



**54th**  
**ANNUAL REPORT**  
**2010 - 2011**

**Sarda Plywood Industries Ltd.**

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Sarda Plywood Industries Ltd.

4th Floor, North Block, 113 Park Street, Kolkata 700 016  
Phone : (033) 22652274 Fax : (033) 22493675 E-mail : info@sardaplywood.com

[www.sardaplywood.in](http://www.sardaplywood.in)



Plywood conserves forests



# Sarda Plywood Industries Limited

## Board of Directors

Dr. Samares Kumar Chanda

*Chairman*

Shri Sujit Chakravorti

Dr. Kali Kumar Chaudhuri

Shri Ratan Lal Gagar

Shri Kirti Kumar Maheshwari

Shri Naresh Pachisia

Shri Probir Roy

Shri Sohan Lal Yadav

*Whole-time Director*

Shri Sudeep Chitlangia

*Managing Director*

## Chief Financial Officer & Company Secretary

Shri B. L. Mundhra

## Bankers

United Bank of India

State Bank of India

## Auditors

G. P. Agrawal & Co.

*Chartered Accountants*

## Registered Office

9, Parsee Church Street

Kolkata - 700 001

## Corporate Office

North Block, 4th Floor

113, Park Street

Kolkata - 700 016

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## Notice to the Members

NOTICE is hereby given that the 54<sup>th</sup> Annual General Meeting of SARDA PLYWOOD INDUSTRIES LIMITED will be held at The Far Pavilion, Tollygunge Club Limited, 120, Deshapran Sasmal Road, Kolkata - 700 033 on Friday, the 23<sup>rd</sup> September 2011 at 11.00 A. M. to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011 and Balance Sheet as at that date, together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Sohan Lal Yadav who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kirti Kumar Maheshwari who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification the following resolution:  
"RESOLVED that Messrs G. P. Agrawal & Co., Chartered Accountants be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors."
5. To appoint Branch Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification the following resolution:  
"RESOLVED that pursuant to Section 228(3) of the Companies Act, 1956, Messrs Grover Dinesh & Associates, Chartered Accountants be and are hereby re-appointed as Branch Auditors of the Company for auditing the books of accounts maintained by the Delhi Branch of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors."

### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:

#### 6. As Ordinary Resolution

"RESOLVED that Shri Probir Roy, who was appointed as an additional director of the Company on 9<sup>th</sup> May 2011 and whose term of office expires at this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 and in respect of whom notice in writing from a member of the Company signifying his intention to propose him as Director has been received pursuant to Section 257 of the Companies Act, 1956 be and is hereby appointed a Director of the Company liable to retire by rotation."

By Order of the Board

Registered Office :  
9, Parsee Church Street  
Kolkata - 700 001  
9<sup>th</sup> May, 2011

B.L. MUNDHRA  
Chief Financial Officer &  
Company Secretary

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORM MUST REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS PRIOR TO THE TIME OF HOLDING THE MEETING.
2. An explanatory statement under Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this Notice.
3. Register of the Members and the Share Transfer Books of the Company will remain closed from 16<sup>th</sup> September 2011 to 23<sup>rd</sup> September 2011 (both days inclusive).
4. Unclaimed dividend for the years 2004-05 and 2005-06, which may remain unpaid or unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government. Members, who have not yet encashed their dividend warrants for the above said years are once again requested to contact the Registrar and Share Transfer Agents.

**Notice (Contd.)**

5. Members are requested to intimate change in their addresses, if any, to the Registrar and Share Transfer Agents in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of shares held in dematerialised form.
6. Members, who are desirous of receiving communications from the Company over email instead of physical documents, are requested to kindly register their email address with their depository participants, if the shares are held in dematerialized form and with the Registrars and Share Transfer Agents, if the shares are held in physical form.
7. Members/Proxies are requested to bring the attendance slips with them duly filled in and hand over the same at the entrance of the meeting hall.
8. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring with them their copy of the Annual Report at the Annual General Meeting.
9. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
10. A brief resume of the Directors, proposed to be appointed/re-appointed -

Name of Director	Shri Sohan Lal Yadav	Shri Kirti Kumar Maheshwari	Shri Probir Roy
Date of Birth	4 <sup>th</sup> December 1947	4 <sup>th</sup> January 1943	19 <sup>th</sup> April 1944
Date of appointment	27 <sup>th</sup> November 1996	29 <sup>th</sup> June 1992	9 <sup>th</sup> May 2011
Qualification	I.A.	B.Sc (Tech)	M.Sc and MBA
Experience	46 years	48 years	40 years
Other Directorships	Nil	Nil	1) East India Pharmaceutical Works Ltd. 2) Durgapur Chemicals Ltd. 3) Keventor Agro Ltd. 4) Shalimar Wires Industries Ltd.
Committee Memberships in other Companies	Nil	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No.6**

Shri Probir Roy was appointed as Additional Director on 9<sup>th</sup> May 2011 under Section 260 of the Companies Act, 1956 to hold office till conclusion of the ensuing Annual General Meeting.

Notice has been received from a Member of the Company pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Probir Roy as candidate for the office of Director along with requisite deposit.

Details regarding Shri Probir Roy and his brief resume have been given hereinabove. Keeping in view the experience and expertise of Shri Probir Roy, the Board recommends his appointment as Director of the Company.

The resolution set out in Item No. 6 of the Notice convening the meeting has to be considered accordingly. Shri Probir Roy may be deemed to be interested in the above resolution. No other Director is, in any way, concerned or interested in the above Resolution.

By Order of the Board

Registered Office :  
9, Parsee Church Street  
Kolkata - 700001  
9<sup>th</sup> May, 2011

B.L. MUNDHRA  
Chief Financial Officer &  
Company Secretary



## Directors' Report to the Members

Your Directors have pleasure in submitting their 54<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2011.

<b>FINANCIAL RESULTS</b>	( ₹ in lacs)	
	Year ended on <b>31.03.2011</b>	Year ended on <b>31.03.2010</b>
Gross Profit/(Loss)	449.94	344.62
Less: Depreciation	<u>167.38</u>	<u>115.75</u>
Profit/(Loss) before Taxation	282.56	228.87
Less: Provision for Current Tax	56.20	40.60
Less: Provision for deferred tax	7.63	68.32
Less: Taxation for earlier years	0.24	(1.33)
Add: MAT Credit Entitlement	<u>43.82</u>	<u>33.20</u>
Net Profit/(Loss)	262.31	154.48
Balance brought forward from previous year	<u>627.88</u>	<u>473.40</u>
Balance carried forward	<u><b>890.19</b></u>	<u><b>627.88</b></u>

### OPERATIONS

During the year under review, the Company started commercial production at its new plywood factory at Jeypore (Assam) and consequently the turnover of the Plywood Division as well as profitability has improved substantially as compared to the previous year. However, the performance of the Tea Division was not satisfactory mainly due to lower availability of green leaf and higher prices thereof. The Company has achieved a gross turnover of ₹ 15853.35 lacs as against ₹ 12267.47 lacs in the preceding year, an increase of 29.23% and has earned a net profit of ₹ 262.31 lacs as against ₹ 154.48 lacs during the preceding year, an increase of 69.80%.

### DIVIDEND

In view of increased requirement of funds for expanded business activities, your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March 2011.

### DIRECTORS

Shri Probir Roy has been appointed as Additional Director of the Company under Section 260 of the Companies Act, 1956 to hold office until conclusion of the forthcoming Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a Member of the Company signifying his intention to propose Shri Probir Roy as a candidate for the office of the Director liable to retire by rotation.

Shri Sohan Lal Yadav and Shri Kirti Kumar Maheshwari retire by rotation, and being eligible, offer themselves for re-appointment.

### ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in Annexure-I forming part of this Report.

### EMPLOYEES

No employee of the Company is covered under Section 217(2A) of the Companies Act, 1956.

### CORPORATE GOVERNANCE

A Management Discussion and Analysis Report and a Report on Corporate Governance along with the certificate of the Auditors, Messrs G.P. Agrawal & Co., confirming compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement are annexed.

### STOCK EXCHANGE LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Company confirms payment of listing fee to the Bombay Stock Exchange Limited for the year 2011-2012.

**Directors' Report (Contd.)****AUDITORS**

Messrs G.P. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

Messrs Grover Dinesh & Associates, Chartered Accountants, Branch Auditors for Delhi Branch of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the year ended 31<sup>st</sup> March 2011, the applicable accounting standards have been followed;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That the Directors have 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 have prepared the accounts for the year ended 31<sup>st</sup> March 2011 on a 'going concern' basis.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the continued support and co-operation extended by the Financial Institutions, Banks, Business Associates, Shareholders and various Government/Semi-Government authorities. Your Directors also place on record their appreciation of the devotion and dedicated efforts of the employees at all levels.

For and on behalf of the Board

Registered Office:  
9, Parsee Church Street,  
Kolkata - 700001  
Dated : 9<sup>th</sup> May, 2011

SAMARES KUMAR CHANDA  
*Chairman*

**ANNEXURE - I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.**

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors Report.

**(A) CONSERVATION OF ENERGY**

- a) **Energy conservation measures taken:** Energy conservation, wherever possible, have already been implemented and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue. Efforts have been taken to improve Boiler efficiency.
- b) Form-A in respect of tea operations is enclosed.

**(B) TECHNOLOGY ABSORPTION**

- (c) Efforts made in technology absorption as per Form B : Form B is enclosed.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (d) **Efforts:** The Company has not exported any of its products during the year.
- (e) **Earnings and Outgo :** ( ₹ in Lacs)
  - (i) Foreign exchange earnings NIL
  - (ii) Foreign exchange outgo (imports and other expenditure in foreign currency) 4109.72

**FORM - A**

(See rule 2)

(For Bought Leaf Tea Processing Factory)

**Disclosure of particulars with respect to conservation of energy**
**2010-2011**
**2009-2010**
**A. POWER AND FUEL CONSUMPTION**
**1. Electricity**
**(a) Purchased**

Unit	Kwh	<b>446672</b>	445340
Total amount	₹	<b>3659417</b>	3711375
Rate/unit	₹/Kwh	<b>8.19</b>	8.33

**(b) Own generation**
**(i) Through diesel generator**

Unit	Kwh	<b>Nil</b>	Nil
Unit per litre of diesel oil	Kwh/ltr.	<b>Nil</b>	Nil
Cost/unit	₹/Kwh	<b>Nil</b>	Nil

**(ii) Through gas generator**

Unit	Kwh	<b>1395070</b>	1591001
Unit per SCUM of natural gas	Kwh/SCUM	<b>2.43</b>	2.44
Cost/unit	₹/Kwh	<b>4.02</b>	3.61

**2. Coal**
**3. Furnace Oil**
**4. Natural Gas**

Quantity	SCUM	<b>1238125</b>	1339244
Total cost	₹	<b>10954384</b>	9127997
Rate	₹/SCUM	<b>8.85</b>	6.82

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Electricity	Kwh/Kg.	<b>0.73</b>	0.77
Coal		<b>Nil</b>	Nil
Furnace Oil		<b>Nil</b>	Nil
Natural Gas	SCUM/Kg.	<b>0.49</b>	0.51

**FORM - B**

(See rule 2)

**Disclosure of particulars with respect to technology absorption**
**I. Research and Development**

1. **Specific Areas** : The R&D activities of the Company are aimed at improvement in capacity utilization, cost control and development of new innovative products.
2. **Benefits derived** : The Company has been able to launch new and innovative products.
3. **Future plan of action** : Efforts would continue to improve capacity utilisation.
4. **Expenditure on R & D** : It has not been accounted for separately.

**II. Technology absorption, adoption and innovation**

1. **Efforts made** : The process technology has been upgraded, wherever required.





**Directors' Report (Contd.)**

2. **Benefits** : Efficient plant operation resulting into higher capacity utilization.
3. **Particulars of technology imported during the last five years.** : Nil

For and on behalf of the Board

Registered Office:  
9, Parsee Church Street,  
Kolkata - 700001  
Dated : 9<sup>th</sup> May, 2011

SAMARES KUMAR CHANDA  
*Chairman*



## Management Discussion and Analysis Report

### Overview

Sarda Plywood Industries Limited is a pioneer in the Indian plywood industry and one of the first few Indian manufacturers to venture into producing a diverse range of plywood products. Its DURO range of products has a strong name in the market because of its best quality and constant upgradation through research and development. The Company also owns a bought leaf tea processing factory.

### Plywood

During the year under review, global recession has receded and performance of the Indian manufacturing sector is also improving rapidly. Consequently, the demand for plywood and allied products is also growing at a rapid pace. New plywood factory set up at Jeypore (Assam) had commenced commercial production during the year and the Company has been able to take advantage of the growing demand. Capacity utilization at both the plywood factories is increasing gradually and it is expected that the same will further improve during the coming years. The Management does not foresee any significant threat to the industry and/or Company from any product and/or sector. Although unorganized sector is manufacturing a large quantity of plywood at cheaper rate, the customer preference for the branded products has not changed. There is a great opportunity for the organized sector to increase its market share with increase in the per capita income.

During the year 2010-11, segment revenue increased from ₹ 8918.53 lacs to ₹ 12081.85 lacs i.e. a growth of 35.46%. The Company has earned segment profit before tax and interest of ₹ 618.14 lacs as against ₹ 327.03 lacs in the preceding financial year, i.e. an increase of 89.02%.

Foreign exchange rate fluctuation may be considered as a matter of concern since major portion of the raw materials consumed by the Company are imported. The Company also imports finished goods for the purpose of trading. However, all possible efforts are taken to mitigate and/or minimize the foreign exchange fluctuation risk. During the year under review, the Company has been able to earn foreign exchange rate fluctuation gain of ₹ 54.51 lacs.

### Tea

As the Company owns a bought leaf tea processing factory, the performance of the Tea Division depends upon the availability of green leaf and prices thereof. During the year under review, the tea production was marginally lower due to lower availability of green leaf.

Segment revenue during the year was ₹ 2548.63 lacs as against ₹ 2638.55 lacs in the preceding financial year. Segment profit before tax and interest decreased from ₹ 199.66 lacs to ₹ 82.03 lacs due to lower production and higher raw material prices. Outlook for the tea industry is expected to remain positive in the days ahead.

Raw material availability is directly dependent on weather conditions. Lower availability and high cost of raw materials is a matter of concern.

### Internal control systems and their adequacy

The Company has established and is maintaining adequate internal control systems for all business segments. Efforts are being taken for optimum utilization of IT infrastructure with built in control mechanism. The adequacy and effectiveness of internal controls are monitored regularly by the internal auditors as well as by the management. The Audit Committee of the Company also periodically reviews internal controls and takes remedial measures wherever necessary.

### Financial Performance

During the year under review, the gross turnover of the Company has increased from ₹ 12267.47 lacs to ₹ 15853.35 lacs registering a growth of 29.23%. The Company has earned a net profit of ₹ 262.31 lacs as against a net profit of ₹ 154.48 lacs in the preceding year.

### Human Resources

The industrial relations were cordial throughout the year. A new performance management system and incentives linked therewith have been introduced as an encouraging tool for the performing employees. Structured training and development programmes have also been introduced to enable the employees to sharpen their skill and thereby improve their performance. The total manpower strength as on 31<sup>st</sup> March 2011 was 799.

### CAUTIONARY STATEMENT

*Statement in the "Management Discussion and Analysis" section describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulation, tax regimes, economic developments within India and other factors such as any litigation and/or labour negotiations.*



## Report on Corporate Governance

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Over the years, your company has complied with the principles of Corporate Governance emphasizing on transparency, accountability and integrity. These have helped the Company to enhance stakeholder values.

### 2. BOARD OF DIRECTORS

#### a) Composition of the Board

The Board consists of eight Directors comprising

- One Non-Executive Chairman (Independent)
- One Managing Director
- Five Non-Executive Independent Directors
- One Executive Director

None of the Directors are related to any other Director of the Company. Besides above, one Non-executive Independent Director has been appointed as additional Director on 9<sup>th</sup> May 2011.

#### b) Board Meetings held during the year ended 31<sup>st</sup> March 2011

During the year under review four Board Meetings were held on 27<sup>th</sup> May 2010, 10<sup>th</sup> August 2010, 12<sup>th</sup> November 2010 and 9<sup>th</sup> February 2011.

#### c) Attendance at Board Meetings and at the last AGM

Name of Director	Category of Directorship	Number of Board Meetings		Attendance at last AGM
		Held	Attended	
Dr. Samares Kumar Chanda	Non-Executive Chairman (Independent)	4	4	Yes
Dr. Kali Kumar Chaudhuri	Non-Executive & Independent	4	4	Yes
Shri Sujit Chakravorti	Non-Executive & Independent	4	4	Yes
Shri Sudeep Chitlangia	Managing Director	4	4	Yes
Shri Ratan Lal Gaggar	Non-Executive & Independent	4	4	Yes
Shri Kirti Kumar Maheshwari	Non-Executive & Independent	4	-	No
Shri Naresh Pachisia	Non-Executive & Independent	4	4	No
Shri Sohan Lal Yadav	Wholtime Director	4	1	Yes

#### d) Number of other Directorships or Board Committees of which Director is a Member/Chairman

Name of Director	No. of Directorship(s) in other public Limited Companies	No. of Membership(s) in other Board Committees	No. of Chairmanship(s) in other Board Committees
Dr. Samares Kumar Chanda	None	None	None
Dr. Kali Kumar Chaudhuri	Two	Two	None
Shri Sujit Chakravorti	Three	Three	Two
Shri Sudeep Chitlangia	Three	None	None
Shri Ratan Lal Gaggar	Ten	Eight	None
Shri Kirti Kumar Maheshwari	None	None	None
Shri Naresh Pachisia	Six	Eight	One
Shri Sohan Lal Yadav	None	None	None

### 3. AUDIT COMMITTEE

#### Composition

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Shri Sujit Chakravorti (Chairman of the Committee), Shri Ratan Lal Gaggar and Shri Naresh Pachisia. The Managing Director is permanent invitee in all meetings of the Committee. The Company Secretary acts as the Secretary of the Committee.



**Report on Corporate Governance (Contd.)**

**Meetings and Attendance during the year ended 31<sup>st</sup> March 2011**

During the year under review, four Audit Committee Meetings were held on 27<sup>th</sup> May 2010, 10<sup>th</sup> August 2010, 12<sup>th</sup> November 2010 and 9<sup>th</sup> February 2011 and the same were attended by all the Members of the Committee.

**Terms of Reference**

The terms of reference of Audit Committee are as laid out in Clause 49 of Listing Agreement.

**4. REMUNERATION COMMITTEE**

**Composition**

The Remuneration Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Dr. Samares Kumar Chanda (Chairman of the Committee), Shri Ratan Lal Gaggar and Shri Sujit Chakravorti.

**Meetings and Attendance during the year ended 31<sup>st</sup> March 2011**

During the year under review, two Remuneration Committee Meetings were held on 20<sup>th</sup> May 2010 and 9<sup>th</sup> February 2011 and the same were attended by all the Members of the Committee.

**Terms of Reference :**

The terms of reference of Remuneration Committee are to recommend/review the remuneration package of the Managing/Whole-time Directors, based on performance.

**Details of remuneration to Directors**

Name	Salary & Perks (₹)	Sitting Fees (₹)	Total (₹)
Dr. Samares Kumar Chanda	-	41000	41000
Dr. Kali Kumar Chaudhuri	-	30000	30000
Shri Sujit Chakravorti	-	64000	64000
Shri Sudeep Chitlangia	2311871	-	2311871
Shri Ratan Lal Gaggar	-	65000	65000
Shri Kirti Kumar Maheshwari	-	-	-
Shri Sohan Lal Yadav	2016097	-	2016097
Shri Naresh Pachisia	-	54000	54000

**Note :**

(a) (i) Appointment of Shri Sudeep Chitlangia was for the period 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2011 and he has been re-appointed as Managing Director for the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2014 subject to approval of members in general meeting.

(ii) Appointment of Shri Sohan Lal Yadav is for the period 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2012.

(b) The Company does not have any scheme for grant of stock options to its Directors or employees.

(c) The Company does not pay any commission or performance linked incentives to any of its Directors.

**Shareholding of Non-Executive Directors**

None of the Non-Executive Directors hold any shares in the Company as sole/first shareholder. Dr. Samares Kumar Chanda holds 2000 shares in the Company as joint holder.

**5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

**Composition**

The Shareholders'/Investors' Grievance Committee consists of Dr. Samares Kumar Chanda, Non-Executive Independent Director and Chairman of the Committee, Shri Ratan Lal Gaggar, Non-Executive Independent Director and Shri Sudeep Chitlangia, Managing Director. The Company Secretary acts as the Secretary to the Committee.

**Report on Corporate Governance (Contd.)****Meetings and Attendance during the year ended 31<sup>st</sup> March 2011**

During the year under review, one Shareholders'/Investors' Grievance Committee Meeting was held on 12<sup>th</sup> November 2010 and the same was attended by all the Members of the Committee.

**Compliance Officer**

Shri B.L. Mundhra, Chief Financial Officer & Company Secretary is the Compliance Officer.

**Shareholders' Complaints**

During the year ended 31<sup>st</sup> March 2011, the Company received 9 complaints and all complaints were replied/resolved to the satisfaction of the shareholders. No complaints were pending at the beginning and at the closing of the year except those under litigation, disputes or court orders.

**6. GENERAL BODY MEETINGS**

Details of the last three Annual General Meetings are as under :

Financial Year	Location	Date	Time
2007-2008	The Far Pavilion, Tollygunge Club Limited, 120, Deshapran Sasmal Road, Kolkata - 700 033	26.09.2008	11.00 A.M.
2008-2009	-do-	22.09.2009	11.00 A.M.
2009-2010	-do-	29.09.2010	11.00 A.M.

**Notes :**

- No special resolutions were passed in the Annual General Meetings held on 26<sup>th</sup> September 2008 and 22<sup>nd</sup> September 2009. Two special resolutions were passed in the Annual General Meeting held on 29<sup>th</sup> September 2010 regarding increase in managerial remuneration.
- No special resolution was passed through postal ballot during the year 2010-11.
- No special resolution is proposed to be put through postal ballot in the ensuing Annual General Meeting.

**7. DISCLOSURES**

- The Company has entered into a few transactions with the related parties, the details whereof have been given in notes to the accounts and which have been reviewed by the Audit Committee of the Company. However, these are not prejudicial to the interest of the Company.
- There were no instances of non-compliance nor have any penalties or strictures been imposed by any Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- The Company has not adopted any whistle blower policy. No personnel were denied access to the Audit Committee.
- Management Discussion & Analysis, which has been reviewed by the Audit Committee of the Company, is a part of the Annual Report.
- The Board has adopted a code of conduct for Directors and Senior Management of the Company and the same has been posted on the Company's website. The declaration signed by the Managing Director to the effect that all Board members and Senior Management personnel have affirmed compliance with the code forms part of the Annual Report.
- The Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors of the Company in connection with the matters specified in Sub-clause V of Clause 49 of the Listing Agreement.

**Report on Corporate Governance (Contd.)**

- g) The Company has fulfilled the following non mandatory requirements as prescribed in Annexure ID of Clause 49 of the Listing Agreement :
- i) The Company has set up a Remuneration Committee; details whereof have been given in para 4 of this report.
  - ii) Financial statements of the Company are unqualified.

**8. MEANS OF COMMUNICATION**

- a) Quarterly results are normally published in the Financial Express in English and Kalantar in Bengali.
- b) Latest quarterly financial results are displayed on its Website [www.sardaplywood.in](http://www.sardaplywood.in).
- c) No presentations were made to institutional investors or analysts.

**9. GENERAL SHAREHOLDER INFORMATION**
**I. Annual General Meeting**

- Date and Time : 23<sup>rd</sup> September 2011 at 11.00 A.M.
- Venue : The Far Pavilion, Tollygunge Club Limited  
120, Deshapran Sasmal Road, Kolkata - 700033

**II. Financial Calendar for the year 2011-2012**

- Results for the first quarter - Second week of August
- Results for the second quarter - Second week of November
- Results for the third quarter - Second week of February
- Annual Audited Results - Second week of May

**III. Book Closure Date : 16<sup>th</sup> September 2011 to 23<sup>rd</sup> September 2011 (both days inclusive).**
**IV. Dividend Payment Date : Not Applicable**
**V. Listing on Stock Exchanges : Bombay Stock Exchange Ltd.**
**VI. Scrip Code : 516003**
**VII. Market Price Data**

Month	BSE		SENSEX	
	High	Low	High	Low
April 2010	39.70	31.00	18,047.86	17,276.80
May 2010	37.00	28.10	17,536.86	15,960.15
June 2010	33.00	26.45	17,919.62	16,318.39
July 2010	31.80	28.00	18,237.56	17,395.58
August 2010	38.85	27.55	18,475.27	17,819.99
September 2010	50.00	38.25	20,267.98	18,027.12
October 2010	41.75	36.55	20,854.55	19,768.96
November 2010	45.25	36.00	21,108.64	18,954.82
December 2010	42.15	36.50	20,552.03	19,074.57
January 2011	40.95	32.00	20,664.80	18,038.48
February 2011	37.90	29.00	18,690.97	17,295.62
March 2011	32.80	28.45	19,575.16	17,792.17

**VIII. Share Transfer System**

M/s. Maheshwari Datamatics Private Limited are the Share Transfer Agents/Registrars (both for physical as well as demat segments) of the Company. The Board of Directors of the Company has authorized Shri Sudeep Chitlangia, Managing Director and Shri B.L. Mundhra, Chief Financial Officer & Company Secretary of the Company to approve-all valid share transfer requests on regular basis and accordingly all valid transfers are effected within a fortnight. Details of approved share transfers are submitted to the Shareholders'/Investors' Grievance Committee.

**Report on Corporate Governance (Contd.)**

**IX. Distribution of Shareholding as on 31<sup>st</sup> March 2011**

No. of shares of ₹10/- each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6628	95.75	881945	21.60
501-1000	167	2.41	130563	3.20
1001-5000	91	1.32	178212	4.36
5001-10000	11	0.16	75410	1.85
10001-100000	20	0.29	860440	21.07
100001 & above	5	0.07	1956315	47.92
<b>TOTAL</b>	<b>6922</b>	<b>100.00</b>	<b>4082885</b>	<b>100.00</b>

**X. Categories of Shareholding as on 31<sup>st</sup> March 2011**

Categories of Shareholders	No. of shares held	Percentage
Indian Promoters	1696301	41.55
Banks and Mutual Funds	11000	0.27
Bodies Corporate	517133	12.66
Individuals (inclusive of NRI)	1858451	45.52
<b>Total</b>	<b>4082885</b>	<b>100.00</b>

**XI. Dematerialisation of shares and liquidity** : The Company's shares are available for dematerialisation with NSDL and CDSL. The ISIN allotted to the Company's Equity Shares is INE932D01010. As on 31<sup>st</sup> March 2011, 37.53% of the Share Capital has been dematerialised.

**XII. Outstanding GDR/ADR/Warrants** : Not Applicable

**XIII. Plant locations** : 1. Tea Unit  
P.O. Jeyapore - 786614  
Dist. Dibrugarh, Assam  
2. Plywood Unit  
(a) P.O. Jeyapore - 786614  
Dist. Dibrugarh, Assam  
(b) Rajkot Gondal Highway  
Shapar - 360002, Veraval  
Dist. Rajkot, Gujarat  
(Under License Agreement)

**XIV. Address for Correspondence** : Maheshwari Datamatics Pvt. Ltd.  
6 Mangoe Lane, Kolkata - 700001  
Phone : (033) 2243 5029/2243 5809  
Fax : (033) 2248 4787  
E-mail : mdpl@cal.vsnl.net.in

**XV. E-mail id for investor grievances** : investors@sardaplywood.com

For and on behalf of the Board

Registered Office:  
9, Parsee Church Street,  
Kolkata - 700001  
Dated : 9<sup>th</sup> May, 2011

**SAMARES KUMAR CHANDA**  
Chairman



**Report on Corporate Governance (Contd.)**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO  
THE MEMBERS OF SARDA PLYWOOD INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Sarda Plywood Industries Limited for the year ended 31<sup>st</sup> March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investors grievances remaining unattended/pending for more than 30 days as at 31<sup>st</sup> March, 2011 except those under litigation, disputes or court orders.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For G.P. AGRAWAL & CO.  
Chartered Accountants  
(F. R. No. 302082E)

7A, Kiran Shankar Roy Road  
Kolkata - 700 001

CA. RAKESH KUMAR SINGH  
(Membership No. 66421)  
Partner

The 9<sup>th</sup> May 2011

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Board has adopted a Code of Conduct for its Directors and Senior Management of the Company and the same is available on the Company's website.

I confirm that the Company has received from the Senior Management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct, as applicable to them, during the financial year ended 31<sup>st</sup> March 2011.

Kolkata  
9<sup>th</sup> May 2011

[Sudeep Chitlangia]  
Managing Director





## Auditors' Report to the Members

1. We have audited the attached Balance Sheet of SARDA PLYWOOD INDUSTRIES LIMITED as at 31<sup>st</sup> March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date (in which are incorporated the accounts of Company's branch at Delhi audited by other Auditors), annexed thereto. 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. An 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. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors Report have been forwarded to us and have been appropriately dealt with in this report.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011,
    - b) in the case of the Profit & Loss Account, of the PROFIT for the year ended on that date, and
    - c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For GP. AGRAWAL & CO.  
Chartered Accountants  
(F. R. No. 302082E)

CA. RAKESH KUMAR SINGH  
(Membership No. 66421)  
Partner

7A, Kiran Shankar Ray Road  
Kolkata - 700 001

The 9<sup>th</sup> May 2011

### ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date to the Members of SARDA PLYWOOD INDUSTRIES LIMITED on the accounts for the year ended 31<sup>st</sup> March, 2011.

- (i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.

- b) The fixed assets have been physically verified by the Management during the year. To the best of our knowledge, no material discrepancies were noticed on such verification.
- c) The Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii) a) The inventories (excluding stocks with third parties) have been physically verified during the year by the Management at reasonable intervals. In respect of inventories lying with third parties confirmation has been obtained from some of the parties.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in register maintained under section 301 of the Act, clauses (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
- c) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of Act.
- d) As the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act, clauses (iii)(f) to (iii)(g) of paragraph 4 of the said order are not applicable to the Company.
- (iv) On the basis of information and explanation given to us, we are of the opinion that the Company has an adequate internal control system 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 and services. Further, on the basis of our examination and according to the information and explanation given to us, we have neither come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control systems.
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section 301.
- b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the Rules framed thereunder.
- (vii) In our opinion, the internal audit system of the company is commensurate with the size of Company and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.
- (ix) a) According to the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date of becoming payable.

**Auditors' Report (Contd.)**

- b) The disputed statutory dues aggregating to ₹ 300.01 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl No	Name of the Statute	Nature of dues	Amount (₹)	Period to which the amount relate	Forum where the dispute is pending
1.	Delhi Sales Tax Act, 1975	Sales Tax	77,86,548	1990-91	Add. Commissioner of Sales Tax
2.	Central Sales Tax Act, 1956	Sales Tax	47,51,800	1990-91	Add. Commissioner of Sales Tax
3.	Value Added Tax Act, 2003	Sales Tax	1,16,47,430	2005-06	Dy. Commissioner of Sales Tax
4.	Central Sales Tax Act, 1956	Sales Tax	70,789	2005-06	Dy. Commissioner of Sales Tax
5.	Income Tax Act, 1961	Income Tax	87,429	1985-86	Income Tax Appellate Tribunal
6.	Central Sales Tax Act, 1956	Sales Tax	13,99,318	2007-08 to 2010-11	Apple Tribunal, Ahmedabad.
7.	Value Added Tax Act, 2003	Sales Tax	99,760	2010-11	Apple Tribunal, Ahmedabad.
8.	Central Excise Act, 1994	Excise Duty	41,58,216	2010-11	Asst. Commissioner of Central Excise
	TOTAL		3,00,01,270		

- (x) The Company does not have accumulated losses and has not incurred any cash loss during the year covered by our audit. However, Cash loss incurred during the immediately preceding financial year has been set off with the brought forward balance in the Profit & Loss Account.
- (xi) The Company has not defaulted in payment of dues to a financial institution or bank. Debentures have not been issued by the Company.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and similar securities.
- (xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to this Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments. However, the investments made by the Company in shares and other securities have been held by the Company in its own name.
- (xv) According to the records of the Company and the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) On the basis of our examination and according to the information and explanation given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on the short term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any secured debentures.
- (xx) The Company has not raised any moneys by public issue during the period covered by our audit report.
- (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 has been noticed or reported during the year that causes the financial statements materially misstated.

For G.P. AGRAWAL & CO.  
Chartered Accountants  
(F. R. No. 302082E)

7A, Kiran Shankar Ray Road  
Kolkata - 700 001

C.A. RAKESH KUMAR SINGH  
(Membership No. 66421)  
Partner

The 9<sup>th</sup> May 2011



## BALANCE SHEET as at 31st March, 2011

	Schedules	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>I. SOURCES OF FUNDS</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	40,856,975	40,856,975
(b) Reserves & Surplus	2	285,109,412	259,090,523
<b>(2) Loan Funds</b>			
(a) Secured Loans	3	276,419,512	224,824,188
(b) Unsecured Loans	4	12,861,420	2,268,810
<b>(3) Deferred Tax Liability (Net)</b>		13,258,980	12,495,911
Refer note no. B 12 of Schedule 20			
<b>TOTAL</b>		<b>628,506,299</b>	<b>539,536,407</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>(1) Fixed Assets</b>			
(a) Gross Block	5	334,190,470	252,219,884
(b) Less: Depreciation		181,788,015	168,111,245
(c) Net Block		152,402,455	84,108,639
(d) Capital Work in Progress		4,141,736	71,006,365
<b>(2) Investments</b>			
(3) <b>Current Assets, Loans &amp; Advances</b>	6	105,651,413	105,641,539
(a) Inventories	7	377,055,271	302,712,949
(b) Sundry Debtors	8	220,336,893	169,766,905
(c) Cash & Bank Balances	9	19,954,823	19,866,641
(d) Loans & Advances	10	83,529,243	59,891,541
		700,876,230	552,238,036
<b>Less: Current Liabilities &amp; Provisions</b>	11		
(a) Current Liabilities		330,719,136	270,457,212
(b) Provisions		3,846,399	3,000,960
		334,565,535	273,458,172
<b>Net Current Assets</b>		366,310,695	278,779,864
<b>TOTAL</b>		<b>628,506,299</b>	<b>539,536,407</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 20

Schedules 1 to 11 &amp; 20 referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date.

For GP. AGRAWAL &amp; CO.

Chartered Accountants  
(F.R. NO. 302082E)

CA. RAKESH KUMAR SINGH

(Membership No. 66421)  
PartnerKolkata : 9<sup>th</sup> May, 2011B.L.MUNDHRA  
Chief Financial Officer &  
Company Secretary

On behalf of the Board

SUJIT CHAKRAVORTI  
DirectorSUDEEP CHITLANGIA  
Managing Director

**PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011**

		2010-11	2009-10
	Schedules	₹	₹
<b>I. INCOME</b>			
Gross Sales	12	1,585,335,087	1,226,747,320
Less : Excise Duty		108,333,219	59,711,231
Net Sales		1,477,001,868	1,167,036,089
Other Income	13	10,268,347	26,002,611
Increase/(Decrease) in Stock	14	34,125,984	49,493,309
		<u>1,521,396,199</u>	<u>1,242,532,009</u>
<b>II. EXPENDITURE</b>			
Purchases of Trading Goods		94,618,201	106,025,796
Raw Materials Consumed	15	884,831,325	756,646,715
Manufacturing Expenses	16	166,283,245	120,681,634
Payments to & Provisions for Employees	17	95,018,499	61,909,345
Administrative, Selling, Distribution & Other Expenses	18	207,599,189	140,283,497
Interest	19	28,051,773	22,522,772
Depreciation		16,737,601	11,575,409
		<u>1,493,139,833</u>	<u>1,219,645,168</u>
<b>III. PROFIT BEFORE TAXATION</b>		28,256,366	22,886,841
Less : Provision for Tax			
Current Tax		5,620,000	4,060,000
Deferred Tax		763,069	6,831,860
Taxation for earlier years		24,740	(132,813)
Add : MAT Credit Entitlement		4,382,176	3,320,028
<b>IV. PROFIT AFTER TAXATION</b>		26,230,733	15,447,822
Balance brought forward from previous year		62,788,070	47,340,248
<b>V. BALANCE CARRIED TO BALANCE SHEET</b>		<u>89,018,803</u>	<u>62,788,070</u>
Earnings per Share of Rs.10/-each (See note no.B 11 in Schedule 20)			
Basic		6.42	3.78
Diluted		6.42	3.78

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 20**

Schedules 12 to 20 referred to above form an integral part of the Profit &amp; Loss Account.

This is the Profit &amp; Loss Account referred to in our report of even date.

On behalf of the Board

For G.P. AGRAWAL & CO.  
Chartered Accountants  
(F.R. NO. 302082E)SUJIT CHAKRAVORTI  
DirectorCA. RAKESH KUMAR SINGH  
(Membership No. 66421)  
PartnerB.L.MUNDHRA  
Chief Financial Officer &  
Company SecretarySUDEEP CHITLANGIA  
Managing Director

Kolkata : 9th May, 2011



## Schedules annexed to the Accounts

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
Authorised		
2,50,00,000 (Previous year 2,50,00,000) Equity Shares of ₹10/- each	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued</b>		
42,62,810 (Previous year 42,62,810) Equity Shares of ₹10/- each	<u>42,628,100</u>	<u>42,628,100</u>
<b>Subscribed &amp; Paid up</b>		
40,82,885 (Previous year 40,82,885) Equity Shares of ₹10/- each fully called up (Of the above shares 10,91,900 Equity Shares were allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve) Add :Forfeited shares (Amount originally paid up)	<u>40,828,850</u>  <u>28,125</u> <u>40,856,975</u>	<u>40,828,850</u>  <u>28,125</u> <u>40,856,975</u>
<b>Schedule 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve (On revaluation of Fixed Assets)		
As per last Account	3,783,930	3,995,774
Less : Depreciation	<u>211,844</u>	<u>211,844</u>
	3,572,086	3,783,930
Capital Subsidies (As per last Account)	<u>9,142,491</u>	<u>9,142,491</u>
Security Premium Account (As per last Account)	<u>58,890,400</u>	<u>58,890,400</u>
General Reserve (As per last Account)	<u>124,485,632</u>	<u>124,485,632</u>
Profit & Loss Account (As per annexed Account)	<u>89,018,803</u>	<u>62,788,070</u>
	<u>285,109,412</u>	<u>259,090,523</u>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
<b>Term Loans</b>		
From Scheduled Banks	-	2,000,000
From Others	<u>58,100,000</u>	<u>47,562,959</u>
<b>Buyers Credit</b>		
From Scheduled Banks	<u>85,444,595</u>	<u>86,858,044</u>
<b>Working Capital Loan</b>		
From Scheduled Banks	<u>132,874,917</u>	<u>88,403,185</u>
	<u>276,419,512</u>	<u>224,824,188</u>

**Schedules annexed to the Accounts (Contd.)**

Notes :

**1. Nature of Security :**

- (a) Term loan from others is secured by first charge on the Company's immovable properties situated at Jaypore (Assam) by deposit of title deeds and also by hypothecation of all plant and machinery and other fixed assets of the Company, both present & future, and is additionally secured by personal guarantee of the Managing Director.
- (b) Working capital loans & Buyers Credit are secured by hypothecation of present & future stock and book debts and second charge on the Company's immovable and movable properties situated at Jaypore (Assam) and personal guarantee of Managing Director.
- (c) Details of aggregate amount of loans outstanding which are guaranteed by the Managing Director.  
 Loans form Banks - ₹ 218,319,512/- (Previous year ₹ 175,261,229/-)  
 Loans form others - ₹ 58,100,000/- (Previous year ₹ 47,562,959/-)

**2. Terms of Repayment**

Out of Term Loan from others ₹ 9,200,000 (Previous year ₹ 4,200,000) falls due for repayment within one year.

**Schedule 4**

**UNSECURED LOANS**

**Other Loans**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
From Bank	1,861,420	2,109,571
From Others	11,000,000	159,239
	<b>12,861,420</b>	<b>2,268,810</b>

**Schedule - 5**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2010 ₹	Additions ₹	Deductions ₹	As at 31.03.2011 ₹	Upto 31.03.2010 ₹	For the Year ₹	Sales/ Adjustment ₹	Upto 31.03.2011 ₹	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>TANGIBLE ASSETS</b>										
Freehold Land	3,165,248	-	-	3,165,248	-	-	-	-	3,165,248	3,165,248
Buildings	62,758,215	12,914,466	-	75,672,681	25,010,027	2,131,620	-	27,141,647	48,531,034	37,748,189
Plant & Machinery	134,693,492	68,118,787	588,829	202,133,450	109,451,771	11,609,821	491,135	121,830,457	81,162,932	24,751,721
Motor Vehicles	17,995,429	3,928,750	2,613,107	17,304,076	10,313,363	1,130,495	2,117,717	9,326,141	7,977,937	7,693,064
Furniture Fixture & Office Equipments	32,346,751	2,213,701	739,436	33,821,016	22,843,118	1,847,709	663,823	23,827,002	9,994,014	9,303,635
Sub-total	250,878,135	85,167,684	3,941,369	332,096,453	158,018,277	16,579,645	3,772,675	181,325,247	196,771,206	82,851,858
<b>INTANGIBLE ASSETS</b>										
Computer Software (Acquired)	1,349,749	744,268	-	2,094,017	92,968	369,800	-	482,768	1,631,249	1,256,781
Sub-total	1,349,749	744,268	-	2,094,017	92,968	369,800	-	482,768	1,631,249	1,256,781
Capital Work-in-Progress									4,141,736	71,806,365
<b>Total</b>	252,219,884	85,911,952	3,941,369	334,190,470	168,111,245	16,949,445	3,272,675	181,788,015	198,442,491	155,115,004
Previous Year	246,760,275	7,225,681	3,265,992	252,218,884	158,496,131	11,787,253	2,372,139	168,111,245	155,115,004	



## Schedules annexed to the Accounts (Contd.)

## Schedule 6

## INVESTMENTS (At Cost)

(Long term)

## In Equity Shares of Companies

(Fully Paid up of ₹10/- each unless otherwise stated)

No of Shares

Name of Companies

## Quoted (Other than Trade):

		As at 31.03.2011 ₹	As at 31.03.2010 ₹
200	(Previous year 200) Assam Petro-Chemicals Ltd.	2,000	2,000
98	(Previous year 98) Reliance Industries Ltd.	32,842	32,842
1180	(Previous year 1180) Radico Khaitan Ltd. of ₹2/- each	7,080	7,080
61	(Previous year 61) Rampur Fertilizers Ltd.	1,830	1,830
3500	(Previous year 3500) SMIFS Capital Markets Ltd.	1,032,553	1,032,553
1000	(Previous year 1000) Simplex Infrastructures Ltd. of ₹2/- each	20,052	20,052
1000	(Previous year 1000) United Credit Ltd.	9,032	9,032
	Aggregate value of quoted investments	<u>1,105,389</u>	<u>1,105,389</u>

## Unquoted:

## Trade

5950000	(Previous year 350000) P. S. Plywood Products Private Ltd. (Includes 5600000 Bonus Shares received during the year)	80,508,750	80,508,750
100	(Previous year 100) Orissa Tea Plantations Ltd.	1,000	1,000
300	(Previous year 300) The Albion Plywood Ltd.	452	452

## Other than Trade

100	(Previous year 100) Pro Sports Management Ltd. of ₹1000/-each	100,000	100,000
2485000	(Previous year 2485000) Pousali Sales Pvt. Ltd.	24,935,935	24,935,935
200	(Previous year 200) The Purbanchal Bank Limited of ₹100/-each	12,000	12,000
	(₹60/- called & paid up)		
	Aggregate value of unquoted investments	<u>105,558,137</u>	<u>105,558,137</u>
		<u>106,663,526</u>	<u>106,663,526</u>
	Less: Provision for diminution in value of Investments	1,012,113	1,021,987
		<u>105,651,413</u>	<u>105,641,539</u>

- Notes: 1) Aggregate Market Value of quoted investments : ₹741,187/- (Previous year ₹864,830/-)
- 2) Besides above, the Company holds following shares in relation to the shares already sold by it :
- |                                |    |                    |
|--------------------------------|----|--------------------|
| a) JK Tyre & Industries Ltd.   | 33 | (Previous year 33) |
| b) Rampur Fertilizers Ltd.     | 16 | (Previous year 16) |
| c) Bengal & Assam Company Ltd. | 2  | (Previous year 2)  |

## Schedule 7

## INVENTORIES

(At lower of cost and net realisable value)

Raw Materials (incl. in transit)	139,368,864	106,871,708
Stores & Spares and Chemicals	19,065,068	11,353,827
Stock-in-Process	64,420,792	68,569,403
Finished Goods	101,845,280	77,674,698
Finished Goods in transit	8,916,957	2,805,677
Trading Goods	41,205,146	35,437,636
Trading Goods in transit	2,233,164	-
	<u>377,055,271</u>	<u>302,712,949</u>

## Schedule 8

## SUNDRY DEBTORS

(Unsecured, considered good)

Exceeding six months	12,773,362	8,411,037
Other Debts	207,563,531	161,355,868
	<u>220,336,893</u>	<u>169,766,905</u>





## Schedules annexed to the Accounts (Contd.)

	As at 31.03.2011 ₹		As at 31.03.2010 ₹
<b>Schedule 9</b>			
<b>CASH &amp; BANK BALANCES</b>			
Cash on Hand (as certified)	787,273		771,634
Cheques on Hand & Remittances in Transit	12,184,325		9,444,916
Balance With Scheduled Banks			
In Current Accounts	6,538,592		9,204,558
In Dividend Accounts	384,633		385,533
In Fixed Deposit (Pledged FDR for ₹10,000/- with Government Authorities, Previous year ₹10,000/- )	60,000		60,000
	<u>19,954,823</u>		<u>19,866,641</u>
<b>Schedule 10</b>			
<b>LOANS &amp; ADVANCES</b>			
<i>(Unsecured, considered good)</i>			
Advances recoverable in cash or in kind or for value to be received	57,833,121		41,241,635
Advance Income Tax including tax deducted at source	9,180,429	4,966,485	
Add : MAT credit carried forward	7,702,204	3,320,028	
Less: Provision for Taxation	<u>9,680,000</u>	<u>5,850,000</u>	2,436,513
Balance with Central Excise & Customs Authorities	7,334,738		4,954,504
Security and Other Deposits	11,158,751		11,258,889
	<u>83,529,243</u>		<u>59,891,541</u>
<b>Schedule 11</b>			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>Current Liabilities</b>			
Acceptances	152,338,894		130,573,181
Sundry Creditors (refer note no. B 5 of Schedule 20)			
Dues to Micro, & Small Enterprises	-		-
Dues to Others	114,866,497		92,903,584
Advances and deposits from customers	14,644,680		11,667,688
Investor Education and Protection Fund	384,633		385,533
(Unclaimed Dividend not due for transfer)			
Other Liabilities	47,903,092		34,560,877
Interest Accrued but not due on Loans	<u>581,340</u>		<u>366,349</u>
	<u>330,719,136</u>		<u>270,457,212</u>
<b>Provisions</b>			
Provision for Leave	<u>3,846,399</u>		<u>3,000,960</u>
	<u>3,846,399</u>		<u>3,000,960</u>
	<u>334,565,535</u>		<u>273,458,172</u>
	2010-11		2009-10
	₹		₹
<b>Schedule 12</b>			
<b>SALES</b>			
Finished Goods	1,456,782,322		1,076,887,987
Trading Goods	128,484,684		149,507,807
Others	68,081		351,526
	<u>1,585,335,087</u>		<u>1,226,747,320</u>
<b>Schedule 13</b>			
<b>OTHER INCOME</b>			
Interest(Gross)	259,985		2,521,671
Rent (Gross)	531,000		906,000
Dividends from Long Term Investments (other than trade)	59,649		3,283
Claims	1,939,064		725,183
Subsidies	1,743,996		2,105,399
Relinquishment of Tenancy Right	-		2,500,000
Miscellaneous Receipts	184,903		360,241
Exchange Rate Fluctuation	5,451,196		16,343,648
Liabilities No Longer required written back	88,680		522,241
Provision for diminution in value of Investments written back	<u>9,874</u>		<u>14,945</u>
	<u>10,268,347</u>		<u>26,002,611</u>



## Schedules annexed to the Accounts (Contd.)

	2010-11 ₹		2009-10 ₹
<b>Schedule 14</b>			
<b>INCREASE/(DECREASE) IN STOCK CLOSING STOCK</b>			
Finished Goods	110,762,237		80,480,375
Trading Goods	43,438,310		35,437,636
Stock-in-Process	64,420,792		68,569,403
	<u>218,621,339</u>		<u>184,487,414</u>
<b>OPENING STOCK</b>			
Finished Goods	80,480,375		63,532,353
Trading Goods	35,437,636		38,605,221
Stock-in-Process	68,569,403		32,781,212
	<u>184,487,414</u>		<u>134,918,786</u>
<b>INCREASE/(DECREASE) IN STOCKS</b>	34,133,925		49,568,628
Less: Excise Duty & Cess on Stocks (Refer Note No. B 3 of Schedule 20)	7,941		75,319
<b>NET INCREASE / (DECREASE) IN STOCKS</b>	<u>34,125,984</u>		<u>49,493,309</u>
<b>Schedule 15</b>			
<b>RAW MATERIALS CONSUMED</b>			
Opening Stock	66,252,988	58,100,796	
Add : Purchases	927,847,118	764,798,907	822,899,703
Less : Closing Stock	109,268,781		66,252,988
	<u>884,831,325</u>		<u>756,646,715</u>
<b>Schedule 16</b>			
<b>MANUFACTURING EXPENSES</b>			
Chemical Consumption	62,078,873		37,286,484
Stores & Spare Parts	13,445,034		11,079,559
Power & Fuel	53,639,341		45,825,629
Building Repairs	7,404,649		4,544,953
Machinery Repairs	11,767,866		9,803,228
Other Repairs	5,334,056		3,835,730
Job Charges	12,613,426		8,306,051
	<u>166,283,245</u>		<u>120,681,634</u>
<b>Schedule 17</b>			
<b>PAYMENTS TO &amp; PROVISION FOR EMPLOYEES</b>			
Salary, Wages, Bonus and other Amenities	85,708,667		54,576,714
Contribution to Provident,Pension & Other Funds	7,816,401		5,930,079
Employees' Welfare Expenses	1,493,431		1,402,552
	<u>95,018,499</u>		<u>61,909,345</u>
<b>Schedule 18</b>			
<b>ADMINISTRATIVE, SELLING, DISTRIBUTION AND OTHER EXPENSES</b>			
Rent	9,291,023		6,668,453
Electricity	1,325,937		1,096,108
License Fee	33,600,000		27,000,000
Rates & Taxes	1,165,359		1,300,591
Watch and Ward Expenses	481,960		357,042
Insurance	2,521,406		2,377,522
Communication Expenses	4,257,634		3,613,310
Travelling & Conveyance	14,708,499		10,165,461
Vehicle Maintenance	6,117,511		5,139,963
Printing & Stationery	1,565,863		1,276,422
Legal and Professional Charges	9,872,567		6,381,908
Human Resource Development Expenses	2,378,580		167,569
Miscellaneous Expenses	1,927,700		1,738,193
Statutory Auditors' Remuneration	183,650		174,274

## Schedules annexed to the Accounts (Contd.)

	2010-11*	2009-10
	₹	₹
<b>Schedule 18 (Contd.)</b>		
Charity & Donations	1,123,102	121,100
Bank charges	3,925,958	2,043,065
Royalty	800,000	
Packing, Forwarding, Freight, Octroi and Delivery Expenses	56,529,840	38,478,058
Sales Tax	1,478	45,288
Commission on Sales	11,444,714	7,323,916
Brokerage on Sales	654,446	541,318
Advertisement, Publicity & Sales Promotion	41,885,174	22,587,238
Loss on Sale / Discard of Fixed Assets	147,049	240,350
Bad Debts & Sundry Balances Written Off	1,390,344	908,593
Adjustment related to earlier years	299,395	537,755
	<u>207,599,189</u>	<u>140,283,497</u>
<b>Schedule 19</b>		
<b>INTEREST</b>		
On Fixed Loans	7,524,350	4,071,601
On Other Loans	20,527,423	18,451,171
	<u>28,051,773</u>	<u>22,522,772</u>

## Schedule 20

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

## A. SIGNIFICANT ACCOUNTING POLICIES

- The accounts of the company have been prepared on the concept of going concern and on accrual basis except that insurance and other claims / refunds / subsidies are being accounted for / adjusted in the books as and when settled. Accounts have also been prepared in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.
  - Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. Gross Sales is inclusive of Excise Duty & exclusive of Sales Tax / VAT. -
  - Short-term employee benefits (benefits which are payable before the end of twelve months after the end of the period in which the employees render service) are measured at cost.
  - Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.
- Fixed assets have been stated at cost (net of Cenvat) as increased by attributable direct and indirect expenses less accumulated depreciation / amortisation. Wherever these assets have been revalued, the amounts stated are inclusive of enhanced value on account of revaluation.
  - Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as pre-operative expenses pending allocation to the assets and are shown under "Capital Work-in-Progress". Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.
  - Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.
- Depreciation on Fixed Assets have been provided for on straight line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended. Computer Software (Acquired) are amortised over a period of five years. Amortisation is done on straight line basis
- Inventories are valued at lower of cost or net realisable value. The cost of inventories is computed on weighted average/FIFO basis. The cost of Finished Goods includes cost of conversion and cost incurred in bringing the inventories to their present location and condition.
- Long term investments have been stated at cost and provision for diminution in the value is considered individually only if, such decline is other than temporary.

**Schedules annexed to the Accounts (Contd.)**
**Schedule 20 (Contd.)**

6. (a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- (b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
- (c) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference. The premium or discount on forward exchange contracts is amortised over the period of the respective contract.
- (d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Profit & Loss Account.
7. a) Government grants of the nature of project subsidy are credited to Capital Reserves.
- b) Other Government grants of revenue nature are credited to Profit & Loss Account under the heading 'Other Income'.
8. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
9. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
10. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
11. Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the Accounts.

	As at 31.03.2011	As at 31.03.2010
	₹	₹
<b>B. NOTES ON ACCOUNTS</b>		
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	505,877	137,700
2. Contingent Liabilities not provided for in respect of :		
a) Uncalled Capital against partly paid-up shares held as investment	8,000	8,000
b) Guarantees furnished by company's Bankers on behalf of the Company .	465,845	-
c) Demand raised by Govt. authorities in respect of Taxes and Duties and Contested by the Company	30,001,270	24,385,039
3. The amount of Excise Duty & cess shown in schedule 14 represents differential excise duty on opening & closing stock of finished goods.		
4. Managerial Remuneration	2010-11	2009-10
a) Remuneration paid to Managing Director & Wholetime Director and debited to respective accounts	₹	₹
Salary and other amenities	3,453,168	2,880,060
Contribution to Provident Fund, Superannuation Fund	874,800	725,436
	<u>4,327,968</u>	<u>3,605,496</u>
The Remuneration paid to the Managing Director & Wholetime Director is the minimum remuneration as per Schedule XIII to the Companies Act, 1956		
b) Directors' Sitting Fees (Included in Miscellaneous expenses)	254,000	287,000
5. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2011 as micro or small or medium enterprises. Consequently the amount paid / payable to these parties during the year is Nil (Previous year ₹ Nil).		
6. Auditors' Remuneration includes -		
Audit Fee (includes ₹ 6,618 [Previous year ₹6,618] paid to branch auditors)	116,918	116,918
Tax Audit fee	22,060	22,060
Certification Fee	44,672	35,296
	<u>183,650</u>	<u>174,274</u>



## Schedules annexed to the Accounts (Contd.)

Schedule 20 (Contd.)	As at 31.03.2011 ₹	As at 31.03.2010 ₹
7. Tax deducted at source in respect of -		
Rent received	52,500	153,025
Interest received	24,000	240,638
8. Interest (Gross) Includes-		
Interest Received on Bank Deposit	5,493	7,254
Interest on Loans	-	2,151,042
Interest on Others	254,492	363,375
	<b>259,985</b>	<b>2,521,671</b>

9. Sundry Debtors include ₹861,995/- (Previous year ₹861,995/-) under litigation.

10. Segment information as per Accounting Standard - 17 on 'Segment Reporting':

The Company has identified two business segments viz. Plywood and Tea. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure & internal business reporting system.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment Assets and Segment Liabilities represent assets and liabilities of respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

c) Information about Primary Business Segment	Plywood ₹	Tea ₹	Others ₹	Unallocated ₹	Total ₹
Segment Revenue	1,208,185,458	254,862,874	17,910,180	-	1,480,958,512
	(891,852,908)	(263,854,988)	(15,041,684)	-	(1,170,749,180)
Segment Results	61,814,052	8,203,454	-7,985,881	-	62,031,625
	(32,703,268)	(19,966,496)	(-7,605,443)	-	(45,064,321)
Less: Interest					28,051,773
					(22,522,772)
Other unallocable expenditure net of unallocable income					5,723,486
					(-345,292)
Total Profit/(Loss) before tax					28,256,366
					(22,886,841)
Other Information					
Segment Assets	747,461,564	78,215,984	22,159,531	115,234,755	963,071,834
	(594,089,905)	(85,119,422)	(23,356,043)	(110,429,209)	(812,994,579)
Segment Liabilities	310,900,964	19,535,187	3,744,721	302,924,575	637,105,447
	(258,466,032)	(12,934,199)	(1,672,408)	(239,974,442)	(513,047,081)
Capital Expenditure	15,050,181	3,997,142	-	-	19,047,323
	(73,673,050)	(24,000)	(1,682,995)	-	(75,380,045)
Depreciation & Amortisation	10,567,485	6,123,522	258,438	-	16,949,445
	(5,022,582)	(6,763,962)	(709)	-	(11,787,253)
Non-cash expense other than depreciation & amortisation	1,304,237	-2,573	-	-9,874	1,291,790
	(436,037)	(35,000)	(-1,550)	(-14,945)	(454,542)

Notes:

- a) There are no transactions between segments. Common costs are apportioned on a reasonable basis.
- b) Since the company's activities/operations are primarily within the country, there is only one geographical segment.
- c) Figures in the brackets pertain to previous year.



## Schedules annexed to the Accounts (Contd.)

Schedule 20 (Contd.)		2010-11	2009-10
		₹	₹
11.	In calculating Earnings per share		
a)	Numerator used :		
	Profit / (Loss) after tax	26,230,733	15,447,822
b)	Denominator used in computing Basic Earning per Share:		
	Weighted Average Number of Equity Shares	4,082,885	4,082,885
c)	Denominator used in computing Diluted Earning per Share:		
	Weighted Average Number of Equity Shares including Potential Equity Shares	4,082,885	4,082,885
d)	Nominal value of equity shares	10.00	10.00
e)	Basic Earnings per share (a/b)	6.42	3.78
f)	Diluted Earnings per share (a/c)	6.42	3.78
		As at	As at
		31.03.2011	31.03.2010
		₹	₹
12.	The deferred tax liability comprises of -		
a)	Deferred tax asset		
	Expenses deductible when paid	274,212	306,719
	Loss to be set off against future profits	-	948,561
		<u>274,212</u>	<u>1,255,280</u>
b)	Deferred tax liability		
	Related to Fixed Assets	13,533,192	13,751,191
		<u>13,533,192</u>	<u>13,751,191</u>
	Net Deferred Tax Liability	13,258,980	12,495,911

## 13. Related Party Disclosures

Particulars of transactions during the year ended 31st March 2011 :

Nature of Transactions	Associates	Key Management Personnel	Total
	₹	₹	₹
Directors Remuneration	-	4,327,968	4,327,968
	(-)	(3,605,496)	(3,605,496)
Sales	1,380,352	-	1,380,352
	(4,148,206)	(-)	(4,148,206)
Purchases	-	-	-
	(81,058)	(-)	(81,058)
Purchase of Fixed Assets	-	-	-
	(1,682,995)	(-)	1,682,995
Rent Received	6,000	-	6,000
	(6,000)	(-)	(6,000)
Interest Received	-	-	-
	(2,145,020)	(-)	(2,145,020)
Rent Paid	132,000	-	132,000
	(102,000)	(-)	(102,000)
Licence fee Paid	33,600,000	-	33,600,000
	(27,000,000)	(-)	(27,000,000)
Refund of Loan Given	-	-	-
	(23,725,000)	(-)	(23,725,000)
Guarantees Obtained	-	136,900,000	136,900,000
	(-)	(66,100,000)	(66,100,000)
Outstanding against Guarantees Obtained	-	428,758,406	428,758,406
	(-)	(353,397,369)	(353,397,369)
Balance Outstanding at the Balance Sheet Date	1,800,000 Dr	-	1,800,000 Dr
	(1,800,000 Dr)	(-)	(1,800,000 Dr)

Notes:

- Figures in the brackets pertain to previous year.
- The Company has neither written off nor written back any amount recoverable / payable from / to any related party during the year.
- The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.



## Schedules annexed to the Accounts (Contd.)

## Schedule 20 (Contd.)

	2010-11	2009-10
	₹	₹
<b>Disclosure of Metarial Transaction with Related Parties</b>		
Directors Remuneration		
Shri Sudeep Chitlangia	2,311,871	1,780,613
Shri Sohan Lal Yadav	2,016,097	1,824,883
Sales		
Purma Timber Products Ltd.	1,328,834	4,088,853
Purchase		
Purma Timber Products Ltd.	-	81,058
Purchase of Fixed Assets		
Purma Timber Products Ltd.	-	1,682,995
Rent Received		
Madhya Bharat Papers Ltd.	6,000	6,000
Interest Received		
Poushali Sales Pvt. Ltd.	-	2,145,020
License Fee Paid		
P.S Plywood Products Private Ltd.	33,600,000	27,000,000
Rent Paid		
Calcutta Technicians & Advisers Ltd.	120,000	90,000
Madhya Bharat Papers Ltd.	12,000	12,000
Refund of Loan Given		
Poushali Sales Pvt. Ltd.	-	23,725,000
Guarantees Obtained		
Sudeep Chitlangia	136,900,000	66,100,000
Outstanding against Guarantees Obtained		
Sudeep Chitlangia	428,758,406	353,397,369
Net Balance Receivable/(Payable)		
Calcutta Technicians & Advisers Ltd.	1,800,000	1,800,000

**Names of related parties & description of relationship**

Associates :	Calcutta Technicians & Advisers Ltd.
	Madhya Bharat Papers Ltd.
	P.S. Plywood Products Pvt. Ltd.
	Poushali Sales Pvt. Ltd.
	Purma Timber Products Ltd.

Key Management Personnel :	Shri Sudeep Chitlangia
	Shri Sohan Lal Yadav

	2010-11	2009-10
	₹	₹
14. Details of Adjustments related to earlier years (Net):		
a) Expenses		
Rebate & Discounts	73,181	-
Power & Fuel	133,753	-
Payment to & Provision for Employees	26,065	146,873
Rates & Taxes	-	33,013
Legal & Professional	5,000	-
Travelling & Conveyance	4,194	12,190
Advertisement Publicity & Sales Promotion	13,600	99,884
Packing, forwarding, freight & Delivery Exp	20,200	49,985
Selling Commission	19,972	-
Entry Tax / VAT	-	477,468
Interest to Others	2,630	35,927
Other Expenses	800	37,748
Total Expenses	<u>299,395</u>	<u>893,088</u>
b) Income		
Rent Received	-	87,500
Interest Received	-	267,833
Total Income	-	<u>355,333</u>
Adjustments relating to earlier years (Net)	<u>299,395</u>	<u>537,755</u>

**Schedules annexed to the Accounts (Contd.)**
**Schedule 20 (Contd.)**
**15. Disclosure under clause 32 of the Listing Agreement:**

There are no transactions (except related party transactions) which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed.

**16. Disclosure pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets:**

- No provisions for Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.
- The Contingent liabilities mentioned at Sl. No.1 are dependent upon Court decision / out of court settlement / disposal of appeals etc.

**17. Land, Building and Plant & Machinery were revalued on 30<sup>th</sup> June 1985 as per valuation report of M/S. Consolidated Enterprises on the basis of net replacement value and appreciation on revaluation aggregating to ₹16,377,041/- was credited to Capital Reserve.**
**18. Intangible Assets**

The unamortised amount of Computer Software (Acquired) ₹1,631,249/- (Previous year ₹1,256,781/- is to be amortised at the rate of 20% per annum over a period of 4 - 5 years as the case may be.

**19. Disclosure pursuant to AS - 15 (revised 2005) on "Employee Benefits"**
**Defined Contribution Plan:**

Employee benefits in the form of Provident Fund, Pension Scheme and Superannuation Fund are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year are as under:

	2010-11	2009-10
	₹	₹
Employers' Contribution to Provident Fund & Pension Fund	4,821,927	3,394,489
Employers' Contribution to Superannuation Fund	733,052	630,686

**Defined Benefit Plan:**

Post employment and other long-term employee benefits in the form of gratuity, sick leave and earned leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the profit and loss account in respect of Employees Benefit Schemes based on actuarial reports is as follows:

	2010 - 11			2009 - 10		
	Gratuity (Funded)	Sick Leave (Unfunded)	Earned Leave Encashment (Unfunded)	Gratuity (Funded)	Sick Leave (Unfunded)	Earned Leave Encashment (Unfunded)
	₹	₹	₹	₹	₹	₹
<b>I. Components of Employer Expense:</b>						
1 Current Service Cost	991,858	47,116	728,991	798,211	52,616	525,985
2 Past Service Cost	-	-	-	-	-	-
3 Interest Cost	953,352	15,194	209,149	782,760	14,744	163,455
4 Expected Return on Plan Asset	1,032,653	-	-	836,248	-	-
5 Curtailment Cost	-	-	-	-	-	-
6 Settlement Cost	-	-	-	-	-	-
7 Actuarial gain / (loss) recognized in the year	(394,493)	12,686	(580,923)	(512,045)	72,913	(547,820)
8 Net Expense Recognized in Statement of Profit & Loss Account	1,307,051	49,624	1,519,063	1,256,768	(5,553)	1,237,260





## Schedules annexed to the Accounts (Contd.)

## Schedule 20 (Contd.)

	2010 -11			2009 -10		
	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹
<b>II. Change in Present Value of Defined Benefit Obligation:</b>						
1 Present Value of Defined Benefit Obligation at the Beginning of the year	11,593,225	178,754	2,822,206	10,220,373	184,307	2,501,435
2 Acquisition Adjustment	-	-	-	-	-	-
3 Interest Cost	953,352	15,194	209,149	782,760	14,744	163,455
4 Past Service Cost	-	-	-	-	-	-
5 Current Service Cost	991,858	47,116	728,991	798,211	52,616	525,985
6 Curtailment Cost	-	-	-	-	-	-
7 Settlement Cost	-	-	-	-	-	-
8 Benefits Paid	754,626	-	723,248	871,731	-	916,489
9 Actuarial Gain (Losses)	(522,813)	12,686	(580,923)	(663,612)	72,913	(547,820)
10 Present Value of Obligation at the End of the year	13,306,624	228,378	3,618,021	11,593,225	178,754	2,822,206
<b>III. Change in Fair Value of Plan Assets</b>						
1 Plan Assets at the Beginning of the year	12,148,868	NA	NA	10,453,109	NA	NA
2 Acquisition Adjustment	-	NA	NA	-	NA	NA
3 Settlement	-	NA	NA	-	NA	NA
4 Expected Return on Plan Assets	1,032,654	NA	NA	836,248	NA	NA
5 Actual Company Contribution	2,250,343	NA	NA	1,579,675	NA	NA
6 Actual Benefits Paid	754,626	NA	NA	871,731	NA	NA
7 Actuarial Gains/(Losses)	128,320	NA	NA	151,567	NA	NA
8 Plan Assets at the End of the year	14,805,559	NA	NA	12,148,868	NA	NA
<b>IV. Net Asset/(Liability) recognized in the Balance Sheet</b>						
1 Present value of Defined Benefit Obligation	13,306,624	228,378	3,618,021	11,593,225	178,754	2,822,206
2 Fair Value on Plan Assets	14,805,559	NA	NA	12,148,868	NA	NA
3 Funded Status (Surplus/(deficit))	1,498,935	NA	NA	555,643	NA	NA
4 Unrecognised past service cost	-	-	-	-	-	-
5 Net Asset/(Liability) recognized in Balance Sheet	1,498,935	(228,378)	(3,618,021)	555,643	(178,754)	(2,822,206)
<b>V. Actuarial Assumptions</b>						
1 Discount Rate (per annum)	8.50%	8.50%	8.50%	8.00%	8.00%	8.00%
2 Expected rate of return on plan assets (per annum)	8.50%	NA	NA	8.00%	NA	NA
3 Salary Increases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
4 Retirement/ Superannuation Age	60	60	60	60	60	60
5 Mortality	LICI 1994 - 96	LICI 1994 - 96	LICI 1994 - 96	LICI 1994 - 96	LICI 1994 - 96	LICI 1994 - 96
<b>VI. Major Category of Plan Assets as a % of the Total Plan Assets</b>						
Administered by Life Insurance Corporation of India	100%	NA	NA	100%	NA	NA
<b>VII. Expected Employer's Contribution for the next year</b>						
Expected Employer's Contribution for the next year	1,400,000	NA	NA	800,000	NA	NA
<b>VIII. Basis used to determine the Expected Rate of Return on Plan Assets:</b>						
The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.						
<b>IX. Basis of estimates of rate of escalation in salary</b>						
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.						
<b>X. Disclosure related to previous years</b>						
	2008-09			2007-08		
1 Present value of Defined Benefit Obligation	10,220,373	184,307	2,501,435	7,878,375	88,101	2,082,635
2 Fair Value on Plan Assets	10,453,109	NA	NA	8,621,378	NA	NA
3 Funded Status (Surplus/(deficit))	2,32,736	NA	NA	743,003	NA	NA
Above details for the year 2006-07 are not available and therefore, not disclosed.						
<b>XI. Other disclosures</b>						
The Gratuity Expenses have been recognized in "Contribution to Provident, Pension & Other Funds" and provision for Sick Leave and Earned Leave Encashment in "Salaries, Wages, Bonus and other amenities" under Schedule 17.						



Schedules annexed to the Accounts (Contd.)

Schedule 20 (Contd.)

20. Additional information pursuant to the provisions of paragraphs 3, 4C & 4D of Part-II of Schedule VI to the Companies Act, 1956 :

i) Capacity (Per Annum)	Unit	2010-11		2009-10	
		Licensed	Installed*	Licensed	Installed*
a) Tea	Kgs.	Not Applicable	37 Lakhs	Not Applicable	37 Lakhs
b) Plywood *(As certified by the Management)	Sqr.Mtr.on 4mm basis	60 Lakhs	60 Lakhs	30 Lakhs	30 Lakhs
ii) Particulars about Finished Goods	Unit	Quantity	Amount ₹	Quantity	Amount ₹
<b>A. Manufacturing</b>					
a) Production					
Plywood	Sqr.Mtr.on 4mm basis	4,690,698		3,142,910	
Veneer *	cbm.	12,983		10,379	
Tea	Kgs.	2,512,569		2,633,746	
* includes 10625cbm (Previous year 7816 cbm) for captive consumption					
b) Sales					
Plywood	Sqr.Mtr.on 4mm basis	4,595,886	1,165,023,069	3,123,215	771,418,850
Veneer	cbm.	2,430	38,069,615	2,705	43,524,513
Tea	Kgs.	2,502,356	253,689,638	2,572,279	261,944,624
			<u>1,456,782,322</u>		<u>1,076,887,987</u>
c) Opening Stock					
Plywood	Sqr.Mtr.on 4mm basis	228,903	57,618,522	209,208	39,598,700
Veneer	cbm.	385	10,258,412	527	15,770,136
Tea	Kgs.	173,301	12,603,441	111,834	8,163,517
			<u>80,480,375</u>		<u>63,532,353</u>
d) Closing Stock					
Plywood	Sqr.Mtr.on 4mm basis	323,715	89,631,693	228,903	57,618,522
Veneer	cbm.	313	8,087,004	385	10,258,412
Tea	Kgs.	183,514	13,043,540	173,301	12,603,441
			<u>110,762,237</u>		<u>80,480,375</u>
<b>B. Trading</b>					
a) Purchase					
Plywood	Sqr.Mtr.on 4mm basis	828,002	79,320,289	782,680	90,607,596
Laminates	Sheet	-	-	488	255,563
Furnitures	Nos.	1,160	11,928,660	11,336	15,084,994
Others			3,369,252		77,643
			<u>94,618,201</u>		<u>106,025,796</u>
b) Sales					
Plywood	Sqr.Mtr.on 4mm basis	768,989	110,767,342	847,276	134,750,652
Laminates	Sheet	-	-	8,800	1,721,554
Furnitures	Nos.	2,522	17,717,342	6,140	12,926,443
Others			-		109,158
			<u>128,484,684</u>		<u>149,507,807</u>



## Schedules annexed to the Accounts (Contd.)

## Schedule 20 (Contd.)

	Unit	2010 - 11		2009 - 10	
		Quantity	Amount ₹	Quantity	Amount ₹
c) Opening Stock					
Plywood	Sqr.Mtr.on 4mm basis	139,822	21,755,318	204,418	26,939,698
Laminates	Sheet	-	-	8,312	3,369,293
Furnitures	Nos.	6,354	13,682,318	1,158	8,296,230
			<u>35,437,636</u>		<u>38,605,221</u>
d) Closing Stock					
Plywood	Sqr.Mtr.on 4mm basis	198,835	28,275,168	139,822	21,755,318
Laminates	Sheet	-	-	-	-
Furnitures	Nos.	4,992	11,793,890	6,354	13,682,318
Others			3,369,252		-
			<u>43,438,310</u>		<u>35,437,636</u>

NOTES: a) Plywood includes Block Boards &amp; Flush Doors.

b) Sales includes samples, shortages and damages.

## iii) Raw Materials Consumed

Green Leaves	Kgs	11,444,623	189,634,072	11,845,098	191,887,272
Timber	cbm	16,359	284,028,761	13,854	253,473,346
Veneers (excl. own production)cbm		10,224	214,842,791	6,838	158,983,574
Planks & Beams	cbm	13,616	132,189,827	9,087	77,224,277
Others			64,135,874		75,078,246
			<u>884,831,325</u>		<u>756,646,715</u>

## iv) Value of Raw Materials Consumed

Indigenous		55.86%	494,237,715	52.51%	397,313,439
Imported		44.14%	390,593,610	47.49%	359,333,276
		<u>100.00%</u>	<u>884,831,325</u>	<u>100.00%</u>	<u>756,646,715</u>

## v) Value of Imports on C.I.F. basis

Raw Materials			398,823,012		262,806,113
Trading Goods			8,481,549		7,978,766
Machinery & Spares			-		1,989,396

## vi) Expenditure in Foreign Currency

Travelling			1,660,287		729,501
Interest			1,910,716		366,349
Others			124,142		82,469

## vii) Value of Stores &amp; Spare Parts and Chemicals

Indigenous		75.14%	56,748,989	93.62%	45,280,529
Imported		24.86%	18,774,918	6.38%	3,085,514
		<u>100.00%</u>	<u>75,523,907</u>	<u>100.00%</u>	<u>48,366,043</u>

21. The previous year's figures have been reworked, regrouped, rearranged and reclassified, wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

**Schedules annexed to the Accounts (Contd.)**
**Schedule 20 (Contd.)**
**22. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. Registration Details**

Registration No.	<input type="text" value="23493"/>		<input type="text" value="21"/>
Balance Sheet Date	<input type="text" value="31"/>	<input type="text" value="03"/>	<input type="text" value="2011"/>
	Date	Month	Year

**II. Capital raised during the year (Amount in ₹ Thousands)**

Public Issue	<input type="text" value="NIL"/>	Right Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>

**III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)**

	Total Liabilities	Total Assets
	<input type="text" value="628,506"/>	<input type="text" value="628,506"/>
Sources of Funds	Paid-up Capital	Reserve & Surplus
	<input type="text" value="40,857"/>	<input type="text" value="285,109"/>
	Secured Loans	Unsecured Loans
	<input type="text" value="276,420"/>	<input type="text" value="12,861"/>
	Deferred Tax Liability	
	<input type="text" value="13,259"/>	
Application of Funds	Net Fixed Assets	Investments
	<input type="text" value="156,544"/>	<input type="text" value="105,651"/>
	Net Current Assets	Misc. Expenditure
	<input type="text" value="366,311"/>	<input type="text" value="-"/>

**IV. Performance of Company (Amount in ₹ Thousand)**

*includes other income	Turnover*	Total Expenditure
	<input type="text" value="1,595,603"/>	<input type="text" value="1,567,347"/>
	Profit/(Loss) before tax	Profit/(Loss) after tax
	<input type="text" value="28,256"/>	<input type="text" value="26,231"/>
	Earning per Share in ₹	Dividend Rate %
	<input type="text" value="6.42"/>	<input type="text" value="Nil"/>

**V. Generic Names of Principal Products/Services of the Company (as per monetary terms)**

(in monetary terms)	Item Code No.	<input type="text" value="4412"/>
	Product Description	<input type="text" value="Plywood"/>
	Item Code No.	<input type="text" value="0902"/>
	Product Description	<input type="text" value="Black Tea"/>

( Signatories for Schedules 1 to 20 )

As per our Report of even date annexed

 For G.P. AGRAWAL & CO.  
 Chartered Accountants  
 (F.R. NO. 302082E)

 CA. RAKESH KUMAR SINGH  
 (Membership No. 66421)  
 Partner

Kolkata : 9th May, 2011

 B.L.MUNDHRA  
 Chief Financial Officer &  
 Company Secretary

On behalf of the Board

 SUJIT CHAKRAVORTI  
 Director

 SUDEEP CHITLANGIA  
 Managing Director

## CASH FLOW STATEMENT for the year ended 31st March, 2011

	2010-11	2009-10
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax	28,256,366	22,886,841
Adjustments for :		
Depreciation	16,737,601	11,575,409
Loss / (Profit) on Sale of Fixed Assets	147,049	240,350
Provision for diminution in value of Investments	(9,874)	(14,945)
Interest Received	(259,985)	(2,521,671)
Interest Paid	28,051,773	22,522,772
Dividend	(59,649)	(3,283)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>72,863,281</b>	<b>54,685,473</b>
Adjustments for :		
Trade and Other receivables	(69,441,570)	(25,181,733)
Inventories	(74,342,322)	(79,129,752)
Trade Payables	61,108,263	65,641,543
<b>Cash Generated from Operations</b>	<b>(9,812,348)</b>	<b>16,015,531</b>
Direct Taxes Paid / Refund	(6,028,684)	666,516
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(15,841,032)</b>	<b>16,682,047</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to Fixed Assets	(19,047,323)	(75,380,045)
Sale of Fixed Assets	521,642	653,503
Repayment of Inter Corporate Deposits given (Including Interest)	-	36,571,159
Interest Income	259,985	2,521,671
Dividend Income	59,649	3,283
<b>NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(18,206,047)</b>	<b>(35,630,429)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of Long Term Borrowings	10,537,041	47,562,959
Repayment of Long Term Borrowings	(2,000,000)	(14,300,000)
Working Capital Borrowings (Net)	43,058,283	10,757,314
Proceeds from Unsecured Loans	10,592,610	284,340
Interest Paid	(28,051,773)	(22,522,772)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>34,136,161</b>	<b>21,781,841</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALANTS</b>		
Cash and Cash Equivalants (Opening)	19,421,108	16,587,649
Cash and Cash Equivalants (Closing)	19,510,190	19,421,108
<b>NET INCREASE / (DECREASE)</b>	<b>89,082</b>	<b>2,833,459</b>

## 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 notified in the Companies (Accounting Standards) Rules 2006.

2) Figures in brackets represent cash outflow.

3) Cash and Cash equivalent at the end of the year consist of :

	As at	As at
3) Cash and Cash equivalent at the end of the year consist of :	31.03.2011	31.03.2010
a) Cash and Cheques on hand	12,971,598	10,216,550
b) Balances with banks in Current Accounts	6,538,592	9,204,558
Cash and Cash equivalent at the end of the year	19,510,190	19,421,108
Balances with banks in Dividend Accounts	384,633	385,533
Deposits with original maturity over three months	60,000	60,000
Cash & Bank Balances as per Schedule 9	19,954,823	19,866,641

4) Cash equivalents does not include any amount which is not available for use.

This is the Cash Flow Statement referred to in our report of even date.

On behalf of the Board

For G.P. AGRAWAL & CO.

Chartered Accountants  
(F.R. NO. 302082E)

CA. RAKESH KUMAR SINGH

(Membership No. 66421)  
Partner

Kolkata : 9th May, 2011

SUJIT CHAKRAVORTI  
Director

B.L.MUNDHRA  
Chief Financial Officer &  
Company Secretary

SUDEEP CHITLANGIA  
Managing Director





INDIA'S NO.1 BLOCK BOARD

**DURO**  
**TITANIUM**

Plywood & Blockboard

**DURO**  
**Pumaply**

ALL WEATHER PROOF PLYWOOD

**DURO**  
**Fireshield**

FIRE RETARDANT PLYWOOD AND BLOCKBOARD



TEAK DECORATIVE PLYWOOD

**DURO**  
**NATURE SIGNATURE**  
PREMIUM VENEERS & PLYWOODS

**DUROFLEX**  
PREMIUM FLEXIBLE PLYWOOD

**DURO'S**  
**FABPLY**  
Ply with a fabric feel

**DURODOOR**  
ELEGANCE

**SARDA**  
**DUROPLY**  
COMMERCIAL PLYWOOD

**SARDA**  
**TEA**



**FABPLY**



Sarda Plywood Industries Ltd.

Website : [www.sardaplywood.in](http://www.sardaplywood.in)

E-mail : [info@sardaplywood.com](mailto:info@sardaplywood.com)

Toll Free Number

1800-345-DURO (10am - 6pm Monday-Friday)