.31</b>	<b>57.25</b>
<b>Deferred tax liability:</b>		
Depreciation on Fixed Asset	-	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>43.31</b>	<b>57.25</b>
<b>Deferred tax during the year</b>	<b>13.94</b>	<b>(0.24)</b>

**Note 47. Current Investments**

Current investment comprises of short term deposit with banks for not more than one year from the date on which such investment is made. Short term deposit amounting to Rs.309.01 lac (Previous year 491.60 lac) have been pledged with Banks for obtaining bank guarantee.

**Note 48. Impairment of Asset - AS- 28**

Company has assessed the assets at balance sheet date, to see whether there is an indicator for impairment of assets as per Accounting Standard - 28. There is no indicator that an asset is impaired at balance sheet date.

**Note 49. The disclosure as per Accounting Standard 29 is as follows:**

	(Rs. in Lac)	
Provision of Income Tax	2015-16	2014-15
Opening Balance	8029.00	6876.00
Additions during the year	1375.00	1153.00
Total:	9404.00	8029.00
Less: Adjustment during the year	-	-
Closing Balance	9404.00	8029.00

The provision of Income Tax of Rs. 1375.00 Lac has been made on the basis of bifurcation between Agricultural and Non-Agricultural revenue worked out after taking into account all identifiable items of income and expenses under the two categories of income. Common revenue expenses are apportioned to each category on the basis of gross receipts in each activity arrived at before such apportionment. The Company treated the Turnkey Income as Agricultural Income while making necessary provision. However, as a matter of abundant precaution, the advance Income Tax has been paid as per the basis of assessment accepted by the Deptt.

**Note 50. Contingent Liabilities**

Contingent liabilities not provided for and the claims against the Company not acknowledged as debts:-

- a) i) Municipal and other local taxes on some of the lands, buildings etc. owned by / in possession of the Company pending assessment and due to non-acceptance of liability in some cases:- Amount not quantified.  
ii) The Municipal tax liability in respect of Depot Division Ballarshah of Rs. 207.44 Lac (Previous year Rs. 187.19 lac) for the year 1992-93 to 2015-16 not accepted by the Company, pending appeal with the appropriate authority.  
iii) Land revenue, if any.
- b) Estimated amount of contracts remained to be executed at the date of Balance Sheet on capital account not provided for Rs. Nil.
- c) i) Provident fund liability if any towards eligible labours for earlier years.  
ii) Damages / Dues levied by Provident Fund Commissioner, Nagpur for irregularity in payment/non payment relating to contributory fund of labours by the Company of Rs. 3615.00 lac (Previous year Rs. 3615.00 lac) pertaining to Gondia,

West Chanda, Central Chanda, Depot Division. Ballarshah, Bramhapuri Pranhita and Markhanda F.P. Divisions, where action for cases are in Progress, subject to further decision as directed by the CPF appellate Tribunal New Delhi.

- iii) Gratuity liability towards labours if any.
- iv) The liability of Rs. 26.34 Lac (Previous year Rs.26.34 lac) worked out in the matter of retrenched labours of Kinwat Division as per the order of the Hon. High Court Aurangabad Bench, and liability of Rs. 0.83 lac in case No. WCA/11/2000 towards compensation to Shri K.D. Chavan, Casual labour wounded by wild beer as per order passed by labour court Nanded pending decision of appeal filed by Company.
- d) i) The liability of Penalty, Interest etc. if any and deferred/pending in Sales Tax/MVAT assessment.
- ii) The Liability of Income Tax of Rs. 376.41 lac (Previous year Rs. 349.33 lac) approximately for the A.Y. 2002-03 to A.Y. 2015-16 in light of the matter raised by the Income Tax Department in the H'ble High Court, Nagpur Bench, Nagpur for the A.Y. 2002-03 to bring the Misc. receipts, claims by the Company for tax liability purpose.
- e) Various demands by employees and labours pending adjudication, not being ascertainable.
- f) Contingent loss if any due to non physical verification of standing trees in the plantation areas.
- g) Non determination of consideration related to seed farms refer to Note No. 31 - Not Quantifiable.
- h) The liability on account of CPF contribution in respect of retired employees on arrears of VIth Pay commission of Rs. 167.50 Lac approximately and arrears of IVth & Vth pay commission for CPF of retired employees if any.
- i) In Nandurbar FPDn of Nashik Region an amount of Rs. 15.81 Lac (approx.) towards Salary & Allowances to Shri S.J. Barjibhe, FG retired on medical ground in view of the order passed by H'ble Labour Court in complaint ULP No. 27 of 2014.
- j) Liability of Rs. 58.00 lac approx. in W.P. No. 5144/016 against retrenchment filed by 29 casual workers of Brahmpuri FPD in High Court, Nagpur Bench, pending decision of appeal filed by the Company.
- k) Liability of Rs. 0.97 lac towards gratuity to Shri K.G. Sahare, labour of Nagpur FPD in case No. PGA/3/2013 as per orders passed by 3<sup>rd</sup> Labour Court Nagpur on 28.09.2015, pending decision of appeal filed by the Company.

**Note 51. Miscellaneous / Other**

- a) Individual balances under various accounts under Trade receivables, accounts receivable and other debit balances receivable are unconfirmed.
- b) The cash & bank balance includes the unremitted revenue of Rs. 3.22 Lac (Previous year Rs. 3.22 Lac) towards the robbery of cash in Gondia Forest Project Division. The action of departmental enquiry in the matter is yet not finalized.
- c) Short Term Loans and Advances include disallowed vouchers of Rs.2.33 Lac (Previous year Rs. 3.81 Lac) recoverable from the employees.
- d) The Company has not made any provision for land revenue if any, payable on the land already under occupation of the Company.
- e) Advance given to supplier for purchase of vehicles amounting to Rs. 102.00 Lac (approx.) is unsettled due to non receipt of invoice as per proforma invoice raised by the Company.

**Note 52. Incidence after Balance Sheet date**

**i) Status of Management Plan (Position for Future)**

Survival of FDCM solely depends on Management Plans. In order to manage the leased forests on scientific basis, the FDCM Ltd. has prepared management plans for all the 13 Forest Project Divisions. The details of operational period of the Management Plans are as under:

Period	Division	# of Divisions	Current Status
2015-16 to 2025-26	Brahamapuri & Pranhita	2 Divisions.	Approved by APCCF, Central (MOEF), Nagpur on 15.12.2015. Approved by GOI.
2016-17 to 2026-27	Nagpur, Bhandara, West Chanda, Central Chanda, Markhanda, West Nasik, Thane, Dahanu, Yawatmal, Kinwat & Sangli Region	10 Divisions, 1 Region.	Yet to be approved by APCCF, Central (MOEF) Nagpur
2007-08 to 2016-17	Gondia	1 Division	Will be completed by March 2017
	<b>Total</b>	<b>13 Divisions &amp; 1 Region</b>	

During the last 10 years of plan period, no significant productive areas have been transferred to FDCM. More over during this period, some of the highly productive forest areas under the control of FDCM have been transferred to wildlife wing of forest department for various wild life sancturies, resulting loss of huge amount of revenue in last couple of years.

Some of the low productive areas have been transferred to FDCM, which will take some time to become productive.

ii) In Pranhita Forest Project Dn. Of South Chandrapur Region, Forest Produce costing Rs. 1.80 lac burnt in fire on 10.04.2016. Necessary insurance claim has been submitted to the Oriental Insurance Company Ltd. Chandrapur. Receipt of claims is awaited.

**Note 53. Grouping/ Regrouping**

The previous year's figures in Balance Sheet, Profit and Loss Account and supporting schedules thereof have been rearranged and regrouped wherever necessary.

Signature to Note Nos.1 to 53 forming an integral part of the Balance Sheet and Statement of Profit and Loss Account.

For Khanzode & Shenawai  
Chartered Accountants  
F.R. No. 112415W

For and on behalf of Board of Directors

Sd/-  
(CA Aniruddha Shenwai)  
Partner  
M No. 036853

Sd/-  
(Chandansingh Sadhusingh Chandel)  
Chairman  
DIN # 07524839

For Jodh Joshi & Co.  
Chartered Accountants  
F.R. No. 104317W

Sd/-

Sd/-  
(CA Jaydeep Shah)  
Partner  
M No. 041002

(Dr. S.C. Gairola)  
Managing Director  
DIN # 07608559

Sd/-  
(CS Saurav Singh)  
Company Secretary  
A - 22053

Place: Nagpur  
Date: 28/09/2016

Place: Nagpur  
Date: 28/09/2016