



***90th
Annual Report
and Accounts
2009-2010***

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
26TH JULY, 2010

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



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Ninetieth 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 26th day of July, 2010 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, 2010 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. R. P. Chetani, 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 thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to this 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. Mohta, as Whole-time Director designated as Chairman of the Company not liable to retire by rotation for a further period of 3 (three) years with effect from 1st April, 2010 on the terms and conditions including his remuneration as set out in the agreement entered into between the Company and Mr. K. K. Mohta, (Copy where of duly authenticated is placed before this Annual General Meeting) such remuneration, perquisites, benefits, being also set out in the explanatory statement attached to the notice convening the 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 and conditions as may be agreed by the Board and Mr. K. K. Mohta, within the permissible limit of Schedule XIII of the Companies Act, 1956.

Registered Office :
Bombay Mutual Building
9, Brabourne Road,
Kolkata-700 001
Dated : the 31st May, 2010

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 No. 4 is 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.
 4. The Register of the Members of the Company will remain closed from 19th July to 26th July, 2010 (both days inclusive)

**NOTICE (Contd.)**

5. Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting.
In pursuance to Clause 49 of the Listing Agreements

Name of Director	Mr. K. K. Mohta	Mr. R. P. Chetani
Dt. of Birth	24.01.1948	28.10.1957
Dt. of appointment	29.05.1980	27.04.2004
Expertise in functional area	Industrialist	Taxation & Company Law Matters
Qualification	B. Sc.	B.Com
List of Companies in which outside Directorship held as on 31.03.2010	Arvind Engg. Works Ltd. Shree Manufacturing Co. Ltd. Security Co. Ltd. Indian Glass & Electricals Ltd.	Arvind Engg. Works Ltd. Acma Industrial Project Pvt. Ltd.

EXPLANATORY STATEMENTS

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

Item No. 4

Mr. K. K. Mohta, engaged in day to day affairs of the Company was re-appointed as Whole time Director, designated as Chairman of the Company in the year 2005 and his tenure expires on 31st March, 2010. During this period company achieved new heights and the performance is better year after year. It is desired to retain his valuable services, hence the Board re-appointed him for a further period of 3 (Three) years w.e.f. 1st April, 2010 not liable to retire by rotation, on the remuneration as determined by the Remuneration Committee subject to the approval of Shareholders in the General Meeting. The board 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. Mohta, are as under.

1) Remuneration

- a) Salary - Rs. 50,000/- per month in the scale of Rs. 50,000/- - 8,000/- 66,000/-
- b) Perquisites :

The following perquisites shall be restricted to an amount equal to the annual salary. Contribution to Provident Fund to the extent they are exempted under the Income-tax Act, 1961 and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY - 'A'**i) Housing :**

- a) Where the Company does not provide accommodation to the Chairman, House Rent Allowance may be paid by the Company @ 60% of the basic Salary.
- b) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962.

ii) Medical Reimbursement.

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

iii) Leave Travel Concession :

For self and family once in a year, in accordance with any rules specified by the Company.



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

NOTICE (Contd.)

iv) Club Fees :

Fees of Clubs subject to a maximum of two Clubs, admission and life membership fees not being allowed.

v) Personal Accident Insurance :

Of an amount the premium of which shall not exceed One month Salary per annum.

CATEGORY - 'B'

1. Company's contribution towards Provident Fund subject to a ceiling of 12% of Salary.
2. Gratuity at a rate not exceeding half month's salary for each completed year of service, subject to a ceiling of Rs. 10,00,000/- or as per the provisions of Gratuity Act as amended.

CATEGORY - 'C'

1. Free use of Company's car for Company's business.
2. Residential telephone shall be provided. All long distance personal calls shall be duly logged and paid for by the Chairman.
3. Earned/Privilege Leave - On full pay and allowance as per rules of the Company. Leave accumulated but not availed of during the year will not be encashed.

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

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

The particulars of the remuneration stated above be treated as an abstract u/s. 302 of the Companies Act, 1956.

The proposed Ordinary resolution seeks your approval to the re-appointment of Mr. Krishna Kumar Mohta as Whole-time Director designated as Chairman and the remuneration payable to him.

Except Mr. K. K. Mohta & Mr. Bharat Mohta, no other Directors of the Company are interested or concerned in the proposed Resolution.



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting their 90th Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

	2009 – 10		(Rs. in lacs) 2008 – 09	
	Rs.	Rs.	Rs.	Rs.
Profit for the year				
before tax adjustments		155.96		91.56
Less : Extra Ordinary Item		—		22.45
		155.96		69.11
Less : Provision for taxation				
Current Year	62.50		20.75	
Earlier Year	—		9.35	
Fringe Benefit tax (excess provision written back)	(0.75)		4.40	
Deferred Tax	1.35	63.10	0.22	34.72
Profit after tax adjustments		92.86		34.39
Add : Profit brought forward from previous year		56.17		21.78
Balance carried to Balance Sheet		149.03		56.17

GENERAL

Your Directors are glad to report that due to favourable demand the growth in turnover of the Company in the current year under review has increased by 57% i.e. Rs. 55.98 crores from Rs. 35.55 crores in the previous year. The Profit before tax has also increased by 125% i.e. from Rs. 69.11 lacs to Rs. 155.96 lacs inspite of the inflationary trend.

During the year production increased by 60% i.e. from 1067 MT to 1708 MT. We are taking all necessary steps to further increase the production and the present trend is likely to continue.

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.

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.



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

DIRECTORS' REPORT (Contd.)

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. R. P. Chetani retire by rotation and being eligible, offer himself for re-appointment.

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.

The auditors remarks referred in their report vide Sl. No. 3(e) has been suitably explained in Note No. 7 of Schedule XV of the accounts.

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 31st May, 2010

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, 2010. 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 6 (Six) times on 30th April 2009, 10th June, 2009, 30th July, 2009, 10th August, 2009, 29th October, 2009 and on 28th January, 2010 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 3rd August, 2009 to 10th August, 2009 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, 2009 was held on 10th August, 2009 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, 2009.
 - iii) Not posted warrants to any member of the Company as no dividend was declared during the year.
 - iv) Transferred the amounts from unpaid dividend account, which have been remained unclaimed or unpaid for a period of seven years 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 the appointment of Additional Directors have been duly made as per provisions of the Act.
15. The Company has appointed Whole-time Director, designated as Executive Director, during the financial year 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 13th August, 2009. 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 made Loans and Investments in compliance with the provisions of the Act and has made necessary entries 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, 2010.

Place : Kolkata
Date : the 31st May, 2010

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. Document Register. |
| 9. Register of Charges U/S 143. | 10. Circulation Resolution Minute Book U/S. 289. |
| 11. Fixed Deposit Register U/S 58A. | 12. Register of Investments or loans U/s 372A |
| 13. 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, 2010

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. 8	U/s 135	Modification of Charge on 02.02.2009	03.03.2009	Yes	No.
2.	Form No. 8	U/s 135	Modification of Charge on 24.03.2009	21.04.2009	Yes	No.
3.	Form No. 32	U/s. 303	Appointment of Additional Director on 13.04.2009	05.06.2009	No	Yes
4.	Form No. 23	U/s. 192	Appointment of Whole time Director on 13.04.2009	19.06.2009	No	Yes
5.	Form No. 25C	U/s. 269	Return of Whole time Director 15.04.2009	19.06.2009	Yes	No
6.	Form No. 62	U/s. 58A Rule 10	Return of Deposit	19.06.2009	Yes	No
7.	Form No. 62	U/s. 58A	SLA on 10.08.2009	13.08.2009	Yes	No
8.	Form No. 66	U/s. 383A	Compliance Certificate as on 31.03.2009	06.09.2009	Yes	No
9.	Form No. 23AC & 23ACA	U/s. 220	Annual Accounts & Directors Report as on 31st March, 2009.	09.09.2009	Yes	No
10.	Form No. 32	U/s. 303	Change in designation of Director on 10.08.2009	14.09.2009	No	Yes
11.	Form No. 20A	U/s. 149(2A)	Declaration for Commencement of New Business on 10.08.2009	09.10.2009	Yes	No
12.	Form No. 23	U/s. 149(2A)	Commencement of New Business on 10.08.2009	09.10.2009	No	Yes
13.	Form No. 20B	U/s. 159	Annual Return for A. G. M. Held on 10.08.2009	07.11.2009	No	Yes
14.	Form No. 8	U/s 135	Modification of Charge on 21.12.2009	09.02.2010	No	Yes



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

ANNEXURE - II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

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.

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.	2,21,567.88

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.	22,72,794/-
2. Outgo —	Rs.	10,09,18,551/-

Kolkata
Dated : the 31st May, 2010

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, 2010 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, 2010 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. 7 regarding non provision of doubtful debts amounting to Rs. 11.88 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, 2010; 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 granted unsecured loans, to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of such loan was Rs. 47.00 lacs and Rs. Nil respectively.
- b) In our opinion, the terms and conditions of such loans are not prima-facie prejudicial to the interest of the company.
- c) In respect of the aforesaid loans, there is no overdue amount.
- 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, 2010 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	74,57,991/-
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 31st May, 2010

For S. K. AGRAWAL & CO.
Chartered Accountants
J. K. CHOUDHURY
Partner
Membership No. 9367
Firm Registration No. 306033E



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	31st March, 2010 Rs.		31st March, 2009 Rs.	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	I	1,07,73,016		1,07,73,016	
Reserves and Surplus	II	8,42,76,625	9,50,49,641	7,49,90,642	8,57,63,658
Loan Funds					
Secured Loans	III	10,50,12,018		9,19,89,749	
Unsecured Loans		1,47,77,986	11,97,90,004	62,05,679	9,81,95,428
Deferred Tax Liability (Net) (Note No. 11, Schedule XV)			30,01,032		28,66,210
			<u>21,78,40,677</u>		<u>18,68,25,296</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	IV	8,31,53,383		7,74,29,782	
Less : Depreciation		3,24,06,411		2,90,33,587	
		5,07,46,972		4,83,96,195	
Add : Capital works in process		22,72,538	5,30,19,510	2,76,294	4,86,72,489
Investments	V		2,024		2,024
Current Assets, Loans and Advances					
Inventories	VI	12,40,82,983		10,08,21,100	
Sundry Debtors	VII	13,26,67,129		11,33,35,196	
Cash and Bank Balances	VIII	1,86,12,584		1,06,82,350	
Loans and Advances	IX	1,86,82,275		1,78,14,498	
		29,40,44,971		24,26,53,144	
Less : Current Liabilities and Provisions	X				
Liabilities		10,88,71,371		8,97,14,731	
Provisions		2,03,54,457		1,47,87,630	
		12,92,25,828		10,45,02,361	
Net Current Assets			16,48,19,143		13,81,50,783
			<u>21,78,40,677</u>		<u>18,68,25,296</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 31st May, 2010

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, 2010**

	Schedule No.	31st March, 2010 Rs.	31st March, 2009 Rs.
INCOME			
Sales		55,98,38,839	35,55,34,405
Less : Sales Charges	XI	76,21,308	48,43,643
		55,22,17,531	35,06,90,762
Add : Miscellaneous Income		10,13,092	6,41,274
		55,32,30,623	35,13,32,036
Less : Cost of Goods Sold	XII	51,75,60,838	32,27,57,236
Gross Profit		3,56,69,785	2,85,74,800
Add : Interest on Fixed Deposits and Others (Gross) [Tax deducted at source - Rs. 76,522/- (2009 - Rs. 1,13,019/-)		6,38,034	5,73,963
Profit on sale of Fixed Assets (Net)		—	3,778
Gain on foreign exchange fluctuation		16,32,113	—
Liabilities no longer required written back		30,719	27,805
		3,79,70,651	2,91,80,346
Less : EXPENDITURE AND CHARGES			
Salaries and Wages including benefits	XIII	27,89,219	23,27,613
Other Charges	XIV	63,82,167	56,29,973
Interest		1,23,60,631	1,05,09,925
Depreciation other than Factory		2,54,843	2,30,852
Advances (including claims) written off		1,08,463	17,587
Loss on Foreign Exchange Fluctuation		1,60,307	11,06,222
Loss on sale of Fixed Assets		3,19,216	—
Sales Tax paid for earlier years		—	2,02,229
		2,23,74,846	2,00,24,401
Profit before Taxation and Extra Ordinary item		1,55,95,805	91,55,945
Less : Extra Ordinary item		—	22,44,843
Profit before Taxation		1,55,95,805	69,11,102
Less : Provision for Taxation			
Current Year		62,50,000	20,75,000
Previous Year		—	9,34,528
Fringe Benefit Tax/ Excess provision written back		(75,000)	4,40,000
Deferred tax (Note 11, Schedule XV)		1,34,822	22,443
		63,09,822	34,71,971
Profit after Tax adjustments		92,85,983	34,39,131
Profit Brought forward from Previous Year		56,17,163	21,78,032
Balance carried forward to Balance Sheet		1,49,03,146	56,17,163
Basic and diluted earnings per share (Note 15, Sch. XV)		8.64	5.29

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 31st May, 2010

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



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

SCHEDULE I

	31st March, 2010 Rs.	Rs.	31st March, 2009 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
Securities Premium				
As per last Account		1,43,46,031		1,43,46,031
Revaluation Reserve				
(Note No. 6, Schedule XV)		2,92,75,019		2,92,75,019
General Reserve				
As per last Account		2,57,49,392		2,57,49,392
SURPLUS IN PROFIT & LOSS ACCOUNT		1,49,03,146		56,17,163
		<u>8,42,76,625</u>		<u>7,49,90,642</u>

SCHEDULE II

SECURED LOANS :

State Bank of Bikaner and Jaipur				
Cash Credit Account	5,81,04,782		4,71,47,154	
Working Capital Term Loan	4,85,000		24,29,000	
Term Loan	59,55,000		80,55,000	
Stand by line of Credit	<u>75,00,000</u>	<u>7,20,44,782</u>	<u>74,99,967</u>	6,51,31,121
Axis Bank Ltd.				
Cash Credit Account	2,85,61,373		1,83,20,584	
Funded Interest Term Loan	34,88,200		69,76,400	
Working Capital Term Loan	<u>6,81,800</u>	<u>3,27,31,373</u>	<u>13,63,600</u>	2,66,60,584
Interest Accrued and due on above term loan		<u>2,35,863</u>		<u>1,98,044</u>
(Note No. 2, Schedule XV)		<u>10,50,12,018</u>		<u>9,19,89,749</u>

UNSECURED LOANS :

Fixed Deposits	20,33,000		17,95,000	
Short-term loans from companies	94,00,000		44,00,000	
Short-term loans from Director	33,20,000		—	
Interest accrued and due	<u>24,986</u>	<u>1,47,77,986</u>	<u>10,679</u>	<u>62,05,679</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, 2010	As at 31st March, 2009	For the Year	On Assets Sold/adjusted/ transferred during the year	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Free Hold Land (Note No. 6, Schedule XV)	1,66,99,100	—	—	1,66,99,100	—	—	—	—	1,66,99,100	1,66,99,100
Building	1,24,00,223	—	—	1,24,00,223	37,52,743	2,51,154	—	40,03,897	83,96,326	86,47,480
Tube-Well	2,73,632	—	—	2,73,632	1,45,274	4,042	—	1,49,316	1,24,316	1,28,358
Plant and Machinery	1,18,58,370	7,79,606	—	1,26,37,976	65,22,431	6,73,628	—	71,96,059	54,41,917	53,35,939
Effluent Treatment Plant	20,79,012	—	—	20,79,012	19,75,061	—	—	19,75,061	1,03,951	1,03,951
Electric Installation	63,17,101	—	—	63,17,101	30,08,668	2,07,728	—	32,16,396	31,00,705	33,08,433
Weighing Scales	3,21,304	51,387	—	3,72,691	2,11,285	12,590	—	2,23,875	1,48,816	1,10,019
Trolleys & Trays	13,97,621	12,38,260	—	26,35,881	13,55,320	12,38,260	—	25,93,580	42,301	42,301
Laboratory Apparatus	4,47,355	10,209	—	4,57,564	2,64,462	12,825	—	2,77,287	1,80,277	1,82,893
Refrigeration & Cooling System	1,27,55,315	18,30,786	—	1,45,86,101	43,71,693	5,46,791	—	49,18,484	96,67,617	83,83,622
Motor Car & Vehicles	59,71,739	22,20,412	8,51,016	73,41,135	24,25,015	5,34,306	4,16,415	25,42,906	47,98,229	35,46,724
Computers	24,78,755	2,04,045	—	26,82,800	19,77,501	1,11,965	—	20,89,466	5,93,334	5,01,254
Furniture, Fixture & Office Equipments	44,30,255	2,39,912	—	46,70,167	30,24,134	1,95,950	—	32,20,084	14,50,083	14,06,121
Total	7,74,29,782	65,74,617	8,51,016	8,31,53,383	2,90,33,587	37,89,239	4,16,415	3,24,06,411	5,07,46,972	4,83,96,195
Previous Year	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	



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

SCHEDULE V

	31st March, 2010 Rs.	31st March, 2009 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>4,407</u>

SCHEDULE VI

INVENTORIES

Land (Stock in Trade) (Note No. 6, Schedule XV)	1,26,15,505	1,26,15,505
Raw Materials	1,44,68,870	1,32,12,443
Work-in-process	5,70,94,518	3,85,59,719
Finished Goods	3,10,31,098	1,72,84,010
Consumables	34,57,301	1,32,76,571
Stores and spare parts	53,57,489	58,23,351
Tools and Implements	58,202	49,501
	<u>12,40,82,983</u>	<u>10,08,21,100</u>

SCHEDULE VII

SUNDRY DEBTORS

Debts outstanding for more than six months

Unsecured - Considered Good	2,44,65,318	3,37,53,569	
- Considered Doubtful	<u>11,87,900</u>	<u>2,56,53,218</u>	<u>12,94,150</u>
			3,50,47,719

Other Debts :

Secured - Considered Good	90,142	2,24,235	
Unsecured - Considered Good	<u>10,69,23,769</u>	<u>10,70,13,911</u>	<u>7,80,63,242</u>
		<u>13,26,67,129</u>	<u>11,33,35,196</u>

**SCHEDULE VIII**

	31st March, 2010 Rs.	Rs.	31st March, 2009 Rs.	Rs.
CASH AND BANK BALANCES :				
Cash in hand (Including cheques in hand)		1,56,973		3,26,988
Balances with Scheduled Banks :				
On Current Accounts	54,56,161		11,37,479	
On Fixed Deposits Accounts	1,29,99,450	1,84,55,611	92,17,883	1,03,55,362
[(Includes Rs. 4,39,996 against Guarantees) (Note 3(b) Schedule - XV) and Rs. 125.50 lacs as margin money against L. C. Commitment]		1,86,12,584		1,06,82,350

SCHEDULE IX**LOANS AND ADVANCES :****Unsecured****Considered Good**Advances recoverable in cash or in kind
or for value to be received

1,71,26,113

1,66,99,636

Security and other Deposits

15,56,162

11,14,862

1,86,82,275

1,78,14,498

SCHEDULE X**CURRENT LIABILITIES AND PROVISIONS :****Current Liabilities :****Sundry Creditors for**Good Supplied (other than Small Scale
Industrial undertaking)

8,75,39,555

7,02,58,752

Advances from Customers and Consignees

1,35,60,639

1,35,73,984

Other Liabilities

62,22,158

46,09,707

Contractors' and Customers' Security Deposits

14,55,450

12,11,900

Interest accrued but not due

93,569

10,88,71,371

60,388

8,97,14,731

Provisions

Provision for Taxation (net of advance Tax)

46,64,402

4,14,402

Provision for Fringe Benefit Tax
(net of advance tax)

34,457

1,40,000

Provision for Retirement benefits

Gratuity

1,06,02,838

1,01,77,761

Leave Encashment

50,52,760

2,03,54,457

40,55,467

1,47,87,630

12,92,25,828

10,45,02,361



SCHEDULE XI

	2009 - 2010		2008 - 2009	
	Rs.	Rs.	Rs.	Rs.
SALES CHARGES :				
Rent		3,34,640		3,18,490
Freight and Transport		15,16,221		9,80,283
Commission paid to Selling Agents		1,03,331		4,23,587
Brokerage and Discount etc.		15,61,027		2,22,117
Repairs to Others		28,680		22,290
Miscellaneous		40,77,409		28,76,876
		<u>76,21,308</u>		<u>48,43,643</u>

SCHEDULE XII

COST OF GOODS SOLD :

Raw Materials Consumed :

Opening Stock	1,32,12,443	57,94,357
Purchases	29,30,52,682	19,33,55,033

Extraction Expenses -

Salaries and Wages (Schedule XIII)	7,64,898	6,18,408
Other Charges (Schedule XIV)	45,32,516	52,97,414
	<u>52,97,414</u>	<u>21,46,768</u>

31,15,62,539 20,19,14,566

Less : Closing Stock 1,44,68,870 1,32,12,443

Raw Material Consumed 29,70,93,669 18,87,02,123

Manufacturing Expenses -

Stores and Spare Parts Consumed	1,73,45,645	1,19,67,544
Consumables Consumed	9,05,67,397	2,15,07,765
Power and Fuel	1,56,48,398	96,64,226
Salaries and Wages including benefits to staff (Schedule XIII)	5,97,92,313	4,84,22,291
Other Charges (Schedule XIV)	6,58,60,907	24,92,14,660
	<u>24,92,14,660</u>	<u>5,14,51,429</u>

14,30,13,255

Depreciation

35,34,396 18,38,328

Stock of Finished goods, and Work-in-process as at 1st April, 2009

5,58,43,729 4,50,47,259

60,56,86,454 37,86,00,965

Less : Stock of Finished Goods and Work-in-process as at 31st March, 2010

8,81,25,616 5,58,43,729

51,75,60,838 32,27,57,236

**SCHEDULE XIII**

	2009 – 2010				2008 – 2009			
	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.)	5,32,31,421	23,38,657	5,03,01,474	5,91,290	4,24,40,744	19,43,904	4,00,42,009	4,54,831
Contribution to Provident and Other Funds	35,81,729	1,94,664	33,35,081	51,984	30,90,329	1,70,244	28,72,852	47,233
Staff Welfare Expenses	65,33,280	2,55,898	61,55,758	1,21,624	58,37,239	2,13,465	55,07,430	1,16,344
	6,33,46,430	27,89,219	5,97,92,313	7,64,898	5,13,68,312	23,27,613	4,84,22,291	6,18,408

SCHEDULE XIV**OTHER CHARGES**

Rent	3,28,201	2,87,101	41,100	—	2,87,650	2,57,140	30,510	—
Rates and Taxes	21,13,880	4,550	21,07,680	1,650	17,01,067	4,350	16,95,042	1,675
Electric Lights and Power	1,52,17,333	1,10,049	1,51,07,284	—	1,41,80,718	41,494	1,41,39,224	—
Insurance	7,24,116	2,32,224	4,91,892	—	3,67,435	20,533	3,46,902	—
Repairs to Building	10,04,399	—	10,04,399	—	5,89,439	—	5,89,439	—
Repairs to Machinery	20,07,278	—	20,07,278	—	18,83,743	—	18,83,743	—
Repairs to Others/Electrical	8,90,474	10,931	8,79,543	—	7,10,461	12,530	6,97,931	—
Railway Tax & Maintenance	—	—	—	—	2,50,328	—	2,50,328	—
Auditors' Remuneration	1,15,815	1,15,815	—	—	1,20,414	1,20,414	—	—
(Note 4 Schedule XV)								
Transport / Felling / Billeting etc.	44,20,888	—	—	44,20,888	20,12,156	—	—	20,12,156
Travelling Expenses	35,46,751	22,46,591	12,95,032	5,128	27,03,733	15,21,459	11,09,024	73,250
Directors' Fees	40,000	40,000	—	—	28,000	28,000	—	—
Machine Katha Expenses	3,54,04,520	—	3,54,04,520	—	—	—	—	—
Miscellaneous Expenses	1,09,61,935	33,34,906	75,22,179	1,04,850	3,43,93,026	36,24,053	3,07,09,286	59,687
	7,67,75,590	63,82,167	6,58,60,907	45,32,516	5,92,28,170	56,29,973	5,14,51,429	21,46,768



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. 10)
- 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 mortgaged by deposit of title deeds of land at Bareilly measuring 90,000 square meter and also have been guaranteed by one of the Director. The amount payable against the term loans in the next one year is Rs. 68 lacs.

3. THERE ARE CONTINGENT LIABILITIES IN RESPECT OF :

- Demands for Sales Tax amounting to Rs. 1,28,98,814/- (2009 Rs. 1,27,34,479/-) which are not acknowledged as debts. Against the same Company has paid under protest a total of Rs. 7,95,403/- (2009 Rs. 7,63,028/-) included in Loans and Advances.
- Aggregate year end Bank Guarantees amounts to Rs. 3,00,000/- (2009 Rs. 3,00,000/-) against which Fixed Deposit Receipts are being held by Banks.
- Mandi Samiti demand on Katha amounting to Rs. 2,37,719/- (2009 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, 2010 Rs.	Year ended 31st March, 2009 Rs.
Audit fee	1,10,300	1,10,300
In other capacity – for certificates	5,515	10,114
Total	<u>1,15,815</u>	<u>1,20,414</u>



SCHEDULE XV (Contd.)

5. DIRECTORS' REMUNERATION

	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
a) Remuneration paid to Whole-time Directors		
Salary	12,43,333	11,25,667
Contribution to Provident Fund	1,49,200	1,35,080
Benefits (including Estimates)	2,56,888	3,37,976
Total	<u>16,49,421</u>	<u>15,98,723</u>
b) Other Directors		
Meeting Fees	40,000	28,000
6. The free hold land at Bareilly was revalued in the year 2008-09 based on the rate as on 1.04.1981. The surplus over cost aggregating to Rs. 2.93 crores arising on revaluation was credited to Revaluation Reserve Account. Consequently the surplus land admeasuring 112387 Sq. mtr. valuing Rs. 1.26 cores was appropriated as stock in trade.		
7. Pending outcome of persuasive / legal action taken for recovery of doubtful Debts aggregating Rs. 11,87,900/- (2009 Rs. 12,94,150/-) no provision is considered necessary in this regard at this stage.		
8. Loans and advances include Rs. 40 lacs (2009- 40 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.		
9. 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.		
10. Defined Benefit Plan :		
As per Actuarial Valuations as on 31.03.2010 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	9,74,315
2. Interest Cost	11,73,525
3. Expected Return on Plan Asset	(3,90,261)
4. Actuarial Losses / (gain)	(8,34,897)
5. Expenses directly paid by the Company (For Current Year)	2,97,606
6. Total expenses recognised in the Statement of Profit & Loss	9,22,683

**SCHEDULE XV (Contd.)**

B. Net Asset / (Liability) Recognised in Balance Sheet as at 31.03.2010	Gratuity (unfunded) Amount (Rs.)
1. Present Obligation of Defined Benefit Obligation	1,56,82,640
2. Fair Value of Plan Asset	50,79,802
3. Funded Status [Surplus / (Deficit)]	—
4. Net Asset / (Liability) recognised in the Balance Sheet	1,06,02,838
C. Change in Defined Benefit Obligation during the year ended 31.03.2010	
1. Present Value of DBO at Beginning of period	1,46,69,065
2. Current Services Cost	9,74,315
3. Interest Cost	11,73,525
4. Actuarial Losses/(gains)	(8,36,660)
5. Benefits paid	(2,97,606)
6. Present value of DBO at the end of period	1,56,82,640
D. Change in Fair Value of the asset	
1. Plan asset at the beginning of the period	44,91,304
2. Return on Plan Asset	3,90,261
3. Actuarial Gain	(1,763)
4. Actual Company contributions	2,00,000
5. Benefits paid	—
6. Plan Assets at the end of the period	50,79,802
E. Actuarial Assumption	
1. Discount Rate (%)	8.0%
2. Expected return on plan assets (%)	8.5%

The year end Gratuity liability has been provided as above and as per actuarial valuation. However the Company's Group Gratuity Scheme with LIC is temporarily discontinued due to financial constraints. Against Gratuity liability of Rs. 156.83 lacs an amount of Rs. 50.80 lacs is lying with LIC.

11. Provision for Deferred Tax as per accounting standard — 22 (Accounting for taxes on Income).

Rs.

Deferred tax (Liabilities) on Depreciation

Opening as at 31.03.2009	(28,66,210)
Debit / (Credit) During the year	-1,34,822
Closing As at 31.03.1010	<u>(30,01,032)</u>

12. 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 had 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.



SCHEDULE XV (Contd.)

13. SEGMENT REPORTING

During the Year Katha & Cutch are the only reportable business Segment and there being no other reportable segment AS-17 is not applicable.

14. Related Party Disclosures

1. Key Management Personnel

- i. Mr. K. K. Mohta, (Chairman)
- ii. Mr. K. K. Damani (Executive Director)
- iii. Mr. Bharat Mohta (Director)

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

- i. M/s. Arvind Engineering Works Ltd.
- ii. M/s. Security Company Ltd.

3. Disclosures of Transaction between reporting enterprises and related parties and the status of outstanding as on 31st March, 2010.

	2009 — 2010		2008 — 2009	
	Key Management Personnel Rs.	Enterprises having Significant influence Rs.	Key Management Personnel Rs.	Enterprises having Significant Influence Rs.
a) Directors Remuneration See Note 6(a)	16,49,421		15,98,723	
b) Advance given	NIL	47,00,000	NIL	NIL
c) Advance taken	33,20,000	NIL	35,40,000	1,39,55,000
d) Closing balance	33,20,000 (Cr.)	NIL	NIL	NIL

15. Information for Earning per Share

	31st March, 2010 Rs.	31st March, 2009 Rs.
Net Profit / (Loss) after Tax but before Extra Ordinary Item as per Profit & Loss Account	92,85,983	56,83,974
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)	8.64	5.29

**SCHEDULE XV (Contd.)**

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

	31st March, 2010			31st March, 2009		
	Unit	Quantity	Value Rs.	Unit	Quantity	Value Rs.
I. Sales (including free allowance)						
a) Katha	M.T.	1665.236	54,39,27,220	M.T.	1079.109	34,57,41,518
b) Cutch	M.T.	785.500	1,59,11,619	M.T.	554.000	97,92,887
Total			<u>55,98,38,839</u>			<u>35,55,34,405</u>
II. Consumption of Raw Materials						
Timber & Others	M.T.	5262.068	29,70,93,669		3506.283	18,87,02,123
III. a) Opening 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			<u>1,72,84,010</u>			<u>2,18,97,981</u>
b) Closing Stock of Finished Goods :						
i) Katha	M.T.	89.792	2,69,43,054	M.T.	46.770	1,35,04,910
ii) Cutch	M.T.	191.675	40,88,044	M.T.	209.950	37,79,100
Total			<u>3,10,31,098</u>			<u>1,72,84,010</u>
			<u>2009-10</u>			<u>2008-09</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.	2000.000			1500.000	
ii) Cutch	M.T.	1200.000			1200.000	
c) Actual Production :						
i) Katha	M.T.	1708.258			1067.268	
ii) Cutch	M.T.	767.225			512.975	



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

SCHEDULE XV (Contd.)

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

	31st March, 2010		31st March, 2009	
	% of Consumption	Value Rs.	% of Consumption	Value Rs.
Raw Materials—				
Indigenous	37.70	11,19,93,327	61.08	11,52,51,871
Imported	62.30	18,51,00,342	38.92	7,34,50,252
	<u>100.00</u>	<u>29,70,93,669</u>	<u>100.00</u>	<u>18,87,02,123</u>
Stores and Spare Parts—				
Indigenous	100	1,73,45,645	100	1,19,67,544
Consumable Stores—				
Indigenous	100	9,05,67,398	100	2,15,07,765
VI. Earnings in foreign currency :				
Export of Goods calculated on F.O.B. basis		22,72,794		—
VII. C I F Value of Imports		14,47,80,074		5,58,10,184
VIII. Expenditure in foreign currency				
Travelling		6,67,407		5,29,702

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

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

Signatures to Schedules I to XV

Kolkata
Dated : the 31st May, 2010

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

**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. 03557

State Code 21

Balance Sheet Date 31 03 10

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

Public Issue NIL

Right Issue NIL

Bonus Issue NIL

Private Placement NIL

**3. Position of Mobilisation and
Deployment of Funds**
(Amount in Rs. Thousands)

Total Liabilities 347066

Total Assets 347066

Sources of Funds :

Paid-up Capital 10773

Reserves & Surplus 84276

Secured Loans 105012

Unsecured Loans 14778

Current Liabilities and Provisions 129226

Deferred tax liabilities (Net) 3001

Application of Funds

Net Fixed Assets 53019

Investments 002

Current Assets 294045

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

Turnover 563152

Total Expenditure 547557

Profit / (Loss) Before Tax 15595

Profit After Tax 9286

Earning Per Share 08.64

Dividend Rate NIL

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

Item Code No. (ITC Code) 14049007

Product Description Katha

Item Code No. (ITC Code) 32030001

Product Description Cutch



THE INDIAN WOOD PRODUCTS COMPANY LIMITED

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

	31st March, 2010	31st March, 2009
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1,55,95,805	69,11,102
Adjustment for		
Depreciation	37,89,239	20,69,180
Interest Expenses	1,23,60,631	1,05,09,925
Interest Received	(6,38,034)	(5,73,963)
Liabilities no Longer required written back	(30,719)	(27,805)
Advances written off	1,08,463	17,587
Extra Ordinary Item	—	22,44,843
Loss/Gain on Sale of Fixed Assets	3,19,216	(3,778)
Operating Profit / (Loss) before working capital changes	3,15,04,601	2,11,47,091
Adjustments for		
Trade & Other receivables	(2,03,08,175)	1,77,59,125
Inventories	(2,32,61,881)	(3,03,50,087)
Trade payables	2,05,76,549	1,18,54,640
Cash generated from Operations	85,11,094	2,04,10,769
Direct Tax (paid) / Refund received (Net)	(20,30,543)	(79,59,528)
Cash Flow before extra Ordinary items	64,80,551	1,24,51,241
Extra Ordinary Items	—	22,44,843
NET CASH FLOW FROM OPERATING ACTIVITIES	64,80,551	1,02,06,398
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(85,70,861)	(74,43,050)
Sale of Fixed Assets	1,15,385	21,000
Interest Received	6,38,034	5,73,963
NET CASH USED IN INVESTING ACTIVITIES	(78,17,442)	(68,48,087)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	2,97,56,451	1,19,24,967
Repayment of Borrowings	(82,14,000)	(73,95,457)
Interest paid	(1,22,75,326)	(1,03,77,853)
NET CASH USED IN FINANCING ACTIVITIES	92,67,125	(58,48,343)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	79,30,234	(24,90,032)
CASH AND CASH EQUIVALENTS (Note 2 below)		
AT START OF THE YEAR	1,06,82,350	1,31,72,382
AT CLOSE OF THE YEAR	1,86,12,584	1,06,82,350

**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 :

	31-03-2010	31-03-2009
	Rs.	Rs.
Cash in hand	1,56,973	3,26,988
Balance with Scheduled Banks	1,84,55,611	1,03,55,362
	<u>1,86,12,584</u>	<u>1,06,82,350</u>

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

Kolkata
Dated : 31st May, 2010

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.	
Client ID	
DP ID	

I hereby record my presence at the 90th ANNUAL GENERAL MEETING of the Company held at 3.30 p.m. on the
26th July, 2010 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.	
Client ID	
DP ID	

I/We
of being 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 90th Annual General Meeting of the Company to be held at
3.30 p.m. on Monday, the 26th July, 2010 and at any adjournment thereof.
As witness my/our hand(s) this day of 2010

(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