



89th
Annual Report
and Accounts
2008-2009

THE INDIAN WOOD PRODUCTS COMPANY LIMITED



DIRECTORS : K. K. MOHTA, *Chairman*
S. K. MAHESHWARY
V. K. MAHESHWARY
BHARAT MOHTA
R. P. CHETANI
K. K. DAMANI
Executive Director

BANKERS : STATE BANK OF BIKANER & JAIPUR
AXIS BANK LTD.

AUDITORS : S. K. AGRAWAL & CO.
Chartered Accountants

**REGISTRAR & SHARE
TRANSFER AGENTS** : M/S. NICHE TECHNOLOGIES PVT. LTD.
D-511, BAGREE MARKET, 71, B. R. B. BASU SARANI
KOLKATA - 700 001
INS. NO. INE 586E01012

REGISTERED OFFICE : 9, BRABOURNE ROAD, 7TH FLOOR
KOLKATA - 700 001

FACTORY : IZATNAGAR, BAREILLY, U.P.

ANNUAL GENERAL MEETING ON

MONDAY
10TH AUGUST, 2009

AT BHARATIYA BHASHA PARISHAD
AT 3.30 p. m.

CONTENTS

- 2 Notice
- 5 Directors' Report
- 7 Annexure to the Directors' Report
- 11 Auditors' Report
- 14 Balance Sheet
- 15 Profit & Loss Account
- 16 Schedules
- 30 Cash Flow Statement



NOTICE

NOTICE is hereby given that the Eighty Ninth Annual General Meeting of the Members of the Company will be held at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, 4th Floor, Kolkata-700 017 on Monday, the 10th day of August, 2009 at 3.30 p.m. to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint Directors in place of Mr. S. K. Maheshwary & Mr. Bharat Mohta who retires by rotation and eligible for re-election.
3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

4. To consider and if though fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.
RESOLVED that subject to the provisions of Sections 198,269,309 and read with Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956 the company hereby accords its approval to the re-appointment of Mr. K K Damani, as Whole-time Director designated as Executive Director of the Company not liable to retire by rotation for a further period of 3 (three) years with effect from 15th April, 2009 on the terms and conditions including his remuneration as set out in the agreement entered into between the Company and Mr. K. K. Damani, (copy whereof duly authenticated is placed before this Annual General Meeting), such remuneration, perquisites / benefits being also set out in the explanatory statement attached to this notice convening this Annual General Meeting, with powers & liberty to the Board of Directors (which term shall be deemed to include the Remuneration or any other Committee of the Board constituted to exercise its powers including powers conferred by this Resolution) to alter and vary such terms conditions as may be agreed by the Board and Mr. K. K. Damani, within the permissible limit of Schedule XIII of the Companies Act, 1956.
5. To consider and if though fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.
Resolved that Mr. V. K. Maheswary, the Additional Director of the Company who holds office up to the date of the Annual General Meeting, as per Articles of Association of the Company, be and is hereby appointed as a Director of the Company.
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.
Resolved that pursuant to the provisions of Section 149 (2A) and other provisions if any of the Companies Act, 1956 approval of the Company be and is hereby accorded to the Board of Directors for commencing and undertaking all or any of the business specified in sub-clause 35 of the Memorandum of Association of the company as and when deem fit by the Board of Directors of the Company.

Registered Office :
Bombay Mutual Building
9, Brabourne Road,
Kolkata-700 001
Dated : the 10th June, 2009

By Order of the Board
For THE INDIAN WOOD PRODUCTS CO. LTD.
K. K. MOHTA
Chairman

-
- NOTES :**
1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
 2. An Explanatory Statement as required by Section 173 of the Companies Act, 1956 in respect of Item Nos. 4, 5 & 6 are annexed hereto.
 3. The Proxy form should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the time of the meeting.



NOTICE (Contd.)

4. The Register of the Members of the Company will remain closed from 3rd August to 10th August, 2009 (both days inclusive)
5. Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting.
(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Mr. K. K. Damani	Mr. Bharat Mohta	S. K. Maheshwary	V. K. Maheshwary
Dt. of Birth	17.08.49	14.02.75	06.02.46	30.01.49
Dt. of appointment	15.04.98	30.10.05	30.01.04	13.04.09
Expertise in specific functional area	Commercial Engr.	Business	Chartered Accountant	Banking / Financial Consultant
Qualification	B. Tech (Hons.)	B. Com	C. A.	Bachelor of Chem. Engg.
List of Companies in which outside Directorship held as on 31.03.2009	NIL	1) Arvind Engg. Works Ltd. 2) Shree Manufacturing Co. Ltd. 3) Indian Glass & Elec. Ltd. 4) Claro India Ltd.	NIL	NIL

EXPLANATORY STATEMENTS

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

Mr. K. K. Damani, engaged in day to day affairs of the Company's works at Bareilly, was re-appointed as Whole time Director designated as Executive Director of the Company for a further period of 3 (three) years w.e.f. 15th April, 2009, not liable to retire by rotation, on the remuneration determined by the Remuneration Committee subject to the approval of Shareholders in the General Meeting. The broad particulars of remuneration and perquisites payable to and the principal terms and conditions of his re-appointment as contained in the Agreement to be entered into between the Company and Mr. K. K. Damani, are as under :-

1) Remuneration

- a) Salary - Rs. 79,000/- per month in the scale of 79,000/- — 5,000/- 84,000/-
- b) Perquisites :

The perquisites of the Executive Director shall be restricted to an amount equal to the annual salary drawn by the Executive Director or Rs. 3,00,000/- per annum whichever is less. The said perquisites are classified into the following three categories 'A', 'B' and 'C' :-

CATEGORY - 'A'

i) Housing :

- a) The Company will provide full furnished accommodation in the factory premises of the company situated at Izatnagar, Bareilly (U.P.)
- b) The expenditure incurred by the Company on electricity, water and furnishings will be evaluated as per the Income Tax Rules 1962 subject to a ceiling of 10% of the salary of the Executive Director.

ii) Medical Reimbursement & Leave Travel Concession :

- a) Medical expenses incurred by the Executive Director and his family will be reimbursed subject to a ceiling of one month's salary in a year or two month's salary over a period of two years.
- b) Leave travel expenses will be paid to the Executive Director and his family once in a year.
The expenses to be reimbursed under clauses (a) and (b) will be subject to the over all ceiling of 15% of the salary of the Executive Director.



NOTICE (Contd.)

iii) Club Fees :

Fees of One Club. This will not include admission and Life Membership fees.

iv) Personal Accident Insurance :

Of an amount the premium of which shall not exceed Rs. 1,000/- per annum.

CATEGORY - 'B'

i) The Company's contribution for the Executive Director to Provident Fund in accordance with the Rules and Regulations of the Company if applicable will not be included in the computation of the ceiling in perquisites to the extent it is not taxable under the Income tax Act, 1961.

ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs. 2,50,000/- or as per the provisions of Gratuity Act as amended.

CATEGORY - 'C'

i) Car

Provision of car for use on the Company's business provided that use of car for private purpose shall be billed by the Company to the Executive Director.

ii) Telephone :

Free use of a telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

Provisions for Company car and telephone will not be considered as perquisites.

Earned / Privilege Leave - On full pay and allowance as per rules of the Company.

The Executive Director shall not, so long as he functions as such, shall not be paid any sitting fees for attending meeting of the Board of Directors or Committees.

In case of inadequacy of profit or loss Mr. K. K. Damani will get minimum remuneration as permissible under Schedule XIII of the Companies Act, 1956.

The agreement also sets out the mutual rights and obligations of the Company and the Executive Director and details of powers and duties of the latter.

The Proposed resolution seeks your approval for the re-appointment of Mr. K. K. Damani, as whole time Director of the Company and the remuneration payable to him.

Except Mr. K. K. Damani no other Director of the Company is interested or concerned in the said resolution.

Item No. 5

Mr. V. K. Maheshwary, aged about 60 years a Chemical Engineer by qualification, but served with a Nationalised Bank for 20 years and at present by profession Financial Consultant was inducted as an Additional Director of the Company w.e.f. 13.04.2009 Under Section 260 of the Companies Act, 1956. Mr. V. K. Maheshwary will hold office only up to the date of the forthcoming Annual General Meeting. The Company has received a Notice in writing from a Member under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. V. K. Maheshwary as a Director of the Company at the forthcoming Annual General Meeting, and has deposited a sum of Rs. 500/- under the said provisions. It is desired that the Company should continue to avail his services. The Board recommends his appointment as a Director of the Company.

Mr. V. K. Maheshwary has filed with the Company his consent to act as a Director pursuant to Section 264 (1) of the Companies Act, 1956.

Except Mr. V. K. Maheshwary, none of the Directors of the Company is concerned or interested in the aforesaid Resolution.

Item No. 6

The Company intends to diversify its activities and is planning to start real estate business. Since the commencement of new business requires the approval of shareholders in terms of provisions of section 149 (2A) of the Companies Act, 1956. Hence the aforesaid resolution.

None of the Directors is interested in the said resolution except as shareholders.



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting their 89th Annual Report together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	2008 – 09		(Rs. in lacs) 2007 – 08	
	Rs.	Rs.	Rs.	Rs.
Profit for the year before tax adjustments		91.56		110.97
Less : Extra Ordinary Item		22.45		—
		<u>69.11</u>		<u>110.97</u>
Less : Provision for taxation				
Current Year	20.75		45.00	
Earlier Year	9.35		—	
Fringe Benefit tax	4.40		4.50	
Deferred Tax	0.22	34.72	2.43	51.93
Profit after tax adjustments		<u>34.39</u>		<u>59.04</u>
Add : Profit / (Loss) brought forward from previous year		21.78		(37.26)
Balance carried to Balance Sheet		<u>56.17</u>		<u>21.78</u>

GENERAL

During the year under review, with a growth of 16% in turnover, we could achieve Rs. 35.55 crores sales compare to Rs. 30.60 crores in previous year. However profitability suffered as reported earlier for want of good quality of imported raw materials in the first half of the year.

With great efforts, your Company could get desired results coupled with higher production in the second half of the year. This trend is likely to be continuing and we are hopeful to have a higher turnover, higher production and satisfactory profitability during the current year.

Your Directors are pleased to inform you that the Company intends to diversify its activities and has planned to start real estate business. Accordingly during the year under review the land at Bareilly has been revalued and the surplus over the cost of land arrived on revaluation is transferred to revaluation reserve account. The Company has also demarked the entire land of the Company to show the area used for factory and residential purpose and the remaining surplus area available may be utilised to start real estate business in years to come. Necessary resolution U/s. 149 (2A) is placed before you for your consideration.

The notes to the account referred in the Auditors report are being self explanatory.

DIVIDEND

To conserve resources your directors do not recommend any dividend for the year.

ENVIRONMENT & SAFETY

The environment, safety and pollution control measures are adequately taken.

FIXED DEPOSITS

The Company has accepted Fixed Deposits under Section 58A of the Companies Act, 1956. At the end of the financial year under review, there were 2 deposits aggregating Rs. 30,000/- which matured but remained unclaimed as on that date. The Company had written to these depositors.

SECRETARIAL COMPLIANCE REPORT

The report in accordance with the Companies (Amendment) Act, 2000 U/s. 383A forming part of this report are given in Annexure-I.



DIRECTORS' REPORT (Contd.)

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

A statement in accordance with Sec. 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of this report are given in Annexure-II.

PARTICULARS OF EMPLOYEES :

Particulars of the employees as required under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956 your Directors state that :

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures :
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements 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 the Profit of the Company for that period.
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Corporate Governance is not mandatory for the Company. The shares of the Company are listed at The Calcutta Stock Exchange Association Ltd. and pursuant to Clause 38 of the listing agreement, the Company is regularly paying the listing fees.

DIRECTORATE

Under Article 103 of the Articles of Association of the Company Mr. S. K. Maheshwary & Mr. Bharat Mohta, retires by rotation and being eligible, offer themselves for re-appointment.

Mr. V. K. Maheshwary, was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 13th April, 2009. Under the provision of Sec. 260 of the Companies Act, 1956 Mr. V. K. Maheshwary, will hold office as an Additional Director only upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received Notice in writing from a member under sec. 257 of the Companies Act, signifying his intention to propose the appointment of Mr. Maheshwary, as Director of the Company at the forthcoming Annual General Meeting.

AUDITORS

The retiring Auditors M/s. S. K. Agrawal & Company, Chartered Accountants, being eligible offer themselves for re-appointment. The Certificate under sub-section 1B of Section 224 of the Companies Act, 1956 has been obtained as required.

PERSONNEL

Your Directors wish to express their appreciation to all the employees of the Company for their sustained effort and valuable contribution to the growth during the year.

APPRECIATION

We place our sincere gratitude for the co-operation and assistance extended by the Govt(s), Financial Institutions, Banks and Customers.

The Board, also, takes this opportunity to express its deep gratitude for the continued co-operation and support received from the shareholders.

Kolkata
Dated : the 10th June, 2009

On behalf of the Board
K. K. MOHTA
Chairman



ANNEXURE - I TO THE DIRECTORS' REPORT SECRETARIAL COMPLIANCE CERTIFICATE

To
The Members,
The Indian Wood Products Co. Ltd.
9, Brabourne Road, 7th Floor
Kolkata-700 001

I have examined the registers, records, books and papers of The Indian Wood Products Company Limited, 9, Brabourne Road, 7th Floor, Kolkata-700 001, as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, within the time or with delay, prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited comments are not required.
4. The Board of Directors duly met 5 (Five) times on on 30th June, 2008, 29th July, 2008, 25th August, 2008, 31st October, 2008 and 30th January, 2009 in respect of which proper notices were given and the proceedings were properly recorded and signed including the circular resolution was passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 19th August, 2008 to 25th August, 2008 U/S 154 of the Act during the financial year and complied with the provisions of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 25th August, 2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to u/s 295 of the Act.
9. The Company has not entered into any contract u/s 297 of the Act, during the financial year.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not required to obtain necessary approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company has :-
 - i) Not allotted any share however has delivered all the certificates of shares on lodgment thereof for transfer/ transmission or for any other purpose in accordance with the provisions of the Act.
 - ii) Not deposited any amount in a separate Bank Account, as no dividend was declared for the year ended 31st March, 2008.
 - iii) Not posted warrants to any member of the Company as no dividend was declared during the year.
 - iv) Not transferred the amounts from unpaid dividend account, as there is no unclaimed or unpaid dividend or any other dues remained for a period of seven years to be transferred to Investor Education and Protection Fund.
 - v) Duly complied with the requirements of section 217 of the Act.



SECRETARIAL COMPLIANCE CERTIFICATE (Contd.)

14. The Board of Directors of the company is duly constituted and there was no appointment of Additional Directors occurred during the financial year, however the resignation of one Director was recorded in the financial year.
15. The Company has earlier appointed Whole-time Director, designated as Executive Director, in accordance with u/s 269 read with Schedule XIII of the Act.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued shares or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There was no transactions necessitating the company to keep in abeyance Rights to dividend, Right shares and bonus shares pending registration of transfer of shares.
23. The Company has accepted deposit including unsecured loan falling within the purview of section 58A during the financial year and the Company has filed statement in lieu of Advertisement with Registrar of Companies, West Bengal on 28th August, 2008 The Company has also filed Return of Deposit with R. O. C. However the provision of sec. 58AA is not applicable since there is no default in case of small depositors.
24. The amount borrowed by the Company from Banks, Financial Institution and others are within the limits of the company and that necessary resolution as per section 293(1)(d) of the Act have been passed in duly convened General Meeting held on 22nd September, 1995.
25. The Company has not made Loans and Investments or given guarantee to other bodies Corporate during the financial year, consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As informed by the management, there was no prosecution initiated against the Company and no fines or penalties or any other punishment was imposed on the Company, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both Employee's and Employer's contribution to Provident Fund with the prescribed authorities pursuant to section 418 of the Act, for the year ended 31st March, 2009.

Place : Kolkata
Date : the 10th June, 2009

ASHOK KUMAR DAGA
Company Secretary
FCS-2699 & C.P. No. 2948



SECRETARIAL COMPLIANCE CERTIFICATE (Contd.)

ANNEXURE - A

Registers as maintained by the Company (Statutory Registers)

1. Members Register U/S. 150
2. Shareholders Index register U/S 151.
3. Register of Directors U/S 303
4. Director's Shareholding Register U/S 307
5. Register of Contract (Disclosure of Interest) U/S 301
6. Share Transfer Register U/S 108
7. Fixed Assets Register as per Schedule VI.
8. Dividend Register U/S 205.
9. Document Register.
10. Register of Charges U/S 143.
11. Circulation Resolution Minute Book U/S. 289.
12. Fixed Deposit Register U/S 58A.
13. Register of Investments or loans U/s 372A
14. Common Seal Register.

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2009.

Sl. No.	Form No./Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No.	If delay in filing whether requisite additional fee paid Yes/No
1.	Form No. 23AC & 23ACA	U/s. 220	Annual Accounts & Directors Report as on 31st March, 2008.	26.09.2008	No	Yes
2.	Form No. 66	U/s. 383A	Compliance Certificate as on 31.03.2008	23.09.2008	Yes	No
3.	Form No. 20B	U/s. 159	Annual Return for A. G. M. Held on 25.08.2008	23.12.2008	No	Yes
4.	Form No. 32	U/s. 303	Resignation of Director on 30.06.2008	02.07.2008	Yes	No
5.	Form No. 62	U/s. 58A	Statement in lieu of Advertisement for Acceptance of deposit on 25.08.2008	30.06.2008	Yes	No
6.	Form No. 8	U/s. 135	Modification of Charge on 29.03.2008	27.04.2008	Yes	No
7.	Form No. 62	U/s. 58A Rule 10	Return of Deposit	01.07.2008	Yes	No



ANNEXURE - II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS' REPORT :

1. CONSERVATION OF ENERGY

- Efficient and controlled use of electrical energy has led to further reduction in average power consumption.
- L T Connection has been changed to H T Connection and servo stabilizer has also been installed to control voltage fluctuation.
- Modification has been done in A.C. rooms to utilise maximum capacity for A. C. Plant.

2. RESEARCH AND DEVELOPMENT (R & D) :

- Research and Development is carried out regularly to improve the quality at every stage of production.
- All existing activities will be continued and further steps will also be taken as required from time to time.

Expenditure on R & D

Capital	Rs.	Nil
Recurring	Rs.	2,30,879.12
	Rs.	<u>2,30,879.12</u>

3. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

A constant track in latest developments in the field of technology is being kept and the same is put into practice. Adaptation of latest technology contributed to reduction in cost, improvement of quality of our products.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Earnings —	Rs.	Nil
2. Outgo —	Rs.	3,39,14,640

Kolkata
Dated : the 10th June, 2009

On behalf of the Board
K. K. MOHTA
Chairman



AUDITORS' REPORT

TO THE MEMBERS OF THE INDIAN WOOD PRODUCTS COMPANY LIMITED

1. We have audited the attached Balance Sheet of THE INDIAN WOOD PRODUCTS COMPANY LIMITED as at 31st March, 2009 and also the Profit & Loss Account for the year ended on that date both annexed thereto and the Cash Flow Statement for the year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We further report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit & Loss Account & Cash Flow Statement referred to in this report are in agreement with the books of accounts and comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
- d) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 8 regarding non provision of doubtful debts and advances amounting to Rs. 12.94 lacs and read with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of Balance Sheet of the State of Affairs of the Company as on 31st March, 2009; and
 - ii) In case of the Profit & Loss Account of the Profit for the year ended on that date;
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date

4. As required by the Companies (Auditors' Report) order 2003 as issued by the Central Government and on the basis of such Checks as we considered appropriate and according to the information and explanations given to us, we further report that;

- i) The Company has maintained proper record showing full particulars including quantitative details and situation of Fixed Assets. These fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
- ii)
 - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.

**AUDITORS' REPORT (Contd.)**

- iii) a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. However, the Company had taken unsecured loan from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company had taken unsecured loan from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amounts involved during the year and the year-end balances of such loan aggregates to Rs. 184.95 lacs and NIL respectively.
- c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima-facie prejudicial to the interest of the company.
- d) In respect of the aforesaid loans, the company is regular in repayment of the principal amounts and is also regular in payment of interest.
- e) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- v) According to the information and explanations given to us, there were transactions during the year that need to be entered into the register in pursuance of section 301 of the Act and that has been duly complied with.
- vi) In case of Public Deposits accepted by the company, the directives issued by the Reserve Bank of India and provision of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, have been complied with.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- viii) The Central Government of India has not prescribed the maintenance of Cost records by the Company as required under Section 209 (1)(d) of the Companies Act, 1956 for any of its products.
- ix) According to the information and explanation given to us in respect of statutory and other dues :
- a) The company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities during the year.
- b) The details of dues of Sales Tax, Customs Duty, Excise Duty, Employees State Insurance and Cess which have not been deposited as on 31st March, 2009 on account of disputes are given below :

Particulars	Financial year to Which the matter Pertain	Forum where the matter is pending	Amount Rs.
Central Sales Tax, Delhi	1987-88	Appellate Tribunal	22,642/-
Central Sales Tax, Delhi	2001-02	Appellate Tribunal	73,57,991/-
Central Sales Tax, Delhi	2002-03	Additional Commissioner	2,15,991/-
Local Sales Tax, Delhi	2002-03	Additional Commissioner	43,74,827/-
Mandi Samity	1997-98	Hon'ble High Court, Allahabad	23,29,265/-

**AUDITORS' REPORT (Contd.)**

- x) The Company does not have accumulated losses as at the end of the year and the company has not incurred cash losses during the current year or in the immediately preceding financial year.
- xi) The Company has not defaulted in the repayment of dues to financial institution and banks.
- xii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xv) According to the information given to us, the company has not provided any guarantee for availing any loan by other body corporate.
- xvi) In our opinion, and according to the information and explanations given to us, on overall basis, the term loans have been applied for the purpose for which they were obtained.
- xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us on an overall basis, funds raised on short term basis have, prima-facie, not been used during the year for long term investment and vice versa.
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

Clause nos. xiii, xiv, xviii, xix, xx of the aforesaid Order are not applicable to the Company during the year.

4A, Council House Street,
Kolkata-700 001
Dated : the 10th June, 2009

For S. K. AGRAWAL & CO.
Chartered Accountants
J. K. CHOUDHURY
Partner
Membership No. 9367

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule No.	31st March, 2009		31st March, 2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	I	1,07,73,016		1,07,73,016	
Reserves and Surplus	II	<u>7,49,90,642</u>	8,57,63,658	<u>4,22,76,492</u>	5,30,49,508
Loan Funds					
Secured Loans	III	9,19,89,749		8,67,62,769	
Unsecured Loans		<u>62,05,679</u>	9,81,95,428	<u>67,23,318</u>	9,34,86,087
Deferred Tax Liability (Net) (Note No. 12, Schedule XV)			<u>28,66,210</u>		<u>28,43,767</u>
			<u>18,68,25,296</u>		<u>14,93,79,362</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	IV	7,74,29,782		5,14,35,612	
Less : Depreciation		<u>2,90,33,587</u>		<u>2,72,91,627</u>	
		4,83,96,195		2,41,43,985	
Add : Capital works in process		<u>2,76,294</u>	4,86,72,489	<u>25,12,340</u>	2,66,56,325
Investments					
	V		2,024		2,024
Current Assets, Loans and Advances					
Inventories	VI	10,08,21,100		5,78,55,509	
Sundry Debtors	VII	11,33,35,196		12,83,21,085	
Cash and Bank Balances	VIII	1,06,82,350		1,31,72,382	
Loans and Advances	IX	<u>1,78,14,498</u>		<u>2,06,05,321</u>	
		24,26,53,144		21,99,54,297	
Less : Current Liabilities and Provisions	X				
Liabilities		8,97,14,731		7,87,03,453	
Provisions		<u>1,47,87,630</u>		<u>1,85,29,831</u>	
		10,45,02,361		9,72,33,284	
Net Current Assets			<u>13,81,50,783</u>		<u>12,27,21,013</u>
			<u>18,68,25,296</u>		<u>14,93,79,362</u>
Notes on Accounts & Significant Accounting Policies	XV				

The Schedules referred to above form an integral part of the Balance Sheet.

In terms of our attached report of even date.

Kolkata
Dated : the 10th June, 2009

For S. K. AGRAWAL & CO.
Chartered Accountants
J. K. CHOUDHURY
Partner

K. K. MOHTA
Chairman
S. K. MAHESHWARY
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule No.	31st March, 2009 Rs.	Rs.	31st March, 2008 Rs.	Rs.
INCOME					
Sales		35,55,34,405		30,70,59,862	
Less : Sales Charges	XI	48,43,643		57,67,650	
		<u>35,06,90,762</u>		<u>30,12,92,212</u>	
Add : Miscellaneous Income		6,41,274	35,13,32,036	3,42,505	30,16,34,717
Less : Cost of Goods Sold	XII		32,27,57,236		27,41,48,290
Gross Profit			<u>2,85,74,800</u>		<u>2,74,86,427</u>
Add : Interest on Fixed Deposits and Others (Gross) [Tax deducted at source - Rs. 1,13,019/- (2008 - Rs. 1,06,142/-)]			5,73,963		5,28,053
Profit on sale of Fixed Assets (Net)			3,778		1,88,525
Liabilities no longer required written back			27,805		95,972
			<u>2,91,80,346</u>		<u>2,82,98,977</u>
Less : EXPENDITURE AND CHARGES					
Salaries and Wages including benefits	XIII	23,27,613		20,85,214	
Other Charges	XIV	56,29,973		49,96,800	
Interest		1,05,09,925		95,57,557	
Depreciation other than Factory		2,30,852		2,12,815	
Advances (including claims) written off		17,587		78,274	
Loss on Foreign Exchange Fluctuation		11,06,222		2,71,450	
Sales Tax paid for earlier years		2,02,229	2,00,24,401	—	1,72,02,110
Profit/(Loss) before Taxation and Extra Ordinary item			<u>91,55,945</u>		<u>1,10,96,867</u>
Less : Extra Ordinary item (Note No. 6, Schedule XV)			22,44,843		—
Profit /(Loss) before Taxation			<u>69,11,102</u>		<u>1,10,96,867</u>
Less : Provision for Taxation					
Current Year		20,75,000		45,00,000	
Earlier Year		9,34,528		—	
Fringe Benefit Tax		4,40,000		4,50,000	
Deferred tax (Note 12, Schedule XV)		22,443	34,71,971	2,42,587	51,92,587
Profit after Tax adjustments			<u>34,39,131</u>		<u>59,04,280</u>
Profit / (Loss) Brought forward from Previous Year			21,78,032		(37,26,248)
Balance carried forward to Balance Sheet			<u>56,17,163</u>		<u>21,78,032</u>
Basic and diluted earnings per share (Note 15, Sch. XV)			5.29		5.50

Notes on Accounts & Significant Accounting Policies

XV

The Schedules referred to above form an integral part of the Profit & Loss Account in terms of our attached report of even date.

For S. K. AGRAWAL & CO.
Chartered Accountants
J. K. CHOUDHURY
Partner

Kolkata
Dated : the 10th June, 2009

K. K. MOHTA
Chairman
S. K. MAHESHWARY
Director



SCHEDULE I

	31st March, 2009		31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SHARE CAPITAL :				
Authorised —				
25,00,000 Ordinary Shares of Rs. 10/- each		<u>2,50,00,000</u>		<u>2,50,00,000</u>
Issued and Subscribed —				
10,74,318 Ordinary Shares of Rs. 10/- each	1,07,43,180		1,07,43,180	
Add : 5,682 Shares Forfeited (Amount originally paid-up)	<u>29,836</u>	<u>1,07,73,016</u>	<u>29,836</u>	<u>1,07,73,016</u>
Of the above 22,500 shares have been allotted as fully paid-up pursuant to a contract without payments being received in cash and 2,40,000 shares have been allotted as fully paid up Bonus Shares by way of Capitalisation of Reserves.				

SCHEDULE II

RESERVES AND SURPLUS :

Capital Reserve				
Premium on Re-issue of forfeited shares		3,037		3,037
Share Premium				
As per last Account		1,43,46,031		1,43,46,031
Revaluation Reserve				
(Note No. 7, Schedule XV)		2,92,75,019		—
General Reserve				
As per last Account		2,57,49,392		2,57,49,392
SURPLUS IN PROFIT & LOSS ACCOUNT				
		<u>56,17,163</u>		<u>21,78,032</u>
		<u>7,49,90,642</u>		<u>4,22,76,492</u>

SCHEDULE III

SECURED LOANS :

State Bank of Bikaner and Jaipur				
Cash Credit Account	4,71,47,154		4,54,50,102	
Working Capital Term Loan	24,29,000		38,87,000	
Term Loan	80,55,000		36,30,000	
Stand by line of Credit	<u>74,99,967</u>	6,51,31,121	—	5,29,67,102
Axis Bank Ltd.				
Cash Credit Account	1,83,20,584		2,12,27,696	
Funded Interest Term Loan	69,76,400		1,04,64,600	
Working Capital Term Loan	<u>13,63,600</u>	2,66,60,584	<u>21,03,371</u>	3,37,95,667
Interest Accrued and due on above term loan		<u>1,98,044</u>		—
(Note No. 2, Schedule XV)		<u>9,19,89,749</u>		<u>8,67,62,769</u>

UNSECURED LOANS :

Fixed Deposits	17,95,000		21,57,000	
Short-term loans from companies	44,00,000		44,00,000	
Temporary Overdraft	—		1,37,425	
Interest accrued and due	<u>10,679</u>	<u>62,05,679</u>	<u>28,893</u>	<u>67,23,318</u>



SCHEDULE IV

FIXED ASSETS

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 31st March, 2009	Adjustments/ Additions during the Year	Sales/ Adjustments/ transfers during the year	As at 31st March, 2009	As at 31st March, 2008	For the Year	On Assets Sold/adjusted/ transferred during the year	As at 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Free Hold Land (Note No. 7, Schedule XV)	39,586	2,92,75,019	1,26,15,505	1,66,99,100	—	—	—	—	1,66,99,100	39,586
Building	1,24,00,223	—	—	1,24,00,223	35,00,039	2,52,704	—	37,52,743	86,47,480	89,00,184
Tube-Well	2,73,632	—	—	2,73,632	1,41,233	4,041	—	1,45,274	1,28,358	1,32,399
Plant and Machinery	97,89,484	20,68,886	—	1,18,58,370	60,12,276	5,10,155	—	65,22,431	53,35,939	37,77,208
Effluent Treatment Plant	20,79,012	—	—	20,79,012	19,75,061	—	—	19,75,061	1,03,951	1,03,951
Electric Installation	35,10,969	28,06,132	—	63,17,101	28,61,794	1,46,874	—	30,08,668	33,08,433	6,49,175
Weighing Scales	3,21,304	—	—	3,21,304	2,02,610	8,675	—	2,11,285	1,10,019	1,18,694
Trolleys & Trays	13,97,621	—	—	13,97,621	13,55,320	—	—	13,55,320	42,301	42,301
Laboratory Apparatus	4,47,355	—	—	4,47,355	2,51,821	12,641	—	2,64,462	1,82,893	1,95,534
Refrigeration & Cooling System	85,94,222	41,61,093	—	1,27,55,315	39,28,831	4,42,862	—	43,71,693	83,83,622	46,65,391
Motor Car & Vehicles	58,94,088	4,22,092	3,44,441	59,71,739	23,09,561	4,42,674	3,27,220	24,25,015	35,46,724	35,84,527
Computers	23,55,580	1,23,175	—	24,78,755	18,88,782	88,719	—	19,77,501	5,01,254	4,66,798
Furniture, Fixture & Office Equipments	43,32,536	97,719	—	44,30,255	28,64,299	1,59,835	—	30,24,134	14,06,121	14,68,237
Total	5,14,35,612	3,89,54,116	1,29,59,946	7,74,29,782	2,72,91,627	20,69,180	3,27,220	2,90,33,587	4,83,96,195	2,41,43,985
Previous Year	4,97,53,229	21,95,783	5,13,400	5,14,35,612	2,56,22,820	19,41,732	2,72,925	2,72,91,627	2,41,43,985	



SCHEDULE V

	31st March, 2009		31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
INVESTMENTS — Long Term (Quoted) :				
Other than Trade (At Cost)				
339 Equity shares of Rs. 10/- each fully paid in Vishnuhari Investment & Properties Ltd. [Received on amalgamation of Karuna Sindhu Financers & Investors Ltd. (640 Shares)]		<u>2024</u>		<u>2,024</u>
Market Value		<u>4,407</u>		<u>10,560</u>

SCHEDULE VI

INVENTORIES

Land (Stock in Trade) (Note No. 7, Schedule XV)	1,26,15,505			—
Raw Materials	1,32,12,443			57,94,357
Work-in-process	3,85,59,719			2,31,49,278
Finished Goods	1,72,84,010			2,18,97,981
Consumables	1,32,76,571			23,43,209
Stores and spare parts	58,23,351			46,13,864
Tools and Implements	49,501			56,820
		<u>10,08,21,100</u>		<u>5,78,55,509</u>

SCHEDULE VII

SUNDRY DEBTORS

Debts outstanding for more than six months

Unsecured - Considered Good	3,37,53,569		3,69,17,105	
Unsecured - Considered Doubtful	<u>12,94,150</u>	<u>3,50,47,719</u>	<u>15,07,852</u>	3,84,24,957

Other Debts :

Secured - Considered Good	2,24,235		2,95,716	
Unsecured - Considered Good	<u>7,80,63,242</u>	<u>7,82,87,477</u>	<u>8,96,00,412</u>	8,98,96,128
		<u>11,33,35,196</u>		<u>12,83,21,085</u>

**SCHEDULE VIII**

	31st March, 2009		31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
CASH AND BANK BALANCES :				
Cash in hand (Including cheques in hand)		3,26,988		38,27,337
Balances with Scheduled Banks :				
On Current Accounts	11,37,479		33,47,432	
On Fixed Deposits Accounts	92,17,883	1,03,55,362	59,97,613	93,45,045
[(Includes Rs. 4,39,996 against Guarantees) (Note 3(b) Schedule - XV) and Rs. 86.91 lacs as margin money against L. C. Commitment]		<u>1,06,82,350</u>		<u>1,31,72,382</u>

SCHEDULE IX**LOANS AND ADVANCES :****Unsecured**

Advances recoverable in cash or in kind or for value to be received

Considered Good

1,66,99,636

1,78,73,094

Considered Doubtful

—16,24,065

1,94,97,159

Security and other Deposits

Considered Good

11,14,862

11,08,162

1,78,14,4982,06,05,321**SCHEDULE X****CURRENT LIABILITIES AND PROVISIONS :****Current Liabilities :**

Sundry Creditors for

Good Supplied (other than Small Scale Industrial undertaking)

7,02,58,752

5,41,92,985

Advances from Customers and Consignees

1,35,73,984

1,81,10,677

Other Liabilities

46,09,707

50,79,744

Contractors' and Customers' Security Deposits

12,11,900

12,11,900

Interest accrued but not due

60,388

8,97,14,731

1,08,147

7,87,03,453

Provisions

Provision for Taxation (net of advance Tax)

4,14,402

45,39,402

Provision for Fringe Benefit Tax (net of advance tax)

1,40,000

5,25,000

Provision for Retirement benefits

Gratuity

1,01,77,761

92,06,183

Leave Encashment

40,55,467

1,47,87,630

42,59,246

1,85,29,831

10,45,02,3619,72,33,284

**SCHEDULE XI**

	2008 - 2009		2007 - 2008	
	Rs.	Rs.	Rs.	Rs.
SALES CHARGES :				
Rent		3,18,490		2,77,087
Freight and Transport		9,80,283		9,22,483
Commission paid to Selling Agents		4,23,587		2,76,246
Brokerage and Discount etc.		2,22,117		4,90,139
Repairs to Others		22,290		27,335
Miscellaneous		28,76,876		37,74,360
		<u>48,43,643</u>		<u>57,67,650</u>

SCHEDULE XII**COST OF GOODS SOLD :****Raw Materials Consumed :**

Opening Stock		57,94,357		1,06,10,474
Purchases		19,33,55,033		12,24,50,993

Extraction Expenses —

Salaries and Wages (Schedule XIII)	6,18,408		5,47,461	
Other Charges (Schedule XIV)	<u>21,46,768</u>	<u>27,65,176</u>	<u>14,59,108</u>	<u>20,06,569</u>
		20,19,14,566		13,50,68,036
Less : Closing Stock		<u>1,32,12,443</u>		<u>57,94,357</u>
Raw Material Consumed		18,87,02,123		12,92,73,679

Manufacturing Expenses -

Stores and Spare Parts Consumed	1,19,67,544		93,83,492	
Consumables Consumed	2,15,07,765		3,13,85,109	
Power and Fuel	96,64,226		75,00,995	
Salaries and Wages including benefits to staff (Schedule XIII)	4,84,22,291		4,25,10,598	
Other Charges (Schedule XIV)	<u>5,14,51,429</u>	<u>14,30,13,255</u>	<u>3,91,16,537</u>	<u>12,98,96,731</u>

Depreciation

		18,38,328		17,28,917
--	--	-----------	--	-----------

Stock of Finished goods, and Work-in-process as at 1st April, 2008		4,50,47,259		5,74,23,559
--	--	-------------	--	-------------

		<u>37,86,00,965</u>		<u>31,83,22,886</u>
--	--	---------------------	--	---------------------

Less : Stock of Finished Goods and Work-in-process as at 31st March, 2009		5,58,43,729		4,50,47,259
---	--	-------------	--	-------------

		<u>32,27,57,236</u>		<u>27,32,75,627</u>
--	--	---------------------	--	---------------------

Add : Purchase of Trading Goods		—		8,72,663
---------------------------------	--	---	--	----------

		<u>32,27,57,236</u>		<u>27,41,48,290</u>
--	--	---------------------	--	---------------------

**SCHEDULE XIII**

	2008 – 2009				2007 – 2008			
	Total Rs.	Head Office Account Rs.	Factory Account Rs.	Khair Wood Account Rs.	Total Rs.	Head Office Account Rs.	Factory Account Rs.	Khair Wood Account Rs.
SALARIES AND WAGES INCLUDING BENEFITS TO STAFF :								
Salaries, Wages, and Bonus (Including Gratuity etc.)	4,24,40,744	19,43,904	4,00,42,009	4,54,831	3,70,32,667	17,66,159	3,48,67,990	3,98,518
Contribution to Provident and Other Funds	30,90,329	1,70,244	28,72,852	47,233	27,20,486	1,51,728	25,26,278	42,480
Staff Welfare Expenses	58,37,239	2,13,465	55,07,430	1,16,344	53,90,120	1,67,327	51,16,330	1,06,463
	5,13,68,312	23,27,613	4,84,22,291	6,18,408	4,51,43,273	20,85,214	4,25,10,598	5,47,461

SCHEDULE XIV**OTHER CHARGES**

Rent	2,87,650	2,57,140	30,510	—	28,380	—	28,380	—
Rates and Taxes	17,01,067	4,350	16,95,042	1,675	13,88,266	2,940	13,83,676	1,650
Electric Lights and Power	1,41,80,718	41,494	1,41,39,224	—	1,26,92,865	75,379	1,26,17,486	—
Insurance	3,67,435	20,533	3,46,902	—	3,78,575	38,345	3,40,230	—
Repairs to Building	5,89,439	—	5,89,439	—	7,94,790	—	7,94,790	—
Repairs to Machinery	18,83,743	—	18,83,743	—	17,65,012	—	17,65,012	—
Repairs to Others/Electrical	7,10,461	12,530	6,97,931	—	8,26,736	21,874	8,04,862	—
Railway Tax & Maintenance	2,50,328	—	2,50,328	—	2,50,328	—	2,50,328	—
Auditors' Remuneration (Note 4 Schedule XV)	1,20,414	1,20,414	—	—	78,652	78,652	—	—
Transport / Felling / Billeting etc.	20,12,156	—	—	20,12,156	13,65,331	—	—	13,65,331
Travelling Expenses	27,03,733	15,21,459	11,09,024	73,250	28,35,316	17,72,007	10,21,446	41,863
Directors' Fees	28,000	28,000	—	—	32,000	32,000	—	—
Miscellaneous Expenses	3,43,93,026	36,24,053	3,07,09,286	59,687	2,31,36,194	29,75,603	2,01,10,327	50,264
	5,92,28,170	56,29,973	5,14,51,429	21,46,768	4,55,72,445	49,96,800	3,91,16,537	14,59,108



SCHEDULE XV

NOTES ON ACCOUNTS

Basis for preparation of accounts :

The accounts have been prepared to comply with all material aspects of applicable accounting principles. The Accounting Standards issued by the Institute of Chartered Accountants of India and in accordance with the Companies Act, 1956.

1. ACCOUNTING POLICIES

a) Fixed Assets :

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

Depreciation on Fixed Assets is provided from the date of capitalisation under the straight line method at the rates and in the manner as per the provisions of Schedule XIV of the Companies Act, 1956.

b) Investments :

Long term Investments are stated at cost.

c) Inventories :

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined as follows :

1. Raw Material and consumables - FIFO Method.
2. Finished Goods, stores, spares, work-in-progress – Weighted average method.

d) Retirement Benefits :

- i) Contribution to Provident Fund is made at a predetermined rate and charged to revenue on accrual basis.
- ii) For gratuity the Company maintains Group Insurance-cum-Gratuity Scheme with Life Insurance Corporation of India. (See Note No. 11)
- iii) Year end accrued liability for leave encashment has been provided on actuarial valuation done by approved valuer.

e) Research and Development Expenditure :

Revenue expenditure is written off in the year in which it is incurred.

f) Recognition of Income and Expenditure :

Items of Income and Expenditure are recognised on accrual basis.

g) Foreign Currency Transaction :

Transactions in Foreign exchange are recognised at the exchange rate prevailing on date of transaction. Gain & Losses arising on account of realisation are accounted for in Profit and Loss Account.

Assets and Liabilities in foreign currency which are outstanding as at the year end and not covered by forward contracts are translated at the year end exchange rates. Gain and Losses arising on account of such deviations are accounted for in the Profit & Loss Account.

h) Contingent Liability :

Contingent Liabilities are not provided for in Accounts, but are disclosed by way of notes.

i) Borrowing Cost :

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.



SCHEDULE XV (Contd.)

j) Taxation

The Provision for income tax expenses comprises current tax, deferred tax & fringe benefit tax. Current Tax & Fringe benefit tax are measured at the amount expected to be paid to the tax authority, in accordance with the provision of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k) Impairment of Assets

Impairment of loss is recognised at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. The same is recognised and provided after estimating recoverable amount of that particular asset.

2. SECURED LOANS

The limits with State Bank of Bikaner and Jaipur and Axis Bank Ltd. are secured by pari passu charge on stocks of raw material, Katha and Cutch whether raw or in process of manufacture and all articles manufactured therefrom, Stores, Book debts, Plant & Machinery and certain other assets and mortgage by deposit of title deeds of land at Bareilly measuring 90,000 square meter and also have been guaranteed by one of the Directors. The amount payable against the term loans in the next one year is Rs. 82.13 lacs.

3. THERE ARE CONTINGENT LIABILITIES IN RESPECT OF :

- Demands for Sales Tax amounting to Rs. 1,27,34,479/- (2008 Rs. 1,27,34,479/-) which are not acknowledged as debts. Against the same Company has paid under protest a total of Rs. 7,63,028/- (2008 Rs. 7,63,028/-) included in Loans and Advances.
- Aggregate year end Bank Guarantees amounts to Rs. 3,00,000/- (2008 Rs. 1,56,836/-) against which Fixed Deposit Receipts are being held by Banks.
- Mandi Samiti demand on Katha amounting to Rs. 2,37,719/- (2008 Rs. 2,37,719/-) has been disputed by the Company and stayed by Honourable High Court Allahabad.

4. DETAILS OF AMOUNTS PAID OR PAYABLE TO AUDITORS :

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
Audit fee	1,10,300	78,652
In other capacity – for certificates	10,114	8,988
Total	<u>1,20,414</u>	<u>87,640</u>



SCHEDULE XV (Contd.)

5. DIRECTORS' REMUNERATION

	Year ended 31st March, 2009 Rs.	Year ended 31st March, 2008 Rs.
a) Remuneration paid to Whole-time Directors		
Salary	11,25,667	10,65,667
Contribution to Provident Fund	1,35,080	1,27,880
Benefits (including Estimates)	3,37,976	3,32,728
Total	15,98,723	15,26,275
b) Other Directors		
Meeting Fees	28,000	32,000
6. The Office premises of the Company is owned by Life Insurance Corporation of India (LIC). A legal dispute was going on with LIC about the tenancy, which has been settled during the year. LIC has agreed to transfer the tenancy in the name of the Company with increased arrear rent and also one time Compensation which has been charged in these accounts and shown as an extra ordinary item.		
7. During the year		
a) The free hold land at Bareilly was revalued based on the rate as on 1.04.1981 by an Approved Valuer. The surplus over cost of land arising on revaluation is credited to revaluation reserve account (aggregating to Rs. 2,92,75,019/-).		
b) The Company has decided to undertake real estate business in due course. The surplus land of the company at Bareilly over and above the factory and residential area is apportioned/demarked and appropriated as stock in trade valued at Rs. 1,26,15,505/- (112387 Sq. mtr.).		
8. Pending outcome of persuasive/legal action taken for recovery of doubtful Debts and Advances aggregating Rs. 12,94,150/- (2008 Rs. 31,31,917/-) no provision is considered necessary in this regard at this stage.		
9. Loans and advances include Rs. 40 lacs (2008 Rs. 25.00 lacs) deposited with Customs Authority under protest. Company's representation in this connection is pending before the authority, further adjustments if any will be done as and when the matter is crystallized.		
10. The company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.		
11. Defined Benefit Plan :		
As per Actuarial Valuations as on 31.03.2009 and recognised in the financial statements in respect of Employees benefit schemes.		

Gratuity (Unfunded)
Amount (Rs.)

A. Component of Employer expenses

1. Current service Cost	8,94,901
2. Interest Cost	9,95,375

**SCHEDULE XV (Contd.)**

	Gratuity (Unfunded) Amount (Rs.)		
3. Expected Return on Plan Asset	(3,50,913)		
4. Actuarial Losses / (gain)	(5,04,886)		
5. Expenses directly paid by the Company (For Current Year)	19,88,890		
6. Total expenses recognised in the Statement of Profit & Loss	30,23,367		
B. Net Asset / (Liability) Recognised in Balance Sheet as at 31.03.2009			
1. Present Obligation of Defined Benefit Obligation	1,46,69,065		
2. Fair Value of Plan Asset	44,91,304		
3. Funded Status [Surplus / (Deficit)]	—		
4. Net Asset / (Liability) recognised in the Balance Sheet	1,01,77,761		
C. Change in Defined Benefit Obligation during the year ended 31.03.2009			
1. Present Value of DBO at Beginning of period	1,32,71,668		
2. Current Services Cost	8,94,901		
3. Interest Cost	9,95,375		
4. Actuarial Losses/(gains)	(4,92,879)		
5. Benefits paid	—		
5. Present value of DBO at the end of period	1,46,69,065		
D. Change of Fair Value of the asset			
1. Plan asset at the beginning of the period	41,28,384		
2. Return on Plan Asset	3,50,913		
3. Actuarial Gain	12,007		
4. Actual Company contributions	—		
5. Benefits paid	—		
6. Plan Assets at the end of the period	44,91,304		
E. Actuarial Assumption			
1. Discount Rate (%)	7.5%		
2. Expected return on plan assets (%)	8.5%		
12. Provision for Deferred Tax as per accounting standard — 22 (Accounting for taxes on Income).			
	Opening As at 31.03.08 Rs.	Debit/(Credit) During the year Rs.	Closing As at 31.03.09 Rs.
Deferred tax (Liabilities) on Depreciation	(28,71,639)	5,429	(28,66,210)
Deferred tax assets on VRS	27,872	(27,872)	
Total	<u>(28,43,767)</u>	<u>(22,443)</u>	<u>(28,66,210)</u>

13. SEGMENT REPORTING

In the context of AS-17 accounting on Segment Reporting, the Company has identified Katha and Cutch as single reportable primary business segment. The above reporting primary business segment comprises of manufacturing of Katha and cutch. Other business segment comprises of trading in bearing, which was discontinued in the previous year.



SCHEDULE XV (Contd.)

Information about primary business segment

Reportable Segment	2008 — 2009			2007 — 2008		
	Katha & Cutch	Others	Total	Katha & Cutch	Others	Total
	(Rs. in lacs)					
1. Revenue						
External Sales	3555.34	—	3555.34	3060.65	9.95	3070.60
Total Revenues	3555.34	—	3555.34	3060.65	9.95	3070.60
2. Segment Results	190.92	—	190.92	200.30	0.97	201.27
Interest expenses (net)	(99.36)	—	(99.36)	(90.30)	—	(90.30)
Extra Ordinary Item (Rent)	(22.45)	—	(22.45)	—	—	—
Profit/(Loss) before Tax	69.11	—	69.11	110.00	0.97	110.97
Provision for Taxation	—	—	—	—	—	—
(Including deferred Tax & FBT)	—	—	34.72	—	—	51.93
Net Profit / (Loss) after Tax	—	—	34.39	—	—	59.04
3. Other Information						
Segment Assets	2620.51	—	2620.51	2466.10	—	2466.10
2466.10						
Unallocated Assets	—	—	0.02	—	—	0.02
Total Assets	—	—	2620.53	—	—	2466.12
Segment Liabilities	2026.98	—	2026.98	1905.55	1.64	1907.19
Unallocated Liabilities (Net)	—	—	28.66	—	—	28.44
Total Liabilities	—	—	2055.64	—	—	1935.63
Capital Expenditure	96.79	—	96.79	21.96	—	21.96
Depreciation	20.69	—	20.69	19.42	—	19.42

Information about Secondary Business segments

	<u>2008-09</u>	<u>2007-08</u>
1. Revenue by Geographical Market		
India	3,555.34	3,009.80
Outside India	—	60.80
Total	<u>3,555.34</u>	<u>3,070.60</u>
2. Addition to Fixed Assets and Intangible Assets in India	96.79	21.96
3. Carrying amount of segments assets in India	2,620.53	2,466.12

14. Related Party Disclosures

1. Key Management Personnel

- I. Mr. K. K. Mohta, (Chairman)
- II. Mr. K. K. Damani (Executive Director)

2. Enterprises over which key management persons and their relatives exercise significant influence.

1. M/s. Arvind Engineering Works Ltd.
- II. M/s. Security Company Ltd.
- III. Mr. Bharat Mohta

**SCHEDULE XV (Contd.)**

3. Disclosures of Transaction between reporting enterprises and related parties and the status of outstanding as on 31st March, 2009.

	2008 — 2009		2007 — 2008	
	Key Management Personnel Rs.	Enterprises having Significant influence Rs.	Key Management Personnel Rs.	Enterprises having Significant Influence Rs.
a) Directors Remuneration				
See Note 5(a)	15,98,723		15,26,275	
b) Advance given / taken		1,87,50,631		56,09,990
c) Closing balance		1,15,399		1,51,001
15. Information for Earning per Share			31st March, 2009	31st March, 2008
			Rs.	Rs.
Net Profit / (Loss) after Tax but before Extra Ordinary Item as per Profit & Loss Account			56,83,974	59,04,280
Weighted average number of equity shares outstanding			10,74,318	10,74,318
Basic and diluted earnings per share (Face Value Rs. 10/- per share)			5.29	5.50

16. The Company's principal product is Katha, which is exempted from Central Excise tariff under notification No. 76/86 CE dt. 10.02.1986. However by a subsequent amendment vide notification No. 16/2003 dt. 01.03.2003 it was notified that exemption is available to Katha excluding Gambier. The Central Excise authority appears to be of the view that Katha produced by processed Gambier is also liable to duty. The Department has issued a Demand Cum Show Cause Notice proposing to demand Rs. 19.79 crore. The company has obtained a legal opinion expressing that the Department's action is not tenable in law, hence no provision is required to be made at this stage. Company is taking all necessary steps to redress the departments' action including legal action in the court of law.

17. Information required pursuant to provisions of paragraph 3, 4C of part II of Schedule VI to the Companies Act. 1956.

	31st March, 2009			31st March, 2008		
	Unit	Quantity	Value Rs.	Unit	Quantity	Value Rs.
I. Sales (including free allowance)						
a) Katha	M.T.	1079.109	34,57,41,518	M.T.	882.712	29,76,15,818
b) Cutch	M.T.	554.000	97,92,887	M.T.	483.000	84,49,000
Total			35,55,34,405			30,60,64,818
II. Consumption of Raw Materials						
Timber & Others	M.T.	3506.283	18,87,02,123		2834.718	12,92,73,679
III. a) Opening Stock of Finished Goods :						
i) Katha	M.T.	58.611	1,76,31,406	M.T.	108.457	3,14,82,840
ii) Cutch	M.T.	2,50,975	42,66,575	M.T.	221.575	39,88,350
Total			2,18,97,981			3,54,71,190
b) Closing Stock of Finished Goods :						
i) Katha	M.T.	46.770	1,35,04,910	M.T.	58.611	1,76,31,406
ii) Cutch	M.T.	209.950	37,79,100	M.T.	250.975	42,66,575
Total			1,72,84,010			2,18,97,981



SCHEDULE XV (Contd.)

		<u>2008-09</u>	<u>2007-08</u>
IV. a) Licensed Capacity :			
i) Katha	M.T.	600.000	600.000
ii) Cutch	M.T.	1200.000	1200.000
b) Installed Capacity :			
(As Certified by the Management)			
i) Katha	M.T.	600.000	600.000
ii) Cutch	M.T.	1200.000	1200.000
c) Actual Production :			
i) Katha	M.T.	1067.268	832.866
ii) Cutch	M.T.	512.975	512.400

V. Details of Trading Goods (Bearing)

	<u>31st March, 2009</u>			<u>31st March, 2008</u>		
	Unit	Quantity	Value Rs.	Unit	Quantity	Value Rs.
Purchase	Nos.	—	—	Nos.	8566	8,72,663
Sales	Nos.	—	—	Nos.	8566	9,95,044

VI. Value of Raw Materials and stores and spare parts consumed and percentage of each to total consumption :

	<u>31st March, 2009</u>		<u>31st March, 2008</u>	
	% of Consumption	Value Rs.	% of Consumption	Value Rs.
Raw Materials—				
Indigenous	82.31	15,53,17,185	88.75	11,23,06,979
Imported	17.69	3,33,84,938	11.25	1,69,66,700
	<u>100.00</u>	<u>18,87,02,123</u>	<u>100.00</u>	<u>12,92,73,679</u>
Stores and Spare Parts—				
Indigenous	100	1,19,67,544	100	93,83,492
Consumable Stores—				
Indigenous	100	2,15,07,765	100	3,13,85,109

VII. Earnings in foreign currency :

Export of Goods calculated on F.O.B. basis — 60,79,951

VIII. C I F Values of Imports 3,33,84,938 1,69,66,700

IX. Expenditure in foreign currency

Travelling 5,29,702 5,62,400

18. Previous Year's figures have been regrouped/rearranged where necessary.

19. Information pursuant to Schedule VI Part IV are given in Annexure A.

Signatures to Schedules I to XV

K. K. MOHTA
Chairman

S. K. MAHESHWARY
Director

Kolkata

Dated : the 10th June, 2009



ANNEXURE 'A'

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

1. Registration Details

Registration No.	<input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="7"/>	State Code	<input type="text" value="2"/> <input type="text" value="1"/>
Balance Sheet Date	<input type="text" value="31"/> <input type="text" value="03"/> <input type="text" value="09"/>		

2. Capital Raised During the year
(Amount in Rs. Thousands)

Public Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

3. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="8"/>	Total Assets	<input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="8"/>
-------------------	---	--------------	---

Sources of Funds :

Paid-up Capital	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="3"/>	Reserves & Surplus	<input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="1"/>
Secured Loans	<input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>	Unsecured Loans	<input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="6"/>
Current Liabilities and Provisions	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="2"/>	Deferred tax liabilities (Net)	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="6"/>

Application of Funds

Net Fixed Assets	<input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/>	Investments	<input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/>
Current Assets	<input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="3"/>		

4. Performance of Company
(Amount in Rs. Thousands)

Turnover	<input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="4"/>	Total Expenditure	<input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="0"/>
Profit / (Loss) Before Tax	<input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="1"/>	Profit After Tax	<input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="9"/>
Earning Per Share	<input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="9"/>	Dividend Rate	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

5. Generic Names of Three Principal Products / Services of Company (as per monetary terms) :

Item Code No. (ITC Code)	<input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="7"/>
Product Description	Katha
Item Code No. (ITC Code)	<input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="1"/>
Product Description	Cutch



CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	31st March, 2009		31st March, 2008
	Rs.	Rs.	Rs. Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		69,11,102	1,10,96,867
Adjustment for			
Depreciation	20,69,180		19,41,732
Interest Expenses	1,05,09,925		95,57,557
Interest Received	(5,73,963)		(5,28,053)
Liabilities no Longer required written back	(27,805)		(95,972)
Advances written off	17,587		78,274
Extra Ordinary Item	22,44,843		—
Gain on Sale of Fixed Assets (Net)	(3,778)	<u>1,42,35,989</u>	<u>(1,88,525)</u>
Operating Profit / (Loss) before working capital changes		2,11,47,091	2,18,61,880
Adjustments for			
Trade & Other receivables	1,77,59,125		(1,42,62,345)
Inventories	(3,03,50,087)		1,49,31,987
Trade payables	1,18,54,640	<u>(7,36,322)</u>	<u>(93,34,284)</u>
Cash generated from Operations		2,04,10,769	1,31,97,238
Direct Tax (paid) / Refund received (Net)		<u>(79,59,528)</u>	<u>(60,46,182)</u>
Cash Flow before extra Ordinary items		1,24,51,241	71,51,056
Extra Ordinary Items		22,44,843	—
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>1,02,06,398</u>	<u>71,51,056</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(74,43,050)	(47,08,123)
Sale of Fixed Assets		21,000	4,29,000
Interest Received		5,73,963	5,28,053
NET CASH USED IN INVESTING ACTIVITIES		<u>(68,48,087)</u>	<u>(37,51,070)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		1,19,24,967	89,46,909
Repayment of Borrowings		(73,95,457)	(95,89,256)
Interest paid		(1,03,77,853)	(95,34,806)
NET CASH USED IN FINANCING ACTIVITIES		<u>(58,48,343)</u>	<u>(1,01,77,153)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(24,90,032)	(67,77,167)
CASH AND CASH EQUIVALENTS (Note 2 below)			
AT START OF THE YEAR		1,31,72,382	1,99,49,549
AT CLOSE OF THE YEAR		1,06,82,350	1,31,72,382


CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT (Contd.)

NOTES : 1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

2. Cash and Cash Equivalents Consists of :

	31-03-2009 Rs.	31-03-2008 Rs.
Cash in hand	3,26,988	38,27,337
Balance with Scheduled Banks	1,03,55,362	93,45,045
	<u>1,06,82,350</u>	<u>1,31,72,382</u>

3. Previous Year's figures have been regrouped/rearranged where necessary.

Kolkata
Dated : 10th June, 2009

For S. K. AGRAWAL & CO.
Chartered Accountants
J. K. CHOUDHURY
Partner

On behalf of the Board
K. K. MOHTA
Chairman

ATTENDANCE SLIP

The Indian Wood Products Co., Ltd.

Registered Office : 9, Brabourne Road (7th Floor), Kolkata-700 001

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint Shareholders may obtain additional Attendance Slips on request.

NAME & ADDRESS OF THE SHAREHOLDER

L.F. No.

I hereby record my presence at the 89th ANNUAL GENERAL MEETING of the Company held at 3.30 p.m. on the 10th day of August, 2009 at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, 4th Floor, Kolkata-700 017

SIGNATURE OF THE SHAREHOLDER OR PROXY

PROXY FORM

The Indian Wood Products Co., Ltd.

Registered Office : 9, Brabourne Road (7th Floor), Kolkata-700 001

L. F. No.

I/We
ofbeing a member / members of THE INDIAN WOOD PRODUCTS CO. LTD.
hereby appoint of or failing
him of as my/
our Proxy to vote for me/us and on my/our behalf, at the 89th Annual General Meeting of the Company to be held at
3.30 p.m. on Monday, the 10th day of August, 2009 and at any adjournment thereof.
As witness my/our hand(s) this..... day of..... 2009

.....
(Signature(s) of the Shareholder(s))

NOTE : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Affix
One Rupee
Revenue
Stamp

BOOK - POST

If undelivered, please return to :

THE INDIAN WOOD PRODUCTS COMPANY LIMITED

9, BRABOURNE ROAD (7TH FLOOR)

KOLKATA - 700 001