



TRANSFORMING INTERIORS



The Group's contribution
to the exchequer (gross)
in FY2017-18 was
₹359 Crore

The Group's contribution
to CSR and charity in
FY 2017-18 was
₹11 Crore

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Forward-looking statement

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

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

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

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Shri Man Kumar Lohia

1926-2009

Founder Chairman and the Inspiration behind
The Merino Group

CORPORATE INFORMATION

Board of Directors

Shri Champa Lal Lohia

Executive Chairman

Shri Rup Chand Lohia

Executive Vice-Chairman

Shri Prakash Lohia

Managing Director

Directors

Miss Ruchira Lohia

Whole-time Director

Shri Prasan Lohia

Whole-time Director

Shri Bikash Lohia

Whole-time Director

Shri Madhusudan Lohia

Whole-time Director

Shri Nripen Kumar Dugar

Whole-time Director

Dr. Gautam Bhattacharjee

Independent Director

Shri Sujitendra Krishna Deb

Independent Director

(Resigned on 18.06.2018)

Shri Sisir Kumar Chakrabarti

Independent Director

Audit Committee

Shri Sisir Kumar Chakrabarti –
Chairman

Dr. Gautam Bhattacharjee

Shri Prasan Lohia

Stakeholders Relationship Committee

Dr. Gautam Bhattacharjee –
Chairman

Shri Prasan Lohia

Nomination and Remuneration Committee

Shri Sisir Kumar Chakrabarti –
Chairman

Dr. Gautam Bhattacharjee

Shri Prasan Lohia

Corporate Social Responsibility Committee

Shri Champa Lal Lohia – Chairman

Shri Prakash Lohia

Shri Prasan Lohia

Dr. Gautam Bhattacharjee

Risk Management Committee

Shri Prakash Lohia – Chairman

Miss Ruchira Lohia

Shri Prasan Lohia

Shri Riaz Ahmed – Consultant

Shri Asok Kumar Parui – Chief

Financial Officer

Chief Financial Officer

Shri Asok Kumar Parui

Company Secretary

Smt. Sumana Raychaudhuri
(upto 19.05.2018)

Smt. Vinamrata Agrawal
(with effect from 18.06.2018)

Registered Office

5, Alexandra Court,
60/1, Chowringhee Road,
Kolkata-700 020

Phone: 2290-1214,

Fax: 91-33-2287-0314,

E-mail: merinokol@merinoindia.com

Website: www.merinoindia.com

Plants

Delhi-Hapur Road,
Vill. Achheja,
P.O. Hapur-245 101
Dist. Hapur
Uttar Pradesh

Bagalur Road,
Vill. Kalahasthipuram,
Hosur - 635 103,
Dist. Krishnagiri
Tamil Nadu

Plot No. D-2/CH/36,
Dahej-2 Industrial Estate,
Dist. Bharuch
PIN: 392 130
Gujrat

Branches

Ahmedabad, Bangalore,
Bhubaneswar, Chandigarh,
Chennai, Coimbatore, Delhi,
Ernakulam, Hyderabad,
Indore, Jaipur, Mumbai, Nagpur,
Pune, Rohad, Vijaywada

Auditors

Singhi & Co.

Chartered Accountants

Cost Auditors

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

Banks

AXIS Bank Limited
Standard Chartered Bank
Kotak Mahindra Bank Limited
IDBI Bank Limited
Punjab National Bank
The Hongkong and Shanghai
Banking Corporation Limited
DBS Bank Limited
CITI Bank N.A.

Registrars & Share Transfer Agents

C.B Management Services (P) Ltd.
P-22, Bondel Road, Kolkata-700
019
Phone Nos.: (033) 4011 6700, 2280
6692 – 94
Fax: (033) 2287 0263;
Email: rta@cbmsl.com

MERINO INDUSTRIES LIMITED.

Transforming

India's interiors

Enriching

the customer's experience

Investing

in scale to address
growing demand

Providing

a widening product range
addressing evolving needs

Responding

with a sense of urgency
to customer needs

Possessing

a pan-India distribution network

Providing

a world-class product quality

1 Background

The Merino Group was commissioned in 1965 by the late Man Kumar Lohia and his brothers. The Group has since evolved into the largest manufacturer and exporter of laminates in India. The Company is presently managed by a team of multi-genre professionals. With more than half a decade of experience, the Company has established its respect and leadership in the country's laminates segment. The Company is headquartered in Kolkata with manufacturing units in Hapur (Uttar Pradesh), Rohad (Haryana), Hosur (Tamil Nadu) and Dahej (Gujarat).

2 Scale

Merino possess India's largest laminates manufacturing capacity of 168 lakh sheets per annum; it is among India's handful laminate players possessing a captive printing unit. The Company possesses three short-cycle lamination facilities that can produce pre-laminated particle and MDF boards: from 2.5 x 6 ft to 9 x 6 ft. The Company invested in a plate polishing and cleaning facility for a uniform surface finish of stainless steel moulds; it is the only high pressure laminates manufacturer in Asia with chroming and de-chroming facilities to chromed stainless steel mould quality (to produce non-directional chromed gloss plates); it is also engaged in the manufacture of captive formaldehyde and resins.

3 Brand

Merino Industries Limited is India's largest laminates brand (from a Group perspective). The Company has an annual brand spending of more than ₹20 crore (2017-18).

4 Quality

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

10 things you need to know about Merino Industries Limited

5 Technologies

The Merino Group possesses three manufacturing units comprising modern technologies. It is one of the only two companies in India to have successfully developed the Double Belt Casting Unit process to produce superior products.

6 Variety

Merino widened its product portfolio over the years. In 2017-18, the Company has added 50 SKUs. The Company's products range provides a wide choice for all types of customers.

7 Reach

Merino is present where customers are. The Company has presence in almost all the States and markets its products in more than 60 countries. The Company's network of more than 4000 dealers (doubled in the last five years) help provide products across more than 2000 outlets.

8 Mooring

Our mission: Universal Weal through Trade & Industry

Our vision: Global competence and global competitiveness in every line of business by synergizing a Western work culture with an Indian ethos.

Our motto: Our endeavor is to maximize the product value (Excellence), maintain affordability (Economy) and deal fairly and transparently in all our relationships (Ethics).

Our inspiration: “Arise, Awake and Stop Not till the Goal is Reached” - Swami Vivekananda

9 Products portfolio

Laminates: The Company is one of the largest manufacturers of laminates in India.

Panel products and furniture division: The Company pioneered the manufacture of panel products like restroom cubicles that are finding increased applications across public spaces; the furniture division manufactures products like furniture components made out of particle boards, MDF boards and ply boards

Potato flakes: The Company invested in the manufacture of potato flakes with a manufacturing facility in Hapur (Uttar Pradesh).

10 Awards & certifications

Merino was the first brand in its industry in India to receive the coveted ISI, ISO-9001 and ISO-14001 certifications.

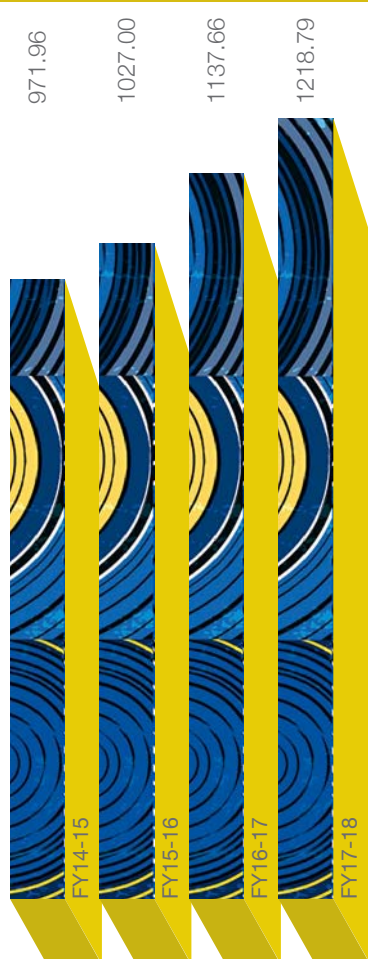


Manufacturing capacities

Company	Location	Products	Capacity
Merino Industries Limited	Hapur (Uttar Pradesh)	Laminates Furniture Formaldehyde Potato flakes	72 lakh sheets 224000 pcs 18250 MT 86 lakh kg
Merino Industries Limited	Hosur (Tamil Nadu)	Prelam boards	18 lakh sqm
Merino Panel Products Limited	Rohad (Haryana)	Laminates Plywood Prelam boards Formaldehyde	72 lakh sheets 8.10 lakh sqm 3.74 lakh pcs 9360 MT
Merino Industries Limited	Dahej (Gujarat)	Laminates	27 lakh sheets

Merino's consistent focus on quality and cost-efficiencies translated into a robust multi-year performance

Revenues (₹ crore)



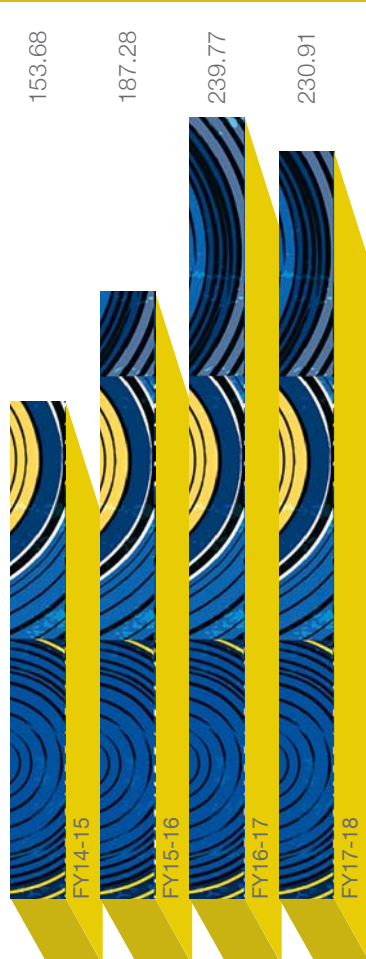
Performance, FY2017-18

Aggregate sales increased 7% to reach ₹1218.79 crore during FY2017-18 following increased demand and realizations.

Value impact

Improved product offtake strengthened the Company's marketplace reputation.

EBITDA (₹ crore)



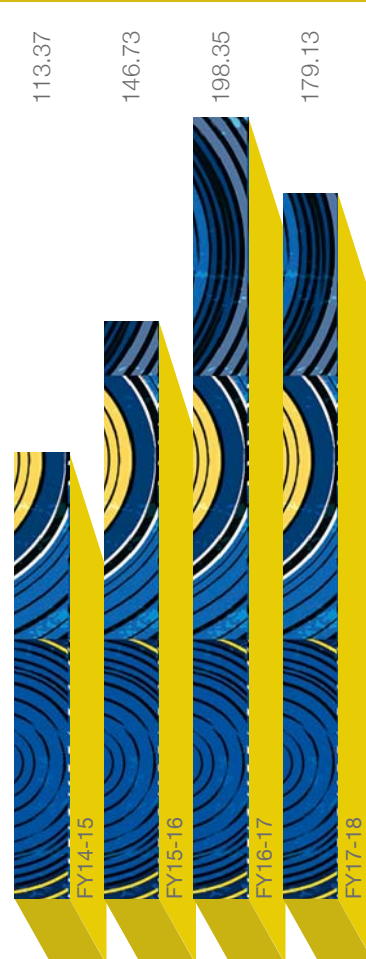
Performance, FY2017-18

The Company's EBITDA dropped by 3.69% due to increase in raw material costs.

Value impact

A high EBITDA highlights the Company's high operational efficiency and effective cost management.

Net profit (PAT) (₹ crore)



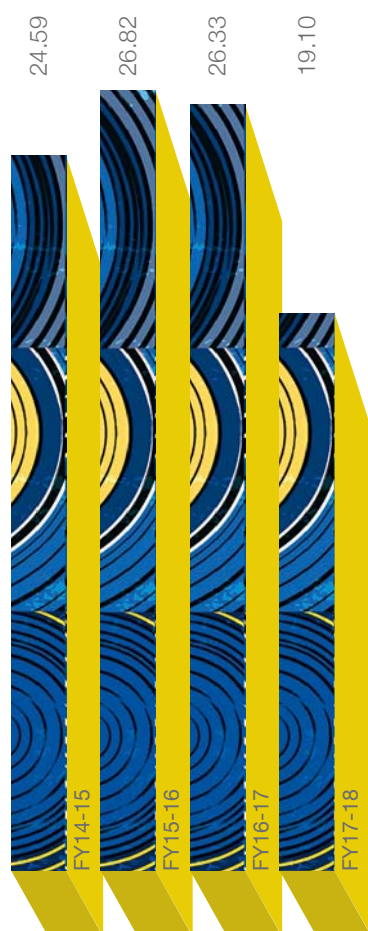
Performance, FY2017-18

The Company's PAT decreased 10.73% during the year.

Value impact

An improved PAT ensures that adequate resources are available for reinvestment, sustaining growth.

ROCE (%)



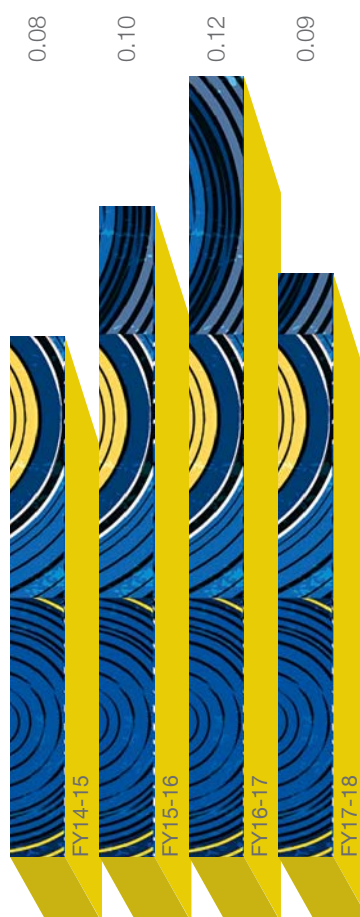
Performance, FY2017-18

The ROCE of the Company declined by 723 bps during the year.

Value impact

An enhanced ROCE can potentially drive valuations and visibility.

Debt-equity ratio (x)



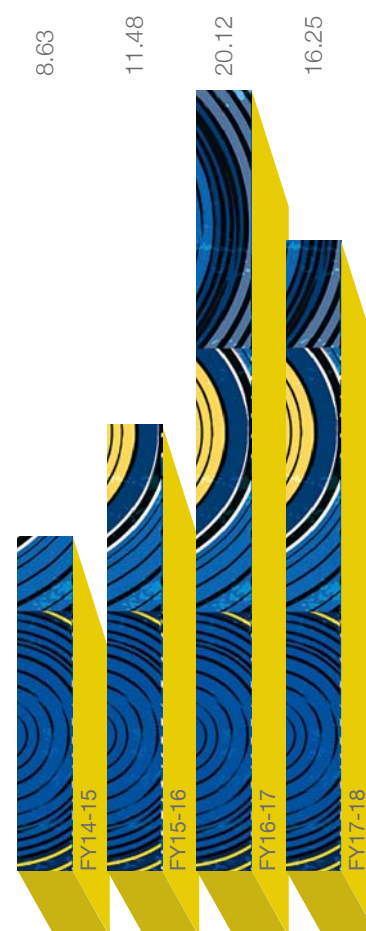
Performance, FY2017-18

The Company's debt-equity ratio has remained stable during the past 5 years, indicating prudent management.

Value impact

A low debt-equity ratio provides adequate borrowing room to sustain growth.

Interest cover (x)



Performance, FY2017-18

The interest cover of the Company declined by 3.87x due to reduced earnings during the year.

Value impact

A healthy interest cover indicated the Company's ability to seamlessly address debt servicing and repayment obligations.

CHAIRMAN'S OVERVIEW

“Merino is attractively placed. The Company possesses brand visibility, wide distribution network, adequate pan-India manufacturing capacity and an under-borrowed Balance Sheet.”



In the face of it, the financial performance of the Company during the year under review reflected moderate growth.

The Company reported a 7 per cent increase in revenues and a 10.73% decline in profit after tax.

Considering that the relatively flattish performance came on the back of a 11.34% increase in revenues and a 31.87% growth in PAT during the previous year (2016-17), the Company's recent performance represented a consolidation.

The big message that we wish to send out is that the Company reinforced its business moat, protected its brand and strengthened its Balance Sheet during the year under review. In doing so, the Company outperformed the sectoral single-digit percentage growth, an index of its long-term competitiveness.

The two principal developments that influenced the Company's performance during the year under review were the implementation