



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

Directors during the Financial Year 2015-16 (from 14.05.2015 to 31.03.2016)		
1	Sri Rajeshwar Tiwari, IAS (from 14.05.2015 to 30.10.2015)	Chairman
2	Sri Vikas Raj, IAS (since 31.10.2015)	Chairman
3	Sri Rajesh Mittal, IFS (from 14.05.2015 to 31.07.2015)	Vice Chairman & Managing Director
4	Sri P.K. Sharma, IFS (from 01.08.2015 to 31.10.2015)	Vice Chairman & Managing Director
5	Sri Dwijendra Kumar Pandey, IFS (Since 01.11.2015)	Vice Chairman & Managing Director
6	Sri Mohan Chandra Pargaian, IFS (since 14.05.2015)	Director
7	Sri Prashanth Kumar Jha, IFS (since 28.07.2015)	Director
8	Sri Muthyala Ram Gopal Reddy, IFS (since 28.07.2015)	Director
9	Sri Ram Mohan Rao Gundavarapu (since 28.07.2015)	Director



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Regional Officers

Hyderabad

Other Offices at

Kothagudem, Sathupally, Kagaznagar, Warangal
Hyderabad

Auditors

M/s. S.R. Mohan & CO.
Chartered Accountants,
3th Floor, North Block Raghavaratna Towerss, Chirag
Ali lane, Hyderabad - 500 001.

Bankers

Andhra Bank
Canara Bank
Bank of India
State Bank of Hyderabad
HDFC Bank



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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the “First Annual General Meeting of the Members of the **Telangana State Forest Development Corporation Limited** will be held at the Registered Office of the Corporation at Door No.10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad – 500 004 on Thursday the 28th day of November 2019 at 11 AM to transact the following business.

As ordinary business:

1. To receive, consider and adopt the Directors’ Report on the working of the Corporation for the year ended 31st March, 2016.
2. To receive, consider and adopt Audited Balance Sheet as at 31st March ,2016 and Profit and Loss Account for the year ended 31st March,2016 along with the Statutory Auditors Report, and the Comments thereupon of Comptroller & Auditor General of India.

By Order of the Board of Directors,
For Telangana State Forest Development Corporation Ltd.

Sd/-

(Ponangi Raghuvver, IFS)
Vice Chairman & Managing Director.
DIN: 08385989

(Note: A Member entitled to attend and vote at the Meeting is entitled to appoint another Member as proxy to attend and vote in his place.)

Registered Office:

Door No.10-1-1200, 3rd Floor, UNI Building,
AC Guards, HYDERABAD-500 004, Telangana

Date:13.11.2019



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DIRECTOR'S REPORT

for the year ending 31/03/2016

To
The Shareholders of
Telangana State Forest Development Corporation Ltd.,
Hyderabad

Your Directors have pleasure in presenting the 1st Annual Report of the Company together with Audited Financial Statement and Auditor's Report for the year ended on 31st March, 2016.

FINANCIAL SUMMARY:

The Operational results of the Company have been summarized as follows:

(In Rupees)

Sl. No.	Particulars	2015-16
1.	Revenue from Operation	5,79,04,023
2.	Other Income	5,92,27,280
3.	Total Income	11,71,31,303
4.	Less: Cost of Sales and other expenses	9,41,62,604
5.	Less: Depreciation	18,52,315
6.	Profit before Exceptional Items	2,11,16,384
7.	Add: Exceptional Items	4,14,631
8.	Profit before Tax	2,15,31,015
9.	Less: Income Tax	1,26,35,350
10	Net Profit after Tax	88,95,665

Your directors are positive about the future business.

DIVIDEND:

In order to strengthen the Financial Soundness of the Company, Your directors express their inability to declare any dividend for the financial year 2015-16.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as the Company is incorporated on 14.05.2015 during this financial year.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors are optimistic about company's business and hopeful of better performance in next year. There was no change in the nature of business of company.



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To the Erstwhile Company (APFDCL), the erstwhile Govt. of AP have allotted degraded Forest Lands on lease basis to raise the Plantations to meet the raw material demand of the paper based industries.

After formation of Telangana State, an area of 33,491.69 hectares is in the jurisdiction of the Telangana State. The following Plantation areas are under maintenance and raised by the corporation:

A) Eucalyptus Plantations:

Eucalyptus Plantations over an area of 26,273.29 hectares are raised and maintained under various schemes i.e. Industrial Plantation Project, AP Eucalyptus Plantation Project, MEPP R.R. District Project – Main & Supplementary, MEPP Medak District Project, AP Forestry Project (TP-8) & Clonal Plantations with Internal Resources, Eucalyptus Clonal Plantation Project –GC-I-AB, Eucalyptus Clonal Plantations Project-GC-II BOI & CB and other Misc. species.

During the year Eucalyptus Plantations have been raised over an area of 157.34 Ha. through Internal Resources.

During the year an amount of Rs.63,83,920/- is realized through Eucalyptus Sales.

B) Bamboo Plantations:

An area of 6,777.75 Hectares of Bamboo Plantations was raised and maintained under various schemes i.e. Industrial Plantation Project and Bamboo.

During the year Bamboo sales realized an amount of Rs.4,07,93,586/-

C) Teak Plantations

An area of 347.14 Hectares has been maintained during the year.

D) Cashew Plantations

An area of 93.51 ha. has been maintained under ARDC Cashew Project and World Bank Multi – State Cashew Project.

During the year Cashew sales realized an amount of Rs.17,00,000/-

Eco-Tourism:

During 2001-02 the erstwhile Corporation (APFDCL) was entrusted with the implementation of Biodiversity Conservation and Eco – Tourism in AP by promoting private sector investments and participation on the principles of BOT (Build, Operate & Transfer) in GO Ms. No. 54, EFS&T (FOR. II) Dept. dated 26-6-2001.



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After bifurcation of the State, the Government of Telangana has decided to cancel the following Eco-Tourism projects

1. SKVBR, Botanical Garden - awarded to M/s De Lara Estate Limited Renamed as Delara Tourism Corporation Limited (DTCL) was cancelled vide G.O.Ms.No.54 dt.09.10.2015 of Environment, Forests, Science & Technology (FOR.II) Department.
2. Night Safari & Eco-park - awarded to M/s Trac India (P) Ltd., Hyderabad is cancelled vide G.O.Ms.No.53 dt.09.10.2015 of Environment, Forests, Science & Technology (FOR.II) Department
3. Bird Park Project – awarded to M/s Hyderabad Bird Park & Gardens Pvt. Ltd. is cancelled vide G.O.Ms.No.52 dt.09.10.2015 of Environment, Forests, Science & Technology (FOR.II) Department.

The TSFDC has taken over the above projects areas for further development. The SKVBR Botanical Garden is being operated and maintained by the Corporation, along with other Eco-Tourism projects during the year an amount of Rs.64,50,852/- is realized as revenue.

CAPITAL STRUCTURE:

A) Share Capital:

As per the Govt. of Telangana G.O.Ms.No.14 Dt.22.04.2015 of EFS&T (For.II) Dept., the TSFDCL has been incorporated as a Company on 14.05.2015 with Authorised, Subscribed and Paid up Capital of Rs.1,00,000/- (i.e. 1000 shares @ Rs.100/- each) the details are as follows:

Governor of Telangana State	-	998 Nos.
Special Secretary to Govt., EFS & T Dept.	-	1 No.
Vice Chairman & Managing Director, TSFDCL	-	1 No.

Vide G.O. RT.No.149 Dt.12.08.2015 of EFS&T (For.II) Dept. has sanctioned Rs.1,00,000/- as additional funds under the Scheme “Assistance to Telangana State Forest Development Corporation Limited” and released the amount on 25.01.2016 and same was shown as share capital.

B) Share Capital Suspense:

As per the Demerger Proposals clause no. (9) – upon the scheme becoming effective and in consideration of the Demerger and transfer of the Demerged Undertaking, TSFDCL shall, without further application, issue and allot the 909403 shares to the shareholders i.e. State Govt. – 8,88,563 Nos., Union of India – 20840 Nos.



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As on 31.03.2016 the above mentioned 909403 shares were not allotted and till such time the value is shown in shares suspense account.

So far the Corporation has neither allotted nor issued any shares or share certificates to the Government of Telangana State and Union of India, pending raising the Authorized Capital of the Company.

RESERVES:

The Corporation has evolved a policy for creation of 'Replantation Reserve' @ 25% of the Net Profit for the year rounded off to the nearest thousand to enable the Corporation to raise new plantations after completion of the yielding life of the plantation and 'Fire Insurance Reserve' @ 5% of the net profit for the year rounded off to the nearest thousand as per the directions of NABARD. An amount of Rs.22,24,000/- transferred to Replantation Reserve and Rs.4,45,000/- to Fire Insurance Reserve from the Net Profit of the year. There is no earmarked specific investment against the 'Replantation Reserve' and 'Fire Insurance Reserve'.

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

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

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

CONSERVATION OF ENERGY

The Corporation is raising and maintaining Eucalyptus, Bamboo and Cashew plantations in degraded and denuded forest areas, which is contributing to over all development of ecology and improvement of environment.

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As the Company has not carried on any such activities, the particulars required to be furnished under this head are -Nil-.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY



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The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

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

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

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.

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 A and is attached to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties except the payment of salary and allowances to the Vice Chairman and Managing Director of the Company during the year in the ordinary course of business as defined under section 188 of the Companies Act, 2013.

STATUTORY AUDITORS

M/s. S.R. Mohan & Company, Chartered Accountants, Hyderabad were appointed as statutory auditors of the company by the O/o Comptroller & Auditor General, New Delhi. They have audited the Accounts for the year 2015-16 (from 14.05.2015 to 31.03.2016), the Statutory Auditors Report (Revised) is at Annexure – B

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

- A) There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.
- B) The Comptroller & Auditor General of India have made comments upon the Financial Statements of the Company for the u/s 143(6)(b) of the Companies Act, 2013.



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The replies to the comments of the Comptroller & Auditor General of India Report are furnished alongside the C & AG Report – Annexure – C

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

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted 5 Board meetings on 25/05/2015, 31/07/2015, 27/08/2015, 05/12/2015 and 12/02/2016 during the financial year under review.

Directors:

The following are the change / status in directorship during the year ended 31st March, 2016

Sl. No.	Name of the Director	Appointment/ Cessation /No Change
1	Sri Rajeshwar Tiwari, IAS Prl. Secretary to Government, EFS&T Dept.	Cessation (w.e.f. 30.10.2015)
2	Sri Vikas Raj, IAS, Secretary to Government, EFS&T Dept.	Appointment (w.e.f.31.10.2015)
3	Sri Rajesh Mittal, IFS, Vice Chairman & Managing Director, TSFDCL	Cessation (w.e.f. 31.07.2015)
4	Sri P.K. Sharma, IFS, Vice Chairman & Managing Director, TSFDCL	Appointment (w.e.f.01.08.2015) Cessation (w.e.f. 30.11.2015)
5	Sri Dwijendra Kumar Pandey, IFS, Vice Chairman & Managing Director	Appointment (w.e.f.01.11.2015)
6	Sri Mohan Chandra Pargaien, IFS, Spl. Secretary (Forests) to Government, EFS&T Dept.	No Change
7	Sri Prashanth Kumar Jha, IFS, Addl. Prl.CCF (Prod.), Forest Department	Appointment (w.e.f.28.07.2015)
8	Sri Muthyala Ram Gopal Reddy, IFS, Addl.PCCF, MoEFF, SeZ, Chennai	Appointment (w.e.f.28.07.2015)
9	Sri Ram Mohan Rao Gundavarapu, Deputy Secretary to Government, Finance Department	Appointment (w.e.f.28.07.2015)



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SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

DEPOSITS:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no Director who was appointed/ceased/rejected/reappointed during the year under review. Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP).

DIRECTOR'S RESPONSIBILITY STATEMENT:

We the Directors confirm:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. that we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that we have prepared the annual accounts on a going concern basis.
- e. that the Company is being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- f. that we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors do not apply to the company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS



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The Company has in place an adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

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, however Company Constituted Audit Committee with (3) Directors including Vice Chairman & Managing Director as Chairman of the Committee.

MAINTENANCE OF COST RECORDS

Company has not been mandated maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are not prepared and maintained.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. The Company yet to constitute Sexual Harassment Committee. During the year no complaints were received on Sexual Harassment.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

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.



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The Directors wish to place on record their appreciation of the dedication and efforts put in by the employees of the Company at all levels.

For and on Behalf of Board of Directors

Place: Hyderabad,

Date: 13th November, 2019.

Sd/-

PONANGI RAGHUVeer
VICE CHAIRMAN & MANAGING DIRECTOR
DIN: 08385989

Sd/-

SWARGAM SRINIVAS
DIRECTOR
DIN: 01592365



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ANNEXURE-A FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

(as on financial year ended on 31-03-2016)

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:

CIN	U02005TG2015SGC098892
Registration Date	14-05-2015
Name of the Company	TELANGANA STATE FOREST DEVELOPMENT CORPORATION LIMITED
Category/Sub-category of the Company	Company Limited by Shares State Government Company
Address of the Registered office & contact details	3 rd Floor, UNI Building, 10-1-1200, AC Guards, Hyderabad – 500004, Telangana, India
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Eucalyptus Pulpwood	02109	11.02
2	Sale of Bamboo	01293	70.45
3	Eco-Tourism	91030	11.14

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name of the company	CIN/GLN	Holding/Su bsidiary/As sociate	% of Shares held	Applica ble Section
1	NIL	NIL	NIL	NIL	NIL



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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 14-May-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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Government	--	--	--	--	--	--	--	--	--
c) State Government(s)	--	1000	1000	100%	--	1000	1000	100%	--
d) Bodies Corporate	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)	--	1000	1000	100%	--	1000	1000	100%	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / Financial Institutions	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	--	--	---	--	--	--	--	--	--
ii) Overseas	--	--	---	--	--	--	--	--	--
b) Individuals									
c) Others (specify)									
Non Resident Indians	--	--	---	--	--	--	--	--	--



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Sub-total (B)(2):-	--	--	---	--	--	--	--	--	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	--	1000	1000	100%	--	1000	1000	100%	--

B. Shareholding of Promoters

Sl. No	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	Government of Telangana	1000	<i>100%</i>	--	1000	100%	--	--

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

Sl. No.	Shareholding of each Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

D. Shareholding Pattern of top ten Shareholders:

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

Sl. No.	For Each of The Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares Of The Company	No. of Shares	% of Total Shares of The Company
NIL					



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E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Director	Shareholding at the beginning of the year		Cumulative Shareholding during year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Government of Telangana represented by Vice Chairman & Managing Director				
	At the beginning of the year	1	0.10	1	0.10
	Increase/(Decrease) during the year	0	0	0	0
	At the end of the year	1	0.10	1	0.10

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	3,45,08,765	--	3,45,08,765
ii) Interest due but not paid	--	18,23,30,718	--	18,23,30,718
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	21,68,39,483	--	21,68,39,483
Change in Indebtedness during the financial year				
* Addition	--	25,92,159	--	25,92,159
* Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	3,45,08,765	--	3,45,08,765
ii) Interest due but not paid	--	18,49,22,877	--	18,49,22,877
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	21,94,31,642	--	21,94,31,642



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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. No.	Particulars of Remuneration	Sri Rajesh Mittal, IFS, VC & MD	Sri D.K. Pandey, IFS VC & MD	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,46,915	5,92,830	15,39,745
	(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 – Reimbursement of Medical Expenses	1,12,273	--	1,12,273
	Total (A)	--	--	--
	Ceiling as per the Act	--	--	--

B. REMUNERATION TO OTHER DIRECTORS:-Nil-

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil



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Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on Behalf of Board of Directors

Place: Hyderabad,

Date: 13th November, 2019.

Sd/-

PONANGI RAGHUVeer
VICE CHAIRMAN & MANAGING DIRECTOR
DIN: 08385989

Sd/-

SWARGAM SRINIVAS
DIRECTOR
DIN: 01592365



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

INDEPENDENT AUDITORS' REPORT

To the Members of M/S. **Telangana State Forest Development Corporation Limited**

We are issuing this revised report to comply with the observations made by the Comptroller and Auditor General of India with regards to "Annexure-C" which is referred in paragraph 6(2) (g) i.e. report under Sec 143(5) of Companies Act, 2013 and consequential changes in paragraph 1 (c) of Annexure A to our Report. This Independent Auditor's Report supersedes our report issued on 28.12.2017.

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/S. Telangana State Forest Development Corporation Limited, ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

2. Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounting) 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. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 thereunder.

We conducted our audit in accordance with the standards on auditing 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.



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An audit involves performing procedures to obtain evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies 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 standalone 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 accordance with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet of the state of affairs as at March 31,2016;
- (ii) in the case of Statement of Profit and Loss of PROFIT for the period ended on that date; and
- (iii) in the case of Cash Flow Statement of its cash flow for the period ended on that date.

5. Emphasis of Matters:

We draw the attention to:

- i) Note no.26A of the Standalone financial statements regarding Beedi leaves cash balances lying with Andhra Pradesh Forest Development Corporation Limited (APFDCL) and dispute raised by it on sharing of Beedi Leaves cash and bank balances.
- ii) Note no.26B of the standalone financial statements, where in it is stated that prior to incorporation of the Company and after demerger of APFDCL the books of accounts were not adopted by the members of APFDCL and the opening balances were adopted from un-adopted accounts.
- iii) Note no. 26D of the standalone financial statements regarding Share capital suspense where the company neither allotted nor issued any shares or share certificates to the Government of Telangana and Union of India, pending raising the Authorized capital of the Company.
- iv) Note no. 31 of the standalone financial statements regarding not providing interest in the books of account on Interest payable to State government on Bridge loan given by the Government of Andhra Pradesh.
- v) Note no. 35 of the standalone financial statements regarding suspension of contracts by the Company, based on legal opinion, the company not provided the claim amount of



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Rs.65,66,36,842/-. And the assets created with those claim amounts were also not brought in to the books.

Our Opinion is not modified in respect of the above matters.

6. Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 (the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the Paragraph 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 the Cash Flow Statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014

(e) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act

(f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;

(g) With respect to Directions issued by the Comptroller and Auditor General of India under section 143(5) we give our report in Annexure C : and

(h) With respect to other matters to be included in the Auditors' 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 vide Note no.27 and 38 of Notes 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.



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(iii) According to the records of the Company, no amount is required to be transferred to the Investor Education and Protection Fund during the reporting period.

Place: Hyderabad

Date: 27/05/2019.

For S.R. MOHAN&CO.

Chartered Accountants

FR No:002111S

Sd/-

(B. BRAHMANANDAM)

M. No:020026

Partner



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 6 (1) of Independent Auditors' Report to the Members of M/S. Telangana State Forest Development Corporation Limited. On the standalone financial statements for the period ended on March 31, 2016

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

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified at the period end and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company, except the following:

Nature of Asset	Value	Reasons
3 Acres 6 Guntas Land at Aziznagar, Moinabad, Rangareddy	Rs.63,00,000/-	Allotted under Demerger Scheme by the AP Forest Development Corporation. Title to the Land is yet to be received.
2.96 Guntas Land at Subbanapalli, Khammam Dist	Rs.450/-	Allotted under Demerger Scheme by the AP Forest Development Corporation. Title to the Land is yet to be received.
1 Acres 12 Guntas Land at Pambapur, Warangal Dist	Rs.6,539/-	Allotted under Demerger Scheme by the AP Forest Development Corporation. Title to the Land is yet to be received.
2 Acres 35 Guntas Land at Laxmidevipet, Warangal Dist.	Rs.2 1,600	Allotted under Demerger Scheme by the AP Forest Development Corporation. Title to the Land is yet to be received.
5 Guntas Land at Sathupalli, Khammam Dist	Rs.325/-	Allotted under Demerger Scheme by the AP Forest Development Corporation. Title to the Land is yet to be received.

2. The Inventory of finished goods, raw materials, stores, spare parts, except those in transit and with third parties have been physically verified by the management at the period end. We



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consider that the frequency of the verification is reasonable, having regard to the nature of business and size of the Company. No material discrepancies were noticed on physical verification.

3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
4. According to the information and explanations given to us, the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees are not applicable to the Company.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the reporting period and hence compliance with the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended with regard to acceptance of deposits are not applicable to the Company.
6. The company is not required to maintain cost records under sub-section (1) of Section 148 of Companies Act, 2013.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, and Sales Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it to the appropriate authorities. According to the records of the Company and information and explanations given to us none of these undisputed taxes are in arrears as at March 31, 2016 for a period exceeding six month from the date they become payable.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax which have not been deposited on account of any dispute.
8. According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, government and the Company has not issued any debentures.
9. The Company has not raised any money by way of initial public offer or further public offer or by way of term loans during the period , hence clause (ix) of Companies (Auditor's Report) Order, 2016 (CARO) is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company was discovered during the period. A fraud on the Company by its officers has been noticed during the reporting period for an amount of Rs. 1,50,000/- the details of which were disclosed in Note no.48 of the Standalone financial statements.



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11. Provision of Section 197 of the Companies Act, 2013 is not applicable to the Company and hence clause (xi) of CARO is not applicable.
12. The Company is not NIDH1 company .hence clause (xii) of CARO is not applicable to the Company
13. According to the information and explanations furnished to us, and based on our examination of books and records, we are of the opinion that all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per applicable Accounting Standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the reporting period.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the reporting period and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act.

Place: Hyderabad

Date: 27/05/2019.

For S.R. MOHAN&CO.

Chartered Accountants

FR No:002111S

Sd/-

(B. BRAHMANANDAM)

M. No:020026

Partner



ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 6 (2) (f) of Independent Auditors' Report to the Members of M/S. Telangana State Forest Development Corporation Limited On the standalone financial statements for the period ended on March 31, 2016

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of M/S. Telangana State Forest Development Corporation Limited (the Company) as at March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

2. Management's Responsibility:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of 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, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditor's 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" (Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements, whether due to fraud or error.



Telangana State Forest Development Corporation Limited.

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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 over financial reporting.

4. 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 expenditure of the company are being made only in accordance with authorisations of management and directions 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 material effect on the financial statements.

5. 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Hyderabad

Date: 27/05/2019.

For S.R. MOHAN&CO.

Chartered Accountants

FR No:002111S

Sd/-

(B. BRAHMANANDAM)

M. No:020026

Partner



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

ANNEXURE-C TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 6 (2) (g) of Independent Auditors' Report to the Members of M/S. Telangana State Forest Development Corporation Limited On the standalone financial statements for the period ended on March 31. 2016

Report under Section 143(5) of the Companies Act, 2013

Direction	Report	Impact	
Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The availability of clear title deeds in respect of following lands allocated under demerger scheme is in the name of Andhra Pradesh State Forest Development Corporation Ltd that is yet to be transferred in the name of Telangana State Forest Development Corporation Ltd.	Nil	
	Land at Aziznagar, Moinabad, Rangareddy		3 Acres 6 Guntas
	Land at Subbanapalii, Khammam Dist		2.96 Guntas
	Guntas Land at Pambapur, Warangal Dist		1 Acres 12 Guntas
	Land at Laxmidevipet, Warangal Dist.		2 Acres 35 Guntas
	Land at Sathupalli, Khammam Dist		5 Guntas
Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved	According to the information and explanations furnished to us and based on our examination of books, we are of the opinion that no debt or loan or interest was waived or written off during the year.	Nil	
Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	According to the information and explanations furnished to us and based on our examination of books, the company does not have any inventories lying with third parties as on 31.03.2016 and the company did not receive any gift/grants from Government or other authorities during the period.	Nil	

Place: Hyderabad
Date: 27/05/2019.

For S.R. MOHAN&CO.
Chartered Accountants
FR No:002111S
Sd/-
(B. BRAHMANANDAM)
M. No:020026
Partner



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

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 TELANGANA STATE FOREST DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016.

.The preparation of the financial statements of the Telangana State Forest Development Corporation Limited for the year ended 31 March 2016 in accordance with financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (7) of the Companies Act are responsible for expressing opinion on the financial statements under Section 143 of the Act 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 revised Audit Report dated 27.05.2019.

I. on behalf of the Comptroller & Auditor General of India, have conducted a supplementary audit of the financial statements of The Telangana State Forest Development Corporation Limited for the year ended 31 March 2016 under Section 143(6)(a) of the Act. 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 Act 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.

1 Financial Statements.

Consequent on bifurcation of erstwhile state of Andhra Pradesh on 02.06.2014. Andhra Pradesh Forest Development Corporation Limited (APFDCL) prepared the accounts for the period from 02.06.2014 to 31.03.2015. The accounts comprised two parts, segregating operational units of Telangana and Andhra Pradesh (AP). However, in respect of Beedi Leaf (BL Account). APFDCL included the entire amount of Rs.71.19 crore as on 01.06.2014 in its own operational unit accounts. TSFDCL did not accept the accounts on this account.

Telangana State Forest Development Corporation Limited (TSFDCL) was incorporated on 14.05.2015. TSFDCL prepared the accounts for the period from 14.05.2015 to 31.03.2016 by incorporating the amount of Rs.51.30 crore in the exhibited BL Account as its opening balance on 21.07.2015 (vide Note.41). In the absence of related records, supporting accounts of opening balances of BL funds, Audit could not verify its correctness.



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

BALANCE SHEET Non-Current liabilities

2. Long Term Borrowings (Note No 5) - ₹ 1.09 crore.

Unsecured Loans

Exploitation Balance - ₹ 1.00 Crore

Under demerger scheme the balance of exploitation amount of ₹ 1.00 crore allocated to TSFDCL was treated as loan till the same is adjusted against the equity of the Government in the schemes to be taken up by the Corporation. The Government had advised the erstwhile company (APFDCL) for payment of interest @ 12 percent per annum on the Balance of Exploitation amount from 1993-94 onwards. However, no provision has been made towards interest of ₹ 2.78 crore on exploitation amount stating that the Government was requested to treat the amount as equity.

Non provision has resulted in understatement of 'Finance Cost - interest on loans" and 'Nun-current liabilities-Long term Borrowings' by ₹ 2.78 crore and consequent overstatement of profit by similar amount.

For and on behalf of the
Comptroller and Auditor General of India
Sd/-

Place : Hyderabad

(SUDHA RAJAN)

Date : 1-10-2019

Accountant General (Audit)



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

REPLIES TO THE COMMENTS OF COMPTROLLER AND AUDITOR GENERAL

COMMENT	REPLY
<p>1. Financial Statements</p> <p>Consequent on bifurcation of erstwhile state of Andhra Pradesh on 02.06.2014, Andhra Pradesh Forest Development Corporation Limited (APFDCL) prepared the accounts for the period from 02.06.2014 to 31.03.2015. The accounts comprised two parts, segregating operational units of Telangana and Andhra Pradesh (AP). However, in respect of Beedi Leaf (BL Account), APFDCL included the entire amount of Rs.71.19 crore as on 01.06.2014 in its own operational unit accounts. TSFDCL did not accept the accounts on this account.</p> <p>Telangana State Forest Development Corporation Limited (TSFDCL) was incorporated on 14.05.2015. TSFDCL prepared the accounts for the period from 14.05.2015 to 31.03.2016 by incorporating the amount of Rs.51.30 crore in the exhibited BL Account as its opening balance on 21.07.2015 (vide Note. 41). In the absence of related records, supporting accounts of opening balances of BL funds, Audit could not verify its correctness.</p>	<p>After incorporation of Company (TSFDCL) the Government of Telangana appointed TSFDCL as agent for implementation of Beedi Leaf Scheme for the 2015 season. An amount of Rs.51.30 crore revenue received from the Beedi Leaf sales for the period from 14.05.2015 to 31.03.2016 is shown as Beedi Leaf Revenue received (vide Note. 41) and TSFDCL not shown any opening Cash & Bank Balances.</p> <p>As per the decision of the Expert Committee constituted for the purpose of Demerger of IX Schedule Companies / Institutions, the Beedi Leaf amounts receivable from the APFDCL as on 21.05.2015 for an amount of Rs.51.02 crores is shown in Current Assets as Due from APFDCL.</p>
<p>2. BALANCE SHEET</p> <p>Non-Current liabilities</p> <p>Long Term Borrowings (Note No.5) ₹1.09 crore</p> <p>Unsecure Loans</p>	



Telangana State Forest Development Corporation Limited.

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Exploitation Balance - ₹ 1.00 Crore

Under demerger scheme the balance of exploitation amount of ₹ 1.00 crore allocated to TSFDCL was treated as loan till the same is adjusted against the equity of the Government in the schemes to be taken up by the Corporation. The Government had advised the erstwhile company (APFDCL) for payment of interest @ 12 percent per annum on the Balance of Exploitation amount from 1993-94 onwards. However, no provision has been made towards interest of ₹ 2.78 crore on exploitation amount stating that the Government was requested to treat the amount as equity.

Non provision has resulted in understatement of 'Finance Cost – interest on loans' and 'Non-Current liabilities –Long term Borrowings' by ₹ 2.78 crore and consequent overstatement of profit by similar amount.

The interest payable on Exploitation Balance payable to Govt. @ 12% PA was already requested by the erstwhile Corporation (APFDCL) for waiver in the year 1999-2000 as indicated in Note No. 21 Forming part of Accounts of APFDC Ltd. The Loan was also requested to be adjusted against the Equity in the Bamboo Plantation Project taken up by the Corporation as indicated in Note No. 22 of 2000-2001 Annual Report of AP Forest Development Corporation Ltd.

The fact of non provision of interest on Exploitation balance payable to the Government has been clearly indicated in the Note No.32 under the notes forming part of accounts and we have also mentioned in the same note that the Corporation has to receive a Compensation of Rs.6.91 Crore for the Cashew estate of Naramvariguda handed over to the Government and repeatedly reminding the Government to adjust the Exploitation balance payable and other dues to Government from the Compensation receivable.

We will take up again with the Government of Telangana for necessary adjustments from the Cashew Plantation Compensation payable to the Company and necessary adjustments will be made after hearing from the Government.



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TELANGANA STATE FOREST DEVELOPMENT CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31. 03. 16 Rs.
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	2	100000
(b) Share Capital suspense Account	3	90940300
(c) Reserves & Surplus	4	1816864697
(2) Non-Current Liabilities		
(a) Long Term Borrowings	5	10967247
(b) Deferred Tax Liability (Net)	6	0
(c) Long Term Provisions	7	26784924
(3) Current Liabilities		
(a) Trade Payables	8	239030
(b) Other Current Liabilities	9	1263166250
(c) Short Term Provisions	10	15463919
TOTAL		3224526367
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	11	15798841
(ii) Capital Work-in-Progress		0
(b) Long Term Loans & Advances	12	3282282
(2) Current Assets		
(a) Inventories	13	1455701634
(b) Trade Receivable	14	1830706
(c) Cash and Cash Equivalents	15	1201578795
(d) Short Term Loans and Advances	16	1901878
(e) Other Current Assets	17	544432231
TOTAL		3224526367

Notes forming part of financial statements 1 to 53

VIDE OUR REPORT OF EVEN DATE
for M/S S R MOHAN & COMPANY
CHARTERED ACCOUNTANTS
Firm Regn. No. 002111S

Sd/-

(B.BRAHMANANDAM)
PARTNER
Membership No. 020026

Sd/-

(K.VIJAYA SWETHA)
DY.FINANCIAL
CONTROLLER

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

Sd/-

(CHANDAN MITRA,IFS)
VICE CHAIRMAN &
MANAGING DIRECTOR

(M.PRUDHVI RAJU,IFS)
DIRECTOR

Place: Hyderabad
Date :28.12.2017



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

TELANGANA STATE FOREST DEVELOPMENT CORPORATION LIMITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

Particulars	Note No.	Current Year	
		Rs.	Rs.
1	2		31. 03. 16
I. Revenue from operations	18		57904023
II. Other Income	19		59227280
III. Total Revenue (I +II)			117131303
IV. <u>Expenses:</u>			
Cost of Sales	20	31913848	
Changes in Inventories of finished goods	21	-11115977	
Other Expenses	22	13166553	
Employee Benefit Expenses	23	82880559	
Finance Cost	24	7201213	
		124046196	
Less: Expenditure transferred to Nursery & Plantation		29883592	
			94162604
Depreciation and amortization expenses	11		1852315
TOTAL			96014919
V. Profit before exceptional and extraordinary items and tax (III - IV)			21116384
VI. Exceptional Items	25		414631
VII. Profit before extraordinary items and tax (V + VI)			21531015
VIII. Extraordinary Items			-
IX. Profit before tax (VII - VIII)			21531015
X. Tax expenses: (refer Note No.28)			
- Current Tax			12635350
- Deferred Tax			-
XI. Profit for the year from continuing operations (IX - X)			8895665
XII. Profit / Loss from discontinuing operations			-
XIII. Tax expense of discontinuing operations			-
XIV. Profit / Loss from discontinuing operations (XII - XIII)			-
XV. Profit for the year (XI + XIV)			8895665
Earning per equity share:			
(1) Basic			8896
(2) Diluted			10
Notes forming part of financial statements	1 to 53		

**VIDE OUR REPORT OF EVEN DATE
for M/S S R MOHAN & COMPANY
CHARTERED ACCOUNTANTS
Firm Regn. No. 002111S**

**Sd/-
(B.BRAHMANANDAM)
PARTNER
Membership No. 020026
Place: Hyderabad
Date :28.12.2017**

**Sd/-
(K.VIJAYA SWETHA)
DY.FINANCIAL
CONTROLLER**

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

**Sd/-
(CHANDAN MITRA,IFS)
VICE CHAIRMAN &
MANAGING DIRECTOR
(M.PRUDHVI RAJU,IFS)
DIRECTOR**



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

TELANGANA STATE FOREST DEVELOPMENT CORPORATION LIMITED

	Rs.	31. 03. 16 Rs.
NOTE NO. 2		
SHARE CAPITAL (refer note no.26 C)		
Equity Share Capital		<u>100000</u>
- Authorised Share Capital 1000 Equity Shares of Rs.100/- each		100000
- Issued, Subscribed & Fully paid share capital		<u>100000</u>
TOTAL		<u>100000</u>
Reconciliation of number of Equity Shares:		No. of Shares
As at the beginning of the year		-
Issued During the Year		1000
As at the End of the year		1000
	No. of Shares	% of holding
List of Shareholders holding more than 5%		
Name of the Shareholder		
Government of Telangana	1000	100
Equity shares rank parripassu in all respects including dividend and voting rights		
NOTE NO. 3		
SHARE CAPITAL SUSPENS ACCOUNT (refer Note No.26 (D))		<u>90940300</u> <u>90940300</u>
NOTE NO. 4		
RESERVES & SURPLUS		
a) Replantation Reserve		
Allocated under Demerger Scheme as at 01.06.14	433728749	
Result of transactions from 02.06.14 to 31.03.15	19172000	
Result of transactions from 01.04.15 to 13.05.15	0	
Transfer from Profit & Loss Account	<u>2224000</u>	455124749
b) Fire Insurance Reserve		
Allocated under Demerger Scheme as at 01.06.14	86744833	
Result of transactions from 02.06.14 to 31.03.15	3834000	
Result of transactions from 01.04.15 to 13.05.15	0	
Transfer from Profit & Loss Account	<u>445000</u>	91023833
c) Profit and loss account		
Allocated under Demerger Scheme as at 01.06.14	1217801639	
Result of transactions from 02.06.14 to 31.03.15	53682224	
Result of transactions from 01.04.15 to 13.05.15	-6994413	
Profit for the year	<u>8895665</u>	
	1273385115	
Less: transfer to Replantation Reserve	2224000	
transfer to Fire Insurance Reserve	<u>445000</u>	1270716115
TOTAL		<u>1816864697</u>



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

TELANGANA STATE FOREST DEVELOPMENT CORPORATION LIMITED

	As at 31. 03. 16
NOTE NO. 5	Rs.
LONG TERM BORROWINGS	
UNSECURED LOANS	
Interest accrued and due on Govt. Loan (refer Note No.31)	944457
Exploitation Balance (refer Note No.32)	10022790
TOTAL	<u>10967247</u>
NOTE NO. 6	
Deferred Tax	
Deferred Tax Liability	-
NOTE NO. 7	
LONG TERM PROVISIONS	
Provision for encashment of EL (Refer Note No.39)	21853033
Provision for Gratuity (refer note no.39)	4931891
TOTAL	<u>26784924</u>
NOTE NO. 8	
TRADE PAYABLES	
- Creditors for Supplies (refer Note No.46)	239030
TOTAL	<u>239030</u>
NOTE NO. 9	
OTHER CURRENT LIABILITIES	
Current maturities of Long Term Debt	
Loan under AP Forestry Project (refer Note No.33)	24485975
Interest Payable on APFP	183978420
Creditors for Expenses	11044296
Beedi Leaves Account (refer Note No.41)	992701598
Deposits Received	3177905
Advances received from Customers	820227
Other Liabilities	45990321
Due to APFDC	967508
TOTAL	<u>1263166250</u>
NOTE NO. 10	
SHORT TERM PROVISIONS	
Provision for Bonus	262779
Provision for encashment of EL (Refer Note No.39)	2062492
Provision for Gratuity (refer note no.39)	503298
Provison For Current Tax	12635350
TOTAL	<u>15463919</u>



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

NOTE NO. 11

TS FIXED ASSETS

Particulars	Usefull life in years	GROSS BLOCK						DEPRECIATION BLOCK						NET BLOCK		
		Additions under Demerger Scheme (Rs.)	Additions during Pre incorporation (Rs.)	Additions during the period (Rs.)	Adjustment / Sales Pre incorporation (Rs.)	Adjustment / Sales during the period (Rs.)	Total as on 31-03-2016 (Rs.)	Depreciation under Demerger Scheme	Depreciation during pre incorporation (Rs.)	Depreciation during the period (Rs.)	Adjustment / Sales Pre incorporation (Rs.)	Adjustment / Sales during the period (Rs.)	Up to 31-03-16 (Rs.)	As on 31-03-2016 (Rs.)	As on pre incorporation	As per Demerger Scheme
Land		6328914	0				6328914	0	0			0	6328914	6328914	6328914	
Buildings	30	5879228	0	1928652			7807880	4036450	480338	158178		4674966	3132914	1362440	1842778	
Mist Chambers	10	16639327	0				16639327	14533271	537969	431717		15502957	1136370	1568087	2106056	
Mist Chambers Equipment	5	29030784	0				29030784	27474981	203776			27678757	1352027	1352027	1555803	
Computers	3	2353052	168400	292600			2814052	2224112	100979	216543		2541634	272418	196361	128940	
Oil Engines,pumpsets & Machinery	15	1457229	0				1457229	1369724	22128	13763		1405615	51614	65377	87505	
Nursery, Logging Equipment,etc.	15	780552	0				780552	714032	11843	9290		735165	45387	54677	66520	
Electrical Fittings	10	598132	0	71950			670082	436797	56938	31561		525296	144786	104397	161335	
Office Equipment	5	2021894	27290	16400			2065584	1504019	349348	64917		1918284	147300	195817	517875	
Wells	15	1041609	0	693310			1734919	672301	73210	91565		837076	897843	296098	369308	
Furniture & Fixtures	10	1209524	104342	44948			1358814	1117605	36614	49416		1203635	155179	159647	91919	
Motor Vehicles	8	6962952	0	1950015			9094579	5534937	508637	785100		6976514	2118065	919378	1428015	
Tractors, Trailors, etc.	8	814663	0				814663	797445	930	265		798640	16023	16288	17218	
Lorries	8	1046959	0				186651	1046948	0			186650	1	11	11	
Cycles		6089	0				0	6073	0			-6073	0	32	16	
Library Books		15356	0				0	15175	0			-15175	0	362	181	
Roads		242391	0				242391	242391	0			242391	0	0	0	
Total		76428655	300032	4997875	168549	-866690	81028421	61726261	2382710	1852315	134972	-866678	15798941	12619913	14702394	

CAPITAL WORKS - IN - PROGRESS:

Buildings, Wells	0
Aside Expenses	0
Total	0



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

	Rs.	As at 31. 03. 16 Rs.
NOTE NO. 12		
LONG TERM LOANS AND ADVANCES		
(Secured considered good)		
House Building Loan		538696
(Considered good for which the Company holds security against hypothecation of assets acquired)		
Motor Vehicle Loan	199510	
Less: Provision for Bad & Doubt full Debts	<u>-</u>	199510
(Considered good for which the Company holds security against hypothecation of assets acquired)		
(Unsecured considered good)		
Staff Loans	60342	
Less: Provision for Bad & Doubt full Debts	<u>-</u>	60342.00
(Unsecured considered good)		
Due from staff	2483734	
Less: Provision for Bad & Doubt full Debts	<u>-</u>	2483734
(Unsecured considered doubtful)		
Due from staff	549750	
Less: Provision for Bad & Doubt full Debts	<u>549750</u>	-
TOTAL		<u><u>3282282</u></u>

NOTE NO. 13

INVENTORIES :

(As Certified by the management)		
Closing Stock of Finished Material		15062146
Fertilisers, Pesticides , Nursery, etc. (at cost)		10426305
Nursery & Plantations:		
Bamboo Plantations	65743473	
Teak Plantations	7777365	
Eucalyptus Plantations	1356692345	
TOTAL		<u><u>1430213183</u></u>
		<u><u>1455701634</u></u>

NOTE NO. 14

TRADE RECEIVABLES

(Unsecured, Considered Good)		
- Debts outstanding for a period exceeding six months		1830706
(Unsecured, Considered Doubtfull)		
- Debts outstanding for a period exceeding six months	434215.00	
Less: provision	<u>-434215.00</u>	-
TOTAL		<u><u>1830706</u></u>

NOTE NO. 15

CASH AND BANK BALANCES

Cash on Hand		340
- Balance with scheduled banks in Current Accounts		12,26,24,484



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

	Rs.	As at 31. 03. 16
- BL TRADE Balance with scheduled banks in Current Accounts		312946971
Short Term Deposits with scheduled Banks		596507000
BL TRADE Short Term Deposits with scheduled Banks		169500000
TOTAL		<u>1201578795</u>

NOTE NO. 16

SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Staff Advances & Loans

359888

Less: Provision for bad & doubtful debts

-

359888

Advance for Purchases

2306490

Less: Provision for Adv. For purchase of Tractors

764500

1541990

TOTAL

1901878

NOTE NO. 17

OTHER CURRENT ASSETS

(Unsecured, Considered Good)

Interest Receivable

11943488

Deposits

27504

Rental Advances

42545

TDS Receivable

2403216

Prepaid Expenses

567297

Due from APFDC

Beedi Leaf Funds receivable from APFDC (Note No.41)

510254627

Advance Tax

16200000

Others

2993554

(Unsecured, Considered doubtful)

Cash Embezzlement

150000

Less: Provision for Cash Embezzlement

150000

0

TOTAL

544432231

NOTE NO. 18

REVENUE FROM OPERATIONS

A) Sale of Products

Eucalyptus

6383920

Bamboo

40793586

Cashew (refer Note No.34)

1700000

Miscellaneous

2575665

B) Sale of Services

Euco-Tourism

6450852

TOTAL

57904023

NOTE NO. 19

OTHER INCOME

Interest on Term Deposits

51725777



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

As at
31. 03. 16

Rent on Buildings	11000
Miscellaneous Income (refer Note No.30)	7490503
TOTAL	59227280

NOTE NO. 20

COST OF SALES

Maintenance of Plantations	7230328
Harvesting, Processing & Selling expenses	14093368
Cost of Plantations Written off	10590152
TOTAL	31913848

NOTE NO. 21

INCREASE / DECREASE IN INVENTORIES

Opening Stock	3946169
Less: Closing Stock	15062146
TOTAL	-11115977

NOTE NO. 22

OTHER EXPENSES

Rent	1149193
Rates & Taxes	-
Travelling Expenses	1163056
Motor Vehicle Expenses	1695995
Printing & Stationery	532662
Postage, Telegrams & Telephones	455428
Advertisements	3285779
Registration & Renewals	3876
Repairs & Maintenance	193075
Insurance	113445
Electricity & Water	501028
Coolie, Carriage & Freight	1584
Audit Fees (refer note No.43)	188800
Audit Expenses	5588
Consultancy / Legal Expenses	2222876
General Expenses	739668
Cash embezzlement	150000
Advn. For purchases of Tractors	764500
TOTAL	13166553

NOTE NO. 23

EMPLOYEE BENEFIT EXPENSES

Salaries & Allowances (salaries includes managerial remuneration)	75035629
Provident Fund	5592924
Staff Welfare Expenses	915201
Staff Recruitment & Training	204000



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

Provision for Bonus	262779
Provision for encashment of EL	-
Gratuity	870026
TOTAL	<u><u>8288059</u></u>

NOTE NO. 24 FINANCE COST

Interest on Loans	2592159
Interest on Beedi leaves Deposits	4609054
TOTAL	<u><u>7201213</u></u>

NOTE NO. 25

EXCEPTIONAL ITEMS

Excess EL Provision written back	-
Excess Gratuity provision written back	-
Prior Period Expenses (refer Note No.40)	104818
Less: Prior Period Income	<u>2760</u>
	102058
Profit on sale of assets	<u>516689</u>
TOTAL	<u><u>414631</u></u>



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

Telangana State Forest Development Corporation Limited Cash Flow Statement (Indirect Method) For the period ended 31.03. 2016

	Particulars	31.03.2016
A	Cashflow from Operating Activities :	
	Profit before Taxation	21531015
	Add: Depreciation	1852315
	Add: Loss of Assets	0
	Add: Interest Paid	0
	Less: Profit on Sale of Assets	-516689
	Less: Interest Income	-51725777
	Cashflow before Working Capital Adjustments	-28859136
	Working Capital Adjustments	
	(Increase)/ Decrease in Receivables	-706356
	(Increase)/ Decrease in Inventories	-51259958
	(Increase)/ Decrease in Other Current Assets	254251929
	Increase / (Decrease) in Current Liabilities	520381391
	Increase / (Decrease) in Provisions	
Cash generated from Operations	693807870	
Less: Taxation paid	12635350	
Net Cashflow from Operating Activities	681172520	
B	Cashflow from Investing Activities :	
	Purchase of Fixed Assets	-4997875
	Sale of Fixed assets/ condemned	516700
	Decrease in Capital work in progress	0
	Interest received	52862560
Net Cashflow from Investing Activities	48381385	
C	Cashflow from Financing Activities :	
	Share Capital received	100000
	Increase / Decrease in Long term provisions	-5292568
	Increase / Decrease in Long term loans & advances	1404361
	Repayment of Loans	0
	Interest Paid	0
	Net Cashflow from Financing Activities	-3788207
	Net Cashflow	725765698
Cash and Cash equivalent at the beginning	475813097	
Cash and Cash equivalent at the end	1201578795	

VIDE OUR REPORT OF EVEN DATE
for M/S S R MOHAN & COMPANY
CHARTERED ACCOUNTANTS
Firm Regn. No. 002111S

Sd/-
(B.BRAHMANANDAM)
PARTNER
Membership No. 020026

Place: Hyderabad
Date :28.12.2017

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

Sd/-
(K.VIJAYA SWETHA)
DY.FINANCIAL
CONTROLLER

Sd/-
(CHANDAN MITRA,IFS)
VICE CHAIRMAN &
MANAGING DIRECTOR
(M.PRUDHVI RAJU,IFS)
DIRECTOR



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE NO. 1

Disclosure of Accounting Policies:

a) General

The financial statements are prepared under the historical cost convention and comply in all material respects with the mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 ('the act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the same is prepared on a going concern basis.

Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.

b) Fixed Assets

Fixed Assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and resulting gains and losses are included in the profit and loss account.

c) Depreciation:

Depreciation on Fixed Assets is charged as per the schedule II of the Companies Act 2013.

Both the Methods have been followed by the company:

WRITTEN DOWN VALUE METHOD:

Depreciation is provided as per written down value method at the rates prescribed by Part "C" of Schedule II to the Companies Act 2013 except in the case of Roads which are being depreciated at the rate of 100% as most of the Roads are katcha approach paths to plantations and the life Wells is taken as 15 years, most of the Wells are for plantation purposes.

The acquisition cost of each item whose value is Rs.5,000/- or below in respect of all the assets will be fully depreciated.

STRAIGHT LINE METHOD:

Mist Chambers:

For Mist Chambers with civil works and other accessories - 9.50% (Life of 10 Years).

Mist Chambers Equipment:

For MS Trays, Stands and PP Tubets – 19.00% (Life of 5 Years).

d) Inventories

Different methods of valuations of closing stock are followed by the company as follows.

i) Raw Materials:

Raw materials are valued at cost as per first in first out method.



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

ii) Finished Goods (Stock):

The value of closing stock of Fuel Wood, Cashew, Eucalyptus and Bamboo is adopted at 90% of the market value.

iii) Nursery & plantations:

For arriving at total cost of plantations up to Regional level the raising, maintenance and harvesting expenses shall be taken as direct expenses and the production and administrative overheads incurred up to Regional level shall be apportioned to each plantation on the basis of direct expenses.

After gestation/harvesting the capitalised costs will be written off as per the policies declared below:

iiia) Eucalyptus & Bamboo:

All the raising and maintenance expenses, apportioned production and administrative overheads in respect of each year of plantation will be capitalized till the year of first harvest.

However, in respect of clonal mechanized plantations, capitalization of proportionate administrative overhead other than interest at Regional level is limited to the amount of direct expenses (other than production and administrative overheads and interest) incurred for these plantations. The balance administrative overhead at Regional level shall be charged off to revenue.

Subsidies/misc. sale proceeds of uprooted stumps received during the pre-harvest period will be adjusted against the cost of each plantation.

The accumulated cost in respect of each year of plantation till first harvest will be charged off to revenue in the year of harvest in proportion to the area harvested to area planted. All the expenses incurred and proportionate overhead expenditure during the year of harvest and subsequent years will be directly charged off to revenue. This is being done on conservative basis even though future harvests will be there.

Eucalyptus Clonal plantations:

The accumulated cost in respect of each year of plantation till first harvest will be charged off to revenue in proportion to the area harvested to area planted in the ratio of 50:30:20 during first, second and third rotations. All the expenses incurred and proportionate overhead expenditure during the year of first harvest and subsequent years will be directly charged off to revenue.

Bamboo (raised from 1998):

The accumulated cost till first harvest in respect of each year of plantation will be charged off to revenue equally in five (5) harvests in proportion to the area harvested to area planted.

All the expenses incurred and proportionate overhead expenditure during the year of first harvest and subsequent years will be directly charged off to revenue.



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

iiib) Cashew:

The gestation period for Cashew Plantation is adopted as 8 years including the year of raising. All the raising and maintenance expenses, apportioned production and administrative overheads in respect of each year of plantation will be capitalised during the gestation period. Subsidies/initial sale amounts received during the gestation period will be adjusted against the cost of each year of plantation. From the first year after gestation period the capitalised cost will be charged off to revenue over a period of 25 years. The current year maintenance expenses, harvesting expenses and other proportionate overheads from the first year after gestation period will be directly charged off to revenue.

iiic) Taken over plantations (Cashew):

The effective life of the Cashew plantations transferred by Government is taken as 25 years from the year of transfer to Corporation. The values of plantations transferred are being charged off to revenue assuming an average life span as 25 years. The current year maintenance expenses, harvesting expenses and other proportionate overhead expenditure is directly charged off to revenue.

iiid) Casurina :

All the raising and maintenance expenses, apportioned production and administrative overheads in respect of each year of plantation will be capitalized till the year of harvest.

The accumulated cost in respect of each year of plantation up to harvest will be charged off to revenue in the year of harvest in proportion to the area harvested to the area planted. All the expenses incurred and proportionate overhead expenditure from the year of harvest will be directly charged off to revenue.

iiie) Teak :

All the raising and maintenance expenses, apportioned production and administrative overheads in respect of each year of plantation will be capitalized till 9th year of the plantation including the year of raising.

Sale proceeds of material obtained due to thinning of trees in the plantations received during the pre-harvest period will be adjusted against the capitalized cost of each plantation.

The accumulated cost in respect of each year of plantation will be charged off to revenue in the year of harvest in proportion to the area harvested to the area planted. All the expenses incurred and proportionate overhead expenditure from the year of harvest will be directly charged off to revenue.

e) Revenue Recognition:

From the year 1998-99:

Sales - Cashew:

The revenue to be recognized only on realization of full amount of sale value. Any advance received in respect of that transaction will be kept in "Advance received from Customers" till the realisation of balance amount. The material will be delivered after receiving full sale amount.



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

Sales - Bamboo and Eucalyptus:

i) The sale to be accounted for after weighment of the material and the acknowledgement is received from the party in case of sales through 'Agreement' – accounted on accrual basis.

ii) In case of open auction, the transaction is to be accounted for only on realization of full amount. Any advance received in respect of that transaction will be kept in "Advance received from Customers" till the realization of balance amount. The material will be delivered after receiving full sale amount.

Interest

Interest income is recognised on short term deposits as per Bankers certificates. Interest on staff loans is recognized in the year of receipt.

f) Retirement Benefits:

Gratuity: The Corporation has taken a Group Gratuity Policy with Life Insurance Corporation of India.

Provident Fund: Contributions paid to the prescribed authority are charged to revenue every year.

Earned Leaves: Liability towards Earned Leaves is provided on the basis actual leaves earned outstanding for payment except in case of provisions for leave salary of employees on deputation.

g) Re-plantation Reserve and Fire Insurance Reserve:

The Corporation has evolved a policy for creation of 'Replantation Reserve' @ 25% of the Net Profit for the year rounded off to the nearest thousand to enable the Corporation to raise new plantations after completion of the yielding life of the plantation and 'Fire Insurance Reserve' @ 5% of the net profit for the year rounded off to the nearest thousand as per the directions of NABARD. There is no earmarked specific investment against the 'Replantation Reserve' and 'Fire Insurance Reserve'.

h) Government Grants :

Government Grants received are adjusted against the cost of asset in case of capital asset and recognized as income in case of revenue grants.

i) Contingent Liabilities:

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value, if any, barring frivolous claims.

j) Earnings per Share:

The Company reports its Earnings per Share (EPS) in accordance with Accounting Standard AS-20 notified u/s 133 of Companies Act, 2013.



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

k) Cash Flow Statement:

Cash Flow Statement has been prepared under indirect method as per the Accounting Standard-AS 3 “Cash Flow Statement”.

l) Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known or materialised.

NOTE NO. 26

A) Note on Demerger / State Bifurcation:

As the State of Telangana was formed with effect from 02.06.2014 as per Andhra Pradesh Reorganization Act, 2014, for Bifurcation of Government Companies and Corporations, the Govt. of Andhra Pradesh has constituted an Expert Committee for approval of demerger proposals of each of the entities included under schedule IX of the said Act.

The AP Forest Development Corporation Ltd has prepared the Demerger Proposals of the AP Forest Development Corporation Ltd., got the approval of the Board in its 186th APFDCL Board Meeting held on 20.01.2015 and forwarded to the Expert Committee for approval.

The Expert Committee vide D.O.Lr.No.5614/Expert Committee/2014 Date.18.02.2015 has approved the Demerger Proposals of AP Forest Development Corporation Ltd. and forwarded to the both the Governments for their approval. The Government of Telangana vide G.O.Ms.No.14 Dt.22.04.2015 of Environment, Forest Science & Technology (For.II) Department has approved the Demerger Plan and permitted the formation of the Telangana State Forest Development Corporation Limited and TS Forest Development Corporation Limited incorporated on 14.05.2015 and functioning separately.

The VC & MD, APFDC Vide Lr.No.2.1.63/APRB-2014/969 Dt:23.05.2015 has requested the Chairperson, Expert Committee on Demerger of Govt. Companies and Corporations, review the decision of the Expert Committee for the division of the BL cash balances lying with APFDCL as on 01.06.2014.

The Expert Committee has conducted meeting on 30.05.2015 with the both the VC & MDs of the corporation to resolve the issue raised by VC & MD, APFDC, on the allocation of the Beedi Leave funds to the TSFDC Ltd. in the Demerger Proposal.

The Expert Committee has examined the issue and communicated their decision in resolving the issue in their minutes of the meeting and the details are as follows



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“ It is evident that amount available in the head of account of Beedi Leaves Account belongs to Beedi Leaves Collectors. **It does not belong to either Government of AP or to the APFDC.** Therefore the amount under this head as on 01.06.2014 shall be distributed only to the identified and eligible Beedi Leaves units for further distribution to the eligible Beedi Leaves collectors strictly as per G.O.Ms.No.43 of EFS&T(FOR-III) Dept. dated 10.04.2006. Parts of Badrachalam and Palvancha Forest Divisions of Khammam District which have been merged with the residuary State of Andhra Pradesh under AP Reorganisation (Amendment Act) 2014, No.19 of 2014 dated 17.07.2014 shall be allocated their share of these funds as per their eligibility under the Government Scheme vide G.O.Ms.No.43 of EFS&T(FOR-III) Dept. dated 10.04.2006”.

Post incorporation of TS Forest Development Corporation Ltd., the AP Forest Development Corporation Ltd. transferred funds of TSFDCL as on 13.05.2015 by holding the Beedi Leaf funds.

B) Accounts:

Accounts for the year 2014-15 (i.e. from 02.06.2014 to 31.03.2015) are prepared for combined operational units of Andhra Pradesh and Telangana by the AP Forest Development Corporation Ltd. The Audited Accounts along with the Statutory Auditors Report forwarded to the Accountant General for Supplementary Audit. We understand that the Accountant General Office has orally advised the APFDCL to get the approval of TSFDCL for the Financial Statements.

The APFDCL has prepared separate Accounts for the period from 02.06.2014 to 31.03.2015 for the operational units of Telangana State and Andhra Pradesh by incorporating the entire Beedi Leaf Account in the Andhra Pradesh Operational unit. The Bifurcated Accounts are forwarded to the TS Forest Development Corporation Ltd. for approval. Which was not accepted by the TSFDCL and requested the APFDCL to incorporate the Beedi Leaf Funds of TS region in Telangana operational unit bifurcated Accounts, the action of APFDCL is pending.

Assets and Liabilities amounts as at 31.03.2015 except Beedi Leaf related Assets and Liabilities as communicated by APFDCL were adopted for preparation of accounts for further period. Beedi Leaf related Assets and Liabilities were accounted as per the decision of the Expert Committee constituted for the purpose of Demerger of IX Schedule Companies / Institutions.

TSFDC Ltd. has prepared Accounts as at 31.03.2015 for Telangana operational unit by incorporating the Beedi Leaf Account Rs.72,78,40,067.64 (as per the audit report of M/s Ramesh Athasniya & Co. Chartered Accountants) and got the approval of TSFDC Ltd. Board.

Basing on the bifurcated Accounts communicated by the APFDCL for the year 2014-15 and TSFDC Ltd Board approval Accounts as at 31.03.2015 with Beedi Leaf Account, TSFDCL has prepared Accounts for the period from 01.04.2015 to 13.05.2015 of Telangana operational unit and got the approval of the TSFDCL Board and Certified by the M/s Sirish & Co., Chartered Accountants.



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Basing on the Certified accounts as at 13.05.2015 of APFDCL – Telangana unit by the M/s Sirish & Co., Chartered Accountants opening balances are incorporate in the TSFDCL Books as on 14.05.2015 and prepared Accounts for the period from 14.05.2015 to 31.03.2016.

C) Share Capital:

As per the Govt. Telangana G.O.Ms.No.14 Dt.22.04.2015 of EFS&T (For.II) Dept., the TSFDCL has incorporated as a Company on 14.05.2015 with Authorised, Subscribed and Paid up Capital of Rs.1,00,000/- (i.e. 1000 shares @ Rs.100/- each) the details are as follows:

Governor of Telangana State	-	998 Nos.
Special Secretary to Govt., EFS & T Dept.	-	1 No.
Vice Chairman & Managing Director, TSFDCL	-	1 No.

Vide G.O. RT.No.149 Dt.12.08.2015 of EFS&T (For.II) Dept. has sanctioned Rs.1,00,000/- as additional funds under the Scheme “Assistance to Telangana State Forest Development Corporation Limited” and released the amount on 25.01.2016 and same was shown as share capital.

The additional funds of Rs.100,000/- as Assistance to Telangana State Forest Development Corporation Ltd. will be treated as share capital as per the instructions issued by the Government EFS&T Dept.

D) Share Capital Suspense:

As per the Demerger Proposals clause no. (9) – upon the scheme becoming effective and in consideration of the Demerger and transfer of the Demerged Undertaking, TSFDCL shall, without further application, issue and allot the 909403 shares to the shareholders i.e. State Govt. – 8,88,563 Nos., Union of India – 20840 Nos.

As on 31.03.2016 the above mentioned 909403 shares were not allotted till such time the value is shown in shares suspense account.

So far the Corporation has neither allotted nor issued any shares or share certificates to the Government of Telangana State and Union of India, pending raising the Authorized Capital of the Company.

NOTE NO. 27

Contingent Liabilities not provided for:

There are 2 Court cases filed by the Corporation pending in various stages and the amount involved is Rs.36,11,384/-.

There are 44 Court cases filed against the Corporation pending in various stages and the amount involved is Rs.16,14,383/- and no provision has been made during the period.



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NOTE NO. 28

Income Tax:

Income Tax is Calculated as per Provisions of Income Tax Act, 1961.

Tax Liability :1,26,35,350/-

Advance Tax Paid: 1,62,00,000/-

NOTE NO.29

Lease Rent:

Lease Rent has been provided @ Rs.20/- per ha per annum provisionally which has to be finalized by the Government of Telangana State.

Lease rent @ Rs.20/- per ha. per annum has been provided in proportionate to no. of days (322) in the current reporting period for an area of 33,486.698 ha and charged off to Profit and Loss Account.

NOTE NO. 30

Miscellaneous Income:

A) The Govt. through Memo No.1543/II(2)/2015 Dt.20.05.15 has appointed the Corporation for funding the Departmental Extraction Scheme (DES). The funds required for implementation of this Scheme is met from Bank Loans and sales realization is credited in the bank Accounts of Corporation. After settling the bank Loans along with Interest and other expenses, the balance sale amount is remitted to Government account. The Corporation is entitled to receive a commission of 2% on the amount advanced on the Scheme. During the year an amount of Rs.5,98,09,100/- has been advanced by the Corporation under the DES Scheme from the Beedi Leaf Funds and the Forest Department has repaid the loan amount Rs.2,98,73,771/- and the balance amount Rs.2,99,35,329/- due as on 31.03.2016. The Commission earned during the year is Rs.11,96,182/-.

B) The Corporation has received Rs.20,42,820/- from the Registrar, Sri Konda Laxman Telangana State Horticulture at University towards value of loss sustained / to be sustained by the Corporation for diversion of 4.922 ha of forest land in 2000 EP, Narsampalli for establishment of administrative building and other infrastructure facilities for Telangana School of Horticulture. The compensation / NPV amount shown as miscellaneous income.

NOTE NO. 31

Interest accrued and due on Govt. Loan

Under Demerger Scheme the Company is allocated an amount of Rs.9,44,457/- towards Interest payable to State Government till 1984 on Bridge Loan given by the Government of AP. No further interest is provided in the Books of Accounts.

NOTE NO. 32

Exploitation Balance:

A) Under Demerger Scheme the balance of exploitation amount of Rs.1,00,22,790/- allocated was treated as loan till the same is adjusted against the Equity of the Govt. in the Schemes to be taken up by the Corporation.



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The Government advised the Corporation (APFDCL) for payment of interest @ 12% per annum on the balance of exploitation amount from 1993-94 onwards. No provision is made towards interest as the Government was requested to treat the amount as Equity by APFDC. The Company share of interest not provided for as at end of the year amounts to Rs.2,78,04,590/- including the interest of Rs.12,02,734/- for the year.

B) Further, the Corporation (APFDCL) has transferred Naramvarigudem cashew estate to Forest Dept. and claimed compensation of Rs. 6,91,48,840/- from the Govt. No provision is made for receivables in the Books of Accounts.

NOTE NO. 33

Loan under AP Forestry Project

The Government has agreed for the postponement of repayment of principal amount under AP Forestry Project up to the Financial Year 2011-12 vide Govt. EFS & T Dept letter No. 10475/For.II (1) / 2005-9, dated 17-02-2010. The final installment amount of Rs.2,44,85,975/- is due for payment for the year 2015-16. Due to non realization of Eucalyptus Plantations revenue during the year for want of Government permission, the Corporation has requested the Government for postponement of loan installment amount to the next financial year, the orders are awaited and the penal interest Rs.29,38,317/- not provided in the Books.

NOTE NO. 34

Sale of Cashew

The tendered value of 'Right to collect Cashew usufruct' is shown in the Books of Accounts as 'Sale of Cashew'. The Commissioner of Commercial Taxes (CCT) vide letter No.III(1)/51/06 Dt.8-1-2007 has directed the Corporation not to collect VAT if TIN is produced by the purchasers at the time of confirmation of sale. The CCT directed the Corporation to collect VAT Tax in the absence of TIN before giving permit. Accordingly sales turnover & VAT are reported in monthly VAT Returns filed with Commercial Tax Dept. as the Corporation is not liable to deduct VAT on the tendered amount as per CCT's directions. Hence the sales Turnover in the Books of Accounts does not match with the Turnover Reported as per VAT Returns. Value of Cashew sales shown in VAT Return is Rs.3,88,149/.. The tender value of Cashew Sales is Rs.17,00,000/-

NOTE NO. 35

During 2001-02 the Corporation was entrusted with the implementation of Biodiversity Conservation and Eco – Tourism in AP by promoting private sector investments and participation on the principles of BOT (Build, Operate & Transfer) in GO Ms. No. 54, EFS&T (FOR. II) Dept. dated 26-6-2001.

It was also stated in GO Ms. No. 240, EFS&T (FOR. II) Dept. dated 31-7-2001 that the possession of land and other assets should have to be essentially with the Govt. of AP represented by the APFDC Ltd. only.

Eco-Tourism Projects at Kothaguda RF:

MOEF, Govt. of India vide Lr.No.8-132/2003/FC Dt.11.03.2011 have suspended the approvals accorded under Forest (Conservation) Act for diversion of Kothaguda RF Land and directed the State



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Govt. to issue suitable instructions to the Forest Development Corporation Ltd. and project proponents to immediately suspended all the activities, felling of Trees, Digging of soil and other similar activities until the Ministry of MOEF, takes full stock of the situation and take final decision.

The Govt. of AP Ref.No.10008/For.II(2)/2011, Dt:06.05.2011 has directed the Corporation to suspend the work of Eco-Tourism Projects in Kothaguda RF like construction activities, Felling of Trees, digging of soil and other similar activities.

Subsequently, the Government of India has requested the State Government to take action on certain points which includes modifications of structure, obtaining approval of Central Government as per the Forest Conservation Act, and obtaining Environmental Clearance as per Environmental Impact Assessment (EIA) notification 2006. The same was requested to the concessionaire to comply with all conditions mentioned in the letter of the Government of India. The Concessionaires had expressed their unwillingness to fulfill the conditions of Government of India, Ministry of Environment & Forest in respect of duration of concession period and revision of profit sharing mechanism periodically.

After bifurcation of the State, the Government of Telangana have decided to cancel the following Eco-Tourism projects

1. SKVBR, Botanical Garden - awarded to M/s De Lara Estate Limited Renamed as Delara Tourism Corporation Limited (DTCL) is cancelled vide G.O.Ms.No.54 dt.09.10.2015 of Environment, Forests, Science & Technology (FOR.II) Department.
2. Night Safari & Eco-park - awarded to M/s Trac India (P) Ltd., Hyderabad is cancelled vide G.O.Ms.No.53 dt.09.10.2015 of Environment, Forests, Science & Technology (FOR.II) Department
3. Bird Park Project – awarded to M/s Hyderabad Bird Park & Gardens Pvt. Ltd. is cancelled vide G.O.Ms.No.52 dt.09.10.2015 of Environment, Forests, Science & Technology (FOR.II) Department

Further, the Govt. of Telangana have stipulated the condition that “ the Concessionaires are at liberty to prefer claims, if any, in respect of above projects with in 15 day from the date of receipt of the above orders along with original documents / evidences.

The Corporation communicated the above orders to the concerned Developers on dt. 16.10.2015 under proper acknowledgement. The Developer M/s TRAC India (P) Limited, vide Letter dated 31.10.2015 has responded and in Letter dated 10.11.2015 informed that an amount of Rs.65,66,36,842/- is payable to them in accordance with the Concession Agreement.

Subsequently, M/s TRAC India (P) Ltd., Developer of Night Safari, Eco-Park has filed a OP.NO.ARBAPPL10 of 2017 before the Hon'ble High Court praying for appointment of an arbitrator adjudicate the disputes and claims between the parties arising out of the Concessionaire Agreement Dt.05.07.2008.



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The M/s SKVBR Botanical Garden ET Project and M/s Hyderabad Bird Park & Gardens Pvt. Ltd. have not submitted any claim to the Corporation.

The Corporation have not provided claim amount of Rs.65,66,36,842/- of M/s TRAC India (P) Ltd., Developer of Night Safari, Eco-Park in the books of Accounts.

NOTE NO. 36

Reserve Forest Lands

1. The following Reserve Forest lands were taken over from Forest Department for implementing the Eco-Tourism Projects and the possession of land should have to be essentially with the Government represented by the Forest Development Corporation only.

- a) 110.87 Ha. Reserve Forest in kothaguda RF
- b) 3.00 Ha. Reserve Forest in Vanasthalipuram RF
- c) 5.16 acres Reserve Forest, in Shameerpet RF

2. The following Revenue (non forest) lands were taken over from Revenue Department for implementing the Eco-Tourism Projects.

- a) 6 Acres / 24 guntas Revenue land at Kothaguda Village – As the consideration is not yet decided for the land by the Govt., the same is not taken into Books of Account.
- b) 3 Acres and 6 guntas, Revenue land in Aziznagar Village, MNP Chilkur which is in the name of AP Forest Development Corporation Ltd., title is yet to be converted to the company.

NOTE NO. 37

Government Grants:

No grants are received during the year.

NOTE NO. 38

VAT Assessments

The VAT assessment for the tax period from 01.06.2015 to 28.02.2017 is taken up during the year 2016-17 and the Assessment Order No.22860 Dt.29.04.2017 given with a demand of Rs.34,87,083/- (comprising Rs.7,32,725/- for the year 2015-16 and Rs.27,54,358/- for the year 2016-17) holding that, sales declared under CST Act by the Company fall under the VAT Act.

Aggrieved by the Order the Corporation has filed an appeal before the Appellate Deputy Commissioner (CT) for adjust the Bamboo Sales CST paid amount against the Demand of VAT amount Rs.34,87,083/- by paying Rs.4,35,885/- towards appeal fee and the same has not come up for hearing.



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NOTE NO. 39

Employee Benefits:

a) Provision for Leave Encashment

The actuarial value of Leave Encashment liability is Rs.2,39,15,525/-. No provision is made during the year as the existing provision is in excess by Rs.50,32,583/- .

DISCLOSURE REQUIREMENT UNDER AS – 15 EMPLOYEE BENEFITS

Profit & Loss Account	
	2015-16
Current Service Cost	71,26,826
Interest Cost on benefit obligation	0
Expected return on plan assets	
Net Actuarial (gain). Loss recognized in the year	1,90,55,239
past services cost	
Net Benefit expense	2,61,82,065
Actual return on plan assets	
Balance Sheet	
Details of provision for Leave	
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	0
Interest cost	0
Current services cost	71,26,826
Benefits paid	(22,66,540)
Actuarial (gains)/losses on obligation	1,90,55,239
closing defined benefit obligation	2,39,15,525
The principal assumptions used in determining leave and post employment medical benefit obligations for the company's plans are shown below:	
Assumptions	%
Salary Rise	9
Discount rate	8.13
Attrition Rate	7.61

b) Provision for Gratuity:

In case of gratuity for the regular employees, the corporation has taken a group gratuity policy with LIC of India and the policy period is from 1st October to 30th September. The total gratuity liability as on 31st March, 2016 is arrived by the Actuary and the fund balance as on 31st March with LIC is taken and for the shortfall if any, a provision is made in the books of Accounts. As per the actuarial valuation, the total gratuity Liability as on 31.03.2016 Rs.3,10,45,029/- where as the funds available



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with LIC against the TSFDC policy is Rs.2,07,84,008/- and TSFDCL share of funds available with APFDCL LIC policy is Rs.1,74,96,407/- total funds as on 31.03.2016 is Rs.3,82,80,415.

Hence no provision is made for regular employees for the year.

DISCLOSURE REQUIREMENT UNDER AS – 15 EMPLOYEE BENEFITS

Regular Employees

A) Components of Employer Expense	GRATUITY March 2016
Current Service Cost	10,78,742
Interest Cost on benefit obligation	0
Expected return on plan assets	(2,35,788)
Premium Expenses	39,576
Net Actuarial (Gain). Loss recognized in the year	3,05,96,019
Past Services cost	0
Total expenses recognized in Profit & Loss Account	3,14,78,549
B) Actual Return on Plan Assets	(2,35,788)
C) Net Asset / Liability recognized in Balance Sheet	GRATUITY
Defined Benefit Obligation	3,10,45,029
Fair Value of Plan Assets	(3,82,24,921)
Status (Surplus / Deficit)	(71,79,892)
Unrecognized Past Service Cost	
Net Asset / Liability recognized in Balance Sheet	(71,79,892)
D) Changes in the PV of DBO	Gratuity March 2016
Opening Defined Benefit Obligation	0
Interest Cost	0
Current services cost	10,78,742
Benefits paid	(6,29,732)
Actuarial (gains)/losses on obligation	3,05,96,019
Closing Defined Benefit Obligation	3,10,45,029
E) Changes in Fair Value of Plan Assets	Gratuity March 2016
Opening Fair Value of Plan Assets	0
Expected Return	2,35,788
Contributions	3,86,58,441
Premium Expenses	(39,576)
Benefit Paid	(6,29,732)
Actuarial Gain / Loss	0
Closing Fair Value of Plan Assets	3,82,24,921
F) Movement in Balance Sheet	
Opening Liability	0
Expenses as above	3,14,78,549
Contributions	(3,86,58,441)
Closing Liability	(71,79,892)
Assumptions	%
Salary Rise	9



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Discount rate	8.13
Attrition Rate	7.61

c) Regarding Contingent employees, Gratuity Liability as on 31.03.2016 is Rs.54,35,189/- as per the actuarial valuation report and the excess provision Rs.24,23,455/- is written back during the year.

DISCLOSURE REQUIREMENT UNDER AS – 15 EMPLOYEE BENEFITS

Contingent Employees

Profit & Loss Account	
	2015-16
Current Service Cost	2,87,248
Interest Cost on benefit obligation	0
Expected return on plan assets	
Net Actuarial (gain). Loss recognized in the year	56,08,179
past services cost	
Net Benefit expense	58,95,427
Actual return on plan assets	
Balance Sheet	
Details of provision for Gratuity	
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	0
Interest cost	0
Current services cost	2,87,248
Benefits paid	(4,60,238)
Actuarial (gains)/losses on obligation	56,08,179
closing defined benefit obligation	54,35,189
The principal assumptions used in determining leave and post employment medical benefit obligations for the company's plans are shown below:	
	%
Assumptions	
Salary Rise	8.14
Discount rate	7.92
Attrition Rate	9.26

d) Rs.121,78,01,639 includes Rs.74,56,038/- under amount of profit (Reserves & Surplus Note:4) allocated under demerger scheme, being the amount received in excess of provision required to be maintained for Retirement Gratuity(Rs.24,23,455/-) and Leave Encashment.(Rs.50,32,583/-)

NOTE NO.40

Prior period income and Prior period expenses:

Prior period income Rs.2,760/- and Prior period expenses Rs.53,738/- included in profit and loss account, the details are as follows:



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Prior period Expenses	
Particulars	Amount
Advertisement Charges of 2012-13	Rs.51,080
Travelling Expenses of 2014-15	Rs.2,000
Electricity Charges of February & March, 2015	Rs.23,754
Repairs & Maintenance Expenses of March, 2015	Rs.744
Prior period Income	
Misc. Income - Water utilization charges of January to March, 2015.	Rs.2,760

NOTE NO.41

Beedi Leaves Account:

The Corporation has been appointed by the Government as an agent for Beedi Leaves Scheme for which separate VAT registration has been taken and VAT returns being filed by the Corporation with separate TIN Number. The Corporation has been arranging Funds from the financial institutions/ net surplus revenues of the scheme for carrying out the activity and Repayments are adjusted from the Revenue generated from the Beedi Leaves account and the balance payable / receivable has been shown in the Balance Sheet for which the Corporation is entitled to receive Rs.30,00,000/- towards reimbursement of Salaries for carrying the administrative activities on behalf of Government. The Revenue Generated from the Beedi Leaves is not accounted as Income of Corporation.

During the period no loan is drawn under Beedi leaves Scheme for 2015. Bank balances of Rs.31,29,46,971/-, Short Term Deposits of Rs.16,95,00,000/- and Beedi Leaf Funds of Telangana units Rs.51,02,54,627/- as on 21.07.2015 with APFDCL are shown in current assets. The accumulated amount of Rs.99,27,01,598/- including VAT and income tax payable for the month of March, 2016 amounting to Rs.13,67,803/- is shown in current liabilities.

Receipt and Payment Statement of Beedi Leaf Account

Particulars	As at
	31-03-2016
	Rs.
RECEIPTS:	
Opening Cash & Bank balances	
Beedi leaf revenue received	51,29,91,721
Refunds, other misc. revenues etc.	2,89,362
VAT amount received	2,45,57,961
Income Tax amount received	87,83,924
Deposit kept with CTO Aghapura	6,26,675
Undistributed net revenue	31,94,777
Amount received from DFOs(DET)	3,05,56,797
Interest Income received	46,09,054
Interest received for 2014-15 DET	1,26,359
Security Deposits received	1,09,560
TOTAL	58,58,46,190



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PAYMENTS:	
Amount released to DFOs	40,21,070
VAT amount paid	2,36,19,025
Income tax paid	83,55,057
BL Cell Expenditure	29,95,007
Other Expenditure	45,99,960
Amount released to DFO's (DET)	5,98,09,100
Closing Cash & Bank balances	48,24,46,971
TOTAL	58,58,46,190
ABSTRACT	
	As at
	31-03-2016
Beedi Leaves Trade revenue Balance	48,10,79,168
VAT	9,38,936
Income Tax	4,28,867
Balances shown under Current Liabilities	48,24,46,971

The VAT assessments for the years 2008-09 to 2011-12 was taken up during the year 2012-13 and the Assessing officer has taxed forfeiture of security deposits and advance amounts along with miscellaneous income and demanded a tax of Rs.12,48,821/- and penalty of Rs.3,12,205/-. Aggrieved by the Order the Corporation has filed an appeal before the Appellate Deputy Commissioner (CT) for stay of collection of disputed tax by paying Rs.1,56,103/- and penalty by paying an amount of Rs.39,026/- towards 12.5% of disputed tax and penalty. The stay petition was rejected during August,2013. Sri. M. Ramachandra Murthy,Chartered Accountant who is dealing the above cases has filed an appeal for stay of collection before Joint Commissioner (CT) legal O/o. CTO Nampally, Hyderabad on 16.9.2013.

The Joint Commissioner (CT) legal, has granted stay of collection of disputed Tax and penalty by demanding 50% of the disputed tax and penalty. The balance amounts of the tax and penalty amounting to Rs 5,85,383/- was paid and the Joint Commissioner (CT) legal after hearing the case referred the case to CTO Agapura Circle for further verification. The CTO has revised the Assessment Order and demanded a tax of Rs.1,39,852/- and a penalty of Rs.13,985/- in the month of October,2015 and which are adjusted against Rs.7,80,512/- paid while going for appeals before Jt.Commissioner (CT) Legal and balance amount Rs.6,26,675/- was adjusted in the month of February, 2016 VAT payment.

NOTE NO. 42

Managerial Remuneration

	2015-16 (14.5.15 to 31.03.16)
	Rs.
To Managing Directors	
Remuneration	15,39,745
TOTAL	15,39,745
Reimbursement of Medical Expenses	1,12,273
Reimbursement of LTC Expenses	-



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NOTE NO. 43

Auditors Remuneration:

Particulars	2015-16 (14.5.15 to 31.03.16)	
	Rs.	
Statutory Audit	1,00,000	
Tax Audit	37,500	
Tax Consultation	22,500	
GST	28,800	
Total	1,88,800	
Travelling Expenses	-	

NOTE NO. 44

Earning Per Share:

Particulars	2015-16 (14.5.15 to 31.03.16)	
	Rs.	
	Basic	Diluted
Profit attributable to the Equity Share Holders	88,95,665	88,95,665
No. of Equity Shares	1000	9,10,403
Nominal Value of Share	100	100
Earning Per Share	8,896	10

NOTE NO. 45

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 30 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE NO. 46

Balances of Sundry Debtors, Creditors, and other Advances are subject to confirmation.

NOTE NO. 47

These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Paise have been rounded off to the nearest rupee.

Since the Company is reporting its first Financial Statements, there are no previous year figures.

NOTE NO. 48

Cash Embezzlement:

During the period an amount of Rs.1,50,000/- cash embezzlement occurred by withdrawing the cash from the Bank by Kum. Vidhi Srivastav, Jr.Asst. with forged signature of the Director Eco-Tourism, for the cheque issued for encashment. FIR was filed against the concerned.



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NOTE NO. 49

CIF Value of Imports:

Information regarding imports of raw materials, etc. does not arise, as there are no imports of raw materials during the financial year.

NOTE NO. 50

The Corporation has prescribed 'Schedule of Rates' in the case of expenditure relating to the schemes and the same is being followed with modifications wherever necessary to suit local conditions.

NOTE NO.51

Pursuant to the provisions of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee or director, who was in receipt of remuneration for the year under consideration exceeding 60,00,000 rupees.

NOTE NO.52

Operating Cycle:

As per the requirement of Schedule-III to the Companies Act, 2013, the Operating Cycle has been determined at the product level as applicable for transaction not relating to inventory, the Operating Cycle is determined at 12 months.

NOTE NO.53

The Company operates (2) Segments i.e. raising of Forestry Plantations and Eco-Tourism . The revenue from Eco-Tourism being less than 10% of total revenue. Segment information is not required to be furnished.

Notes 1 to 53 form an integral part of Balance Sheet and Profit & Loss Statement.

VIDE OUR REPORT OF EVEN DATE
for M/s S R MOHAN & COMPANY
CHARTERED ACCOUNTANTS
Firm Regn. No.002111S

Sd/-
(B.BRAHMANANDAM)
PARTNER
Membership No. 020026

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

Sd/-
(CHANDAN MITRA,IFS)
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
(K.VIJAYA SWETHA)
DY. FINANCIAL CONTROLLER

Sd/-
(M.PRUDHVI RAJU,IFS)
DIRECTOR

PLACE : HYDERABAD.
DATE : 28-12-2017



Telangana State Forest Development Corporation Limited.

10-1-1200, 3rd Floor, UNI Building, AC Guards, Hyderabad-500 004.

QUANTITATIVE STATEMENT OF EUCALYPTUS, BAMBOO AND OTHER ITEMS

MATERIAL	UNIT	3	4	5	6	7	8	9	10	11
		OPENING STOCK 14-04-15	EXTRACTION DURING THE YEAR	TOTAL (3+4)	SALE / SUPPLIES	INTERNAL CONSUMPTION	OTHER CONSUMPTION / DETERIORATION	TOTAL (6+7+8)	CLOSING STOCK 31-03-2016 (5-9)	CLOSING STOCK Valuation
1	2	3	4	5	6	7	8	9	10	11
EUCALYPTUS:										
Pulpwood	M.T.	4	1593	1597	1593	0	4	1597	0	0
Props	Nos.	0		0		0	0	0	0	0
Faggot wood	Cmt	0	911	911	851		0	851	60	23760
Misc. Fuel	Cmt	0	1385	1385	1264		0	1264	121	40556
Timber	Cmt	13	49	62	24		0	24	37	265990
Teak Poles	Nos	18	5	23	23		0	23	0	0
Euc./Misc. Poles	Nos.	1901	6682	8583	4910		0	4910	3673	64314
BAMBOO:										
Long Bamboo	Nos.	82807	1632225	1715032	1186146	4500	0	1190646	524386	13045573
Industrial Cuts	M.T.	280	568	848	298			298	550	1621953
Other Misc. stocks	-									0
										15062146

TOTAL VALUE OF CLOSING STOCK

15062146



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