



***92nd
Annual Report
and Accounts
2011-2012***

THE INDIAN WOOD PRODUCTS COMPANY LIMITED



- DIRECTORS** : K. K. MOHTA, *Chairman*
S. K. MAHESWARY
V. K. MAHESHWARY
R. P. CHETANI
K. K. DAMANI, *Executive Director*
BHARAT MOHTA
Director Corporate Planning and Strategy
- BANKERS** : STATE BANK OF BIKANER & JAIPUR
AXIS BANK LTD.
- AUDITORS** : S. K. AGRAWAL & CO.
Chartered Accountants
- REGISTRAR & SHARE
TRANSFER AGENTS** : M/S. NICHE TECHNOLOGIES PVT. LTD.
D-511, BAGREE MARKET, 71, B. R. B. BASU SARANI
KOLKATA - 700 001
INS. NO. INE 586E01012
- REGISTERED OFFICE** : 9, BRABOURNE ROAD, 7TH FLOOR
KOLKATA - 700 001
- FACTORY** : IZATNAGAR, BAREILLY, U.P.

ANNUAL GENERAL MEETING

ON

TUESDAY
11TH SEPTEMBER, 2012

AT BHARATIYA BHASHA PARISHAD
AT 3.30 p. m.

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NOTICE

NOTICE is hereby given that the Ninety-second Annual General Meeting of the Members of the Company will be held at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, 4th Floor, Kolkata-700 017 on Tuesday, the 11th day of September, 2012 at 3.30 p.m. to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare Dividend for the accounting year ended 31st March, 2012
3. To appoint Directors in place of Mr. R. P. Chetani & Mr. V. K. Maheshwary, who retires by rotation and eligible for re-appointment
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

1. To consider and, if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution :

RESOLVED that subject to the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII as amended and all other applicable provisions, if any, of the Companies Act, 1956 approval of members be and is hereby accorded to appoint Mr. Bharat Mohta, as Whole Time Director, designated as Director Corporate Planning and Strategy of the Company not liable to retire by rotation, for a period of 3 years (Three) years w.e.f. 1st April, 2012 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which terms shall be deemed to include any committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to alter and vary such terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956.

2. To consider and, if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution :

RESOLVED that subject to the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII as amended and all other applicable provisions, if any, of the Companies Act, 1956 approval of members be and is hereby accorded to re-appoint Mr. K. K. Damani, as Whole Time Director, designated as Executive Director of the Company liable to retire by rotation, for a period of 2 years (Two) years w.e.f. 15th April, 2012 on the terms and conditions including remuneration as set out in the explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which terms shall be deemed to include any committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to alter and vary such terms and conditions of re-appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956.

3. To consider and, if thought fit, to pass with or without modification (s) the following resolution as Special Resolution :

Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 new Article No. 122A be added after Articles No. 122 of the Articles of Association of the Company as follows :

122A Subject to the provisions of Section 293 (1)(e) of the Companies Act, 1956 the Board of Directors may contribute or donate to charitable and other funds not directly related to the business of the Company or the welfare of the employees any amounts within such limit as approved by the Shareholders.



NOTICE (Contd.)

4. To consider and, if thought fit, to pass with or without modification (s) the following resolution as Special Resolution :
- Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered by substituting the following new Article No. 145 in place of the present Articles No. 145.
- 145 Unpaid or unclaimed dividends will be dealt within accordance with the prevalent provisions of Section 205A and 205C of the Companies Act, 1956.
5. To consider and, if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution :
- Resolved that in accordance with the provisions of Section 293(1)(e) of the Companies Act, 1956 and the Articles of Association of the Company, as amended, the Board of Directors of the Company be and is hereby authorized to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which shall in any financial year not exceed Rs. 10 lacs (Rs. Ten lacs) or 5 (five) per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is higher.

Registered Office :
Bombay Mutual Building
9, Brabourne Road,
Kolkata-700 001
Dated : 16-06-2012

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

- NOTES :**
1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
 2. The Proxy form should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time of the meeting.
 3. The Register of Member of the Company will remain closed from 4th September to 11th September, 2012 (both days inclusive).
 4. Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956 relating to Special Business is annexed hereto.
 5. **Members are being informed that The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in physical form are requested to register their e-mail address with M/s. Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata-700 001 the Registrar and Share Transfer Agents of the Company.**
 6. It is observed that a sizable number of Dividend warrants have returned undelivered with the remark as Left, Not known etc for the year ended 31st March, 2011. Members are therefore requested to furnish their Bank Particulars, change of address if any to the **Registrar and Share Transfer agent** as mentioned above for timely payment of Dividend and for proper communication.



NOTICE (Contd.)

7. Details of Directors seeking appointment / re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement) are as under :

Name of Director	Mr. K. K. Damani	Mr. Bharat Mohta	Mr. R. R. Chetani	Mr. V. K. Maheshwary
Date of Birth	17.08.1949	14.02.1975	28.10.1957	30.01.1949
Date of appointment	15.04.1998	30.10.2005	27.04.2004	13.04.2009
Expertise in Specific functional area	Chemical Engineer	Executive	Taxation and Company Law matters	Banking / Financial Consultant
Qualification	B. Tech. (Hons)	B. Com/ Diploma in Business Management	B. Com	Bachelor of Chem. Engr.
List of Companies in which outside Directorship held as on 31.03.2012	Nil	1. Arvind Engg. Works Ltd. 2. Shree Manufacturing Co. Ltd. 3. Indian Glass & Electricals Ltd.	1. Arvind Engg. Works Ltd. 2. Acma Industrial Projects (P) Ltd. 3. M. M. Services Ltd.	Nil

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

Item No. 1

Mr. Bharat Mohta, a Commerce Graduate, from Calcutta University and having diploma in Business Administration, was inducted on the Board in 2005. Since 2007 he was entrusted to look after the overseas business for procurement of Gambier from Indonesia, which is the main raw material of the Company. At present with increase in turnover the import of Gambier has also increased considerably and also his involvement in procuring better Quality Gambier at Competitive Price. He is also supervising and giving guidance in Commercial and financial dealing with bank's. Hence the Board of Directors decided to appoint him as Whole-time Director, designated as Director Corporate Planning and Strategy of the Company for a period of 3 (Three) years w.e.f. 1st April, 2012, and the remuneration determined by the Remuneration Committee and approved by the Board The Board particulars of remuneration and perquisites payable and the principal terms and conditions of his appointment having been circulated to the members under section 302 of the Companies Act, and are being given as under :

1. Remuneration

- a) Salary Rs. 50,000/- per month in the scale of 50,000/- - 5000/- (2) 60,000/-.
- b) Perquisites : The following perquisites shall be restricted to an amount equal to the annual salary drawn by Mr. Mohta or Rs. 3,00,000/- per annum whichever is less. The said perquisites are classified into the following three categories 'A', 'B' and 'C'.

CATEGORY 'A'

- i) House Rent allowance – @ 50% of the basic Salary.
- ii) Medical Reimbursement & Leave Travel Concession :
 - a) Medical expenses incurred for self and his family will be reimbursed subject to a ceiling of one month's salary in a year or two months' salary over a period of three years.
 - b) Leave travel expenses will be paid once in a year.

The expenses to be reimbursed under clauses (a) and (b) will be subject to the over all ceiling of 15% of the Salary.
- iii) Club Fees — Fees of One Club. This will not include admission and Life Membership fees.
- iv) Personal Accident Insurance – Of an amount the premium of which shall not exceed Rs. 10,000/- per annum.



NOTICE (Contd.)

CATEGORY 'B'

- i) Provident Fund — As per Rules of the Company.
- ii) Gratuity — At a rate not exceeding half months salary for each completed year of service and as per the provisions of Gratuity Act.

CATEGORY 'C'

- i) Car — Provision of car for use on the Company's business.
- ii) Telephone : Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company.

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

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

The proposed ordinary resolution seeks your approval for the appointment of Mr. Bharat Mohta as whole time Director, designated as Director Corporate Planning and Strategy of the Company and the remuneration payable to him.

Except Mr. Bharat Mohta and Mr. K. K. Mohta, no other Directors of the Company is interested or concerned in the said Resolution.

Item No. 2

Mr. K. K. Damani, engaged in day-to-day affairs of the Company's works at Bareilly, was re-appointed as Whole time Director designated as Executive Director of the Company for a further period of 2(two) years w.e.f. 15th April, 2012 liable to retire by rotation on the Remuneration determined by the Remuneration Committee and approved by the Board. The Broad particulars of remuneration and perquisites payable and the principal terms and conditions of his appointment having been circulated to the members under section 302 of the Companies Act, and are being given as under :

1. Remuneration
 - a) Salary Rs. 94,000/- per month in the scale of 94,000/- - 5,000/- Rs. 99,000/-.
 - b) Perquisites of the Executive Director shall be restricted to an amount equal to the annual salary drawn by the Executive Director or Rs. 3,00,000/- per annum whichever is less. The said perquisites are classified into the following three categories 'A', 'B' and 'C'.

CATEGORY 'A'

- i) Housing
 - a) The Company will provide full furnished accommodation in the factory premises of the Company situated at Izatnagar, Bareilly (U.P.)
 - b) The expenditure incurred by the Company on electricity, water and furnishings will be evaluated as per the Income Tax Rules 1962 subject to a ceiling of 10% of the Salary of the Executive Director.
- ii) Medical Reimbursement & Leave Travel Concession :
 - c) Medical expenses incurred by the Executive Director and his family will be reimbursement subject to a ceiling of one month's salary in a year or two months' salary over a period of three years.
 - d) Leave travel expenses will be paid to the Executive Director and his family once in a year.

The expenses to be reimbursed under Clauses (a) and (b) will be subject to the over all ceiling of 15% of the Salary of the Executive Director.
- iii) Club Fees – Fees of One Club. This will not be include admission and Life Membership fees.
- iv) Personal Accident Insurance – Of an amount the premium of which shall not exceed Rs. 10,000/- per annum.



NOTICE (Contd.)

CATEGORY 'B'

- i) The Company's Contribution for the Executive Director to Provident Fund in accordance with the Rules and Regulations of the Company.
- ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs. 10,00,000/- or as per the provisions of gratuity Act as amended.

CATEGORY 'C'

- i) Car : Provision of car for use on the Company's business provided that use of car for private purpose shall be billed by the Company to the Executive Director.
- ii) Telephone – Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

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

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

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

Except Mr. K. K. Damani, no other Director of the Company is interested or Concerned in the said Resolution.

Item Nos. 3 & 4

It is proposed to include one new Article No. 122 in the Articles of Association of the Company to enable the Directors to subscribe or donate amount to charitable and other funds and to delete the existing Article No. 145 and replaced the same with a new Article No. 145 with respect to unpaid or unclaimed dividends in the line with the amended companies Act.

Pursuant to the provisions of Section 31 of the Companies Act, 1956 in order to alter the Articles of Association of the Company, approval of the shareholders by means of a Special resolution is required.

Hence your Directors recommend the above special resolutions for your approval.

None of the Directors of the Company is concerned or interested in the said Resolutions.

Item No. 5

In order to serve the corporate social responsibilities of the Company, your Company is regularly approached by various public utility organizations to get donations for various social and religious purposes. In terms of Sec. 293 (1)(e) of the Companies Act, 1956, authority from the shareholders is required for making donations over and above the prescribed limit in the Act. Hence approval of the Shareholder is required. Your directors recommend this Ordinary Resolution for your approval.

None of the Directors of the Company is concerned or interested in the said Resolution.



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting their 92nd Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

	2011 – 12	2010 – 11
	Rs. in lacs	Rs. in lacs
Profit for the year		
before tax adjustments	200.83	175.96
<i>Less :</i> Provision for taxation		
Current Year	60.00	53.00
Earlier Year	Nil	1.24
Deferred Tax	1.96	0.93
Profit after tax adjustments	<u>138.87</u>	<u>120.79</u>
<i>Add :</i> Balance in Profit & Loss Statement	194.83	149.03
Available Surplus	<u>333.70</u>	<u>269.82</u>
APPROPRIATIONS		
Proposed Dividend	(10.74)	(10.74)
Tax on Proposed Dividend	(1.74)	(1.74)
Transfer to General Reserve	(46.00)	(62.51)
Closing balance in surplus account	<u>275.22</u>	<u>194.83</u>

DIVIDEND

Your Directors are pleased to recommend a tax free dividend of 10% on the paid up share capital of the Company.

GENERAL

During the year under review overall performance of the Company showed an upward trend and the Company could achieve a turnover of Rs. 77.94 crores as against a turnover of Rs. 63.48 crores in the previous year showing an increase of 23%.

In spite of all round increase in input cost and also pressure on currency exchange rate, the Company could maintain its profitability. All out efforts are being taken to improve efficiency and increase in production. Continuing trend of pressure on Indian Rupee may have a potential impact on the raw material import cost. However company is conscious and necessary steps are being taken to protect the Company's interest by way of forward booking.

ENVIRONMENT & SAFETY

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

FIXED DEPOSITS

The Company has accepted Fixed Deposits under Section 58A of the Companies Act, 1956. There are no unclaimed deposit outstanding as on 31st March, 2012.

SECRETARIAL COMPLIANCE REPORT

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



DIRECTORS' REPORT (Contd.)

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

The Company is not required to furnish information in Form 'A', however a statement in accordance with Sec. 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of this report are given in Annexure-II.

PARTICULARS OF EMPLOYEES :

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE

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

DIRECTORATE

Under Article 103 of the Articles of Association of the Company Mr. R. P. Chetani & Mr. V. K. Maheshwary, retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

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

The auditors remarks referred in their report vide Sl. No. 3(e) has been suitably explained in Note No. 2.14(a) of financial statement.

PERSONNEL

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

APPRECIATION

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

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

Kolkata
Dated : 16-6-2012

On behalf of the Board
K. K. MOHTA
Chairman



ANNEXURE - I TO THE DIRECTORS' REPORT SECRETARIAL COMPLIANCE CERTIFICATE

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

I have examined the registers, records, books and papers of The Indian Wood Products Company Limited, 9, Brabourne Road, 7th Floor, Kolkata-700 001, as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31st March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited, comments are not required.
4. The Board of Directors duly met 5 (five) times on 7th May, 2011, 12th August, 2011, 26th September, 2011, 14th November, 2011 and on 14th February, 2012, in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose including the circular resolution passed by the Company.
5. The Company has closed its Register of Members from 16th September, 2011 to 26th September, 2011 u/s 154 of the Act during the financial year and complied with the provisions of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 26th September, 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to u/s 295 of the Act.
9. The Company has not entered into any contract u/s 297 of the Act, during the financial year.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not required to obtain necessary approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company has :-
 - i) Not allotted any share however has delivered all the certificates of shares on lodgment thereof for transfer/ transmission or for any other purpose in accordance with the provisions of the Act.
 - ii) Deposited the amount of dividend declared in a separate bank account which is within five days from the date of declaration of such dividend.
 - iii) Paid warrants for dividend to all the members within a period of 30 (Thirty) days from the date of declaration and that all the unclaimed / unpaid dividend has been transferred to unpaid dividend Account of the company.
 - iv) The Company was not required to transfer any amount to the Investors Protection Education fund, as there was no unpaid dividend or other amount as specified under the Act, lying for more than 7 years during the financial year under review.
 - v) Duly complied with the requirements of section 217 of the Act.



SECRETARIAL COMPLIANCE CERTIFICATE (Contd.)

14. The Board of Directors of the company is duly constituted and there was no appointment of Directors, Additional Directors, Alternate Directors, during the financial year.
15. The Company had appointed Whole-time Director, designated as Chairman and Executive Director, in accordance with u/s 269 read with Schedule XIII of the Act.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued shares or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There was no transactions necessitating the company to keep in abeyance Rights to dividend, Right shares and bonus shares pending registration of transfer of shares.
23. The Company has accepted deposit including unsecured loan falling within the purview of section 58A during the financial year and the Company has filed statement in lieu of Advertisement with Registrar of Companies, West Bengal on 29th September, 2011. The Company has also filed Return of Deposit with R. O. C. However the provision of sec. 58AA is not applicable since there is no default in case of Small Depositors.
24. The amount borrowed by the Company from Banks, Financial Institution and others are within the limits of the company and that necessary resolution as per section 293(1)(d) of the Act have been passed in duly convened General Meeting held on 22nd September, 1995.
25. The Company has not made Loans and Investments or given guarantee to other bodies Corporate during the financial year consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As informed by the management, during the year the company has received a notice from the Registrar of Companies seeking clarifications on various provisions / compliance of the Act. Against which the company has suitably replied. However no prosecution initiated against the company as yet and no fines or penalties or any other punishment was imposed on the Company.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both Employee's and Employer's contribution to Provident Fund with the prescribed authorities pursuant to section 418 of the Act, for the year ended 31st March, 2012.

Place : Kolkata
Date : 16th June, 2012

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



SECRETARIAL COMPLIANCE CERTIFICATE (Contd.)

ANNEXURE - A

Registers as maintained by the Company (Statutory Registers)

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

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012

Sl. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No.	If delay in filing whether requisite additional fee paid Yes/No
1.	No. 62	U/s. 58A Rule 10	Return of Deposit	23.06.2011	Yes	No
2.	No. 62	U/s. 58A	SLA on 26.09.2011	29.09.2011	Yes	No
3.	No. 66	U/s. 383A	Compliance Certificate as on 31.03.2011	29.09.2011	Yes	No
4.	No. 20B	U/s. 159	Annual Return for AGM held on 26.09.2011	24.11.2011	Yes	No
5.	No. 23AC & 23ACA (XBRL)	U/s. 220	Annual Accounts & Directors Report as on 31st March, 2011.	30.12.2011	Yes	No



ANNEXURE - II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

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

1. CONSERVATION OF ENERGY

- Efficient and controlled use of electrical & thermal energy has led to further reduction in average Power & Fuel consumption inspite of cost escalation.

2. RESEARCH AND DEVELOPMENT (R & D) :

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

Expenditure on R & D

Capital	Rs.	NIL
Recurring	Rs.	7,79,352.98

3. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

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

4. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Earnings —	Rs.	8,02,237.00
2. Outgo —	Rs.	17,46,04,894.28

Kolkata
Dated : 16th June, 2012

On behalf of the Board
K. K. MOHTA
Chairman



AUDITORS' REPORT

TO THE MEMBERS OF THE INDIAN WOOD PRODUCTS COMPANY LIMITED

1. We have audited the attached Balance Sheet of THE INDIAN WOOD PRODUCTS COMPANY LIMITED as at 31st March, 2012 and also the Statement of Profit & Loss for the year ended on that date both annexed thereto and the Cash Flow Statement for the year ended on that date.

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

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We further report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
 - c) The Balance Sheet, Statement of Profit & Loss & Cash Flow Statement referred to in this report are in agreement with the books of accounts and comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
 - d) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note on financial statement No. 2.14(a) regarding non provision of doubtful debts amounting to Rs. 6.91 lacs and read with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of Balance Sheet of the State of Affairs of the Company as on 31st March, 2012; and
 - ii) In case of the Statement of Profit & Loss of the Profit for the year ended on that date;
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date
4. As required by the Companies (Auditors' Report) order 2003 as issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that;
 - i) The Company has maintained proper record showing full particulars including quantitative details and situation of Fixed Assets. These fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
 - ii)
 - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
 - iii)
 - a) The Company has not taken unsecured loan, from the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 except from a director. The maximum amount involved during the year and the year-end balance of such loan was Rs. 34.20 lacs and Rs. Nil lacs respectively.



AUDITORS' REPORT (Contd.)

- b) In our opinion, the terms and conditions of such loans are not prima-facie prejudicial to the interest of the company.
- c) In respect of the aforesaid loans, there is no overdue amount.
- d) The Company has not given any loans, Secured or Unsecured, to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- v) According to the information and explanations given to us, there were transactions during the year that need to be entered into the register in pursuance of section 301 of the Act and that has been duly complied with.
- vi) In case of Public Deposits accepted by the company, the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, have been complied with.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- viii) The Central Government of India has not prescribed the maintenance of Cost records by the Company as required under Section 209 (1)(d) of the Companies Act, 1956 for any of its products.
- ix) According to the information and explanation given to us in respect of statutory and other dues :
 - a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities during the year.
 - b) The details of dues of Sales Tax, Customs Duty, Excise Duty, Employees State Insurance and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below :

Particulars	Financial year to Which the matter Pertain	Forum where the matter is pending	Amount Rs.
Central Sales Tax, Delhi	1987-88	Appellate Tribunal	22,642/-
Central Sales Tax, Delhi	2001-02	Appellate Tribunal	74,57,991/-
Central Sales Tax, Delhi	2002-03	Additional Commissioner	2,15,991/-
Local Sales Tax, Delhi	2002-03	Additional Commissioner	43,74,827/-
Mandi Samity	1997-98	Hon'ble High Court, Allahabad	23,29,265/-
U. P. Sales Tax	2007-2008	Appeal before Jt. Commissioner	9,407/-
	2008-2009	— do —	2,65,690/-
	2010-2011	— do —	25,000/-
U. P. Entry Tax	2010-2011	Appeal before Jt. Commissioner	2,500/-
Central Sales Tax	2008-2009	— do —	32,000/-
	2008-2009	— do —	4,735/-

**AUDITORS' REPORT (Contd.)**

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

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

4A, Council House Street,
Kolkata-700 001
Dated : 16th June, 2012

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

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note No.	As at 31st March, 2012 Rs. in lacs	As at 31st March, 2011 Rs. in lacs
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a) Share Capital	2.1	107.73	107.73
b) Reserves and Surplus	2.2	1,077.46	951.07
		<u>1,185.19</u>	<u>1,058.80</u>
2. Non-current Liabilities			
a) Long-term borrowings	2.3	70.01	77.58
b) Deferred tax liabilities (Net)	2.4	32.90	30.94
c) Other Long term liabilities	2.6	128.66	167.11
d) Long-term provisions	2.7	199.59	168.08
		<u>431.16</u>	<u>443.71</u>
3. Current Liabilities			
a) Short-term borrowings	2.3	1,077.93	1,098.43
b) Trade payables	2.5	883.32	977.81
c) Other current liabilities	2.8	71.44	40.67
d) Short-term provisions	2.9	49.40	71.40
		<u>2,082.09</u>	<u>2,183.31</u>
TOTAL		<u>3,698.44</u>	<u>3,690.82</u>
II. ASSETS			
1. Non Current Assets			
a) Fixed Assets			
Tangible assets	2.10	650.23	558.75
Capital work-in-progress		38.73	22.73
b) Non-current investments	2.11	0.02	0.02
c) Long-term loans and advances	2.12	86.77	85.60
		<u>775.75</u>	<u>667.10</u>
2. Current Assets			
a) Inventories	2.13	1,451.32	1,467.06
b) Trade receivables	2.14	1,191.54	1,284.28
c) Cash and cash equivalents	2.15	148.10	181.16
d) Short-term loans and advances	2.16	131.73	91.22
		<u>2,922.69</u>	<u>3,023.72</u>
TOTAL		<u>3,698.44</u>	<u>3,690.82</u>

Significant Accounting Policies and Notes on Accounts 1 & 2

In terms of our attached report of even date.

For and on behalf of the Board

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

K. K. MOHTA
Chairman
S. K. MAHESWARY
Director
BHARAT MOHTA
Director

Kolkata
Dated : 16th June, 2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	As at 31st March, 2012 Rs. in lacs	As at 31st March, 2011 Rs. in lacs
Revenue from Operations			
Sales		7,793.50	6,347.93
Less : Excise duty		294.13	4.86
		<u>7,499.37</u>	<u>6,343.07</u>
Other Income	2.17	19.56	9.19
Total Revenue		<u>7,518.93</u>	<u>6,352.26</u>
Expenses :			
Cost of materials consumed	2.18	3,665.18	3,157.99
Changes in inventories of finished goods works in progress and stock in Trade	2.19	138.60	(180.85)
Manufacturing Expenses	2.20	2,204.09	2,065.16
Employee benefits expenses	2.21	905.59	801.99
Finance costs		149.33	137.82
Depreciation	2.10	62.41	42.97
Other expenses	2.22	192.90	151.22
Total Expenses		<u>7,318.10</u>	<u>6,176.30</u>
Profit before tax		200.83	175.96
Less : Current tax expenses		(60.00)	(53.00)
Tax for earlier year		-	(1.24)
Deferred tax expenses	2.4	(1.96)	(0.93)
Profit for the year		<u>138.87</u>	<u>120.79</u>
Earnings per equity share : Basic & Diluted	2.24	12.93	11.24

Significant Accounting Policies and Notes on Accounts 1 & 2

In terms of our attached report of even date.

Kolkata
Dated : 16th June, 2012

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

For and on behalf of the Board
K. K. MOHTA
Chairman
S. K. MAHESWARY
Director
BHARAT MOHTA
Director



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of preparation of Financial Statements**

The financial statements are prepared under the historical costs convention, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act 1956.

b) **Fixed Assets :**

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

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

c) **Investments :**

Long term Investments are stated at cost.

d) **Inventories :**

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

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

e) **Retirement Benefits :**

- 1) Contribution to Provident Fund is made at a predetermined rate and charged to revenue on accrual basis.
- 2) For gratuity the Company maintains Group Insurance-cum-Gratuity Scheme with Life Insurance Corporation of India. (See Note No. 2.21)
- i3) Year end accrued liability for leave encashment has been provided on actuarial valuation done by approved valuer.

f) **Research and Development Expenditure :**

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

g) **Recognition of Income and Expenditure :**

Items of Income and Expenditure are recognised on accrual basis.

h) **Foreign Currency Transaction :**

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

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

i) **Provision and Contingent Liabilities**

Provisions are recognized in the accounts in respect of present probable obligations the amount of which can be reliably estimated. Contingent Liabilities are disclosed in respect of possible obligations that arises from past events but their existence is confirmed from the occurrence or non occurrence of one or more uncertain future events and wholly within the control of Company.

j) **Borrowing Cost :**

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



SIGNIFICANT ACCOUNTING POLICIES (Contd.)

k) Taxation

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

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

l) Impairment of Assets

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

m) Earning per share

The earnings in ascertaining the Company's EPS comprises the net profit after tax and includes the part tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

2. NOTES ON FINANCIAL STATEMENTS

2.1 Share Capital

	As at March 31st, 2012 Rs. in lacs	As at March 31st, 2011 Rs. in lacs
Authorised		
25,00,000 Equity Shares of Rs. 10/- each	250.00	250.00
Issued, Subscribed and Paid up Capital		
10,74,318 Equity Shares of Rs. 10/- each	107.43	107.43
Add : 5,682 Equity Shares forfeited (amount originally paid up)	0.30	0.30
	107.73	107.73

Note : Out of the above equity share 22500 shares have been allotted as fully paid up pursuant to a contract without payment being received in cash and 240000 shares have been allotted as fully paid up Bonus shares by way or capitalization of reserves.

2.1(a) Equity shareholders holding 5% or more shares.

Name	As at March 31, 2012 Rs. in lacs		As at March 31, 2011 Rs. in lacs	
	No. of Shares.	%	No. of shares	%
1. Security Company Ltd.	305089	28.40	305089	28.40
2. Avanti Mohta	74404	6.83	39404	3.67
3. Bharat Mohta	75975	7.07	30732	2.86



NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
2.2 Reserve & Surplus		
Capital Reserve		
Premium on reissue of forfeited shares	0.03	0.03
Securities Premium Reserve		
As per last account	143.46	143.46
Revaluation Reserve		
As per last account (Refer note No. 2.13 (a))	292.75	292.75
General Reserve		
As per last account	320.00	257.49
Add : Transfer from Profit & Loss Account	<u>46.00</u>	<u>62.51</u>
	366.00	320.00
Surplus		
Opening Balance	194.83	149.03
Add : Profit for the year	<u>138.87</u>	<u>120.79</u>
Amount available for appropriation	333.70	269.82
Appropriations		
Proposed Dividend	(10.74)	(10.74)
@ Rs. 1/- per share (Rs. 1/-)		
Tax on Dividend	(1.74)	(1.74)
Transfer to General Reserve	<u>(46.00)</u>	<u>(62.51)</u>
	275.22	194.83
Closing Balance	<u>1077.46</u>	<u>951.07</u>
2.3 Borrowings		
Non-Current Liabilities		
Long Term Borrowings - Secured		
Term Loan from Banks and Financial Institutions (Refer Note No. 1, 2 & 3)	<u>70.01</u>	<u>77.58</u>
Current Liabilities		
Short Term Borrowings		
Secured		
Loan repayable on demand from banks (Refer Note No. 1)	961.02	984.68
Unsecured -		
From Bodies Corporate	74.33	44.13
From Directors	-	23.20
Deposits	<u>42.58</u>	<u>46.42</u>
	<u>1,077.93</u>	<u>1098.43</u>

Notes :

- Working Capital facilities from State Bank of Bikaner and Jaipur Rs. 684.77 lacs and Axis Bank Ltd. Rs. 276.25 lacs are secured by pari pasu charge on stocks of raw material, Katha and Cutch whether raw or in process of manufacture and all articles manufactured there from, Stores, Books debts, Plant & Machinery and certain other assets and mortgaged by deposit of title deeds of land at Bareilly measuring 90,000 square meter and also have been guaranteed by one of the Director.
- The Secured CAPEX term loan from State Bank of Bikaner & Jaipur is repayable in quarterly installments of Rs. 5.25 lacs and is repayable during the year in full Rs.12.86 lacs including interest accrued and due on above Rs. 0.91 lacs.
- Terms of repayable of Car Loan and Equipment Loan (DG set) are SERI Equipment and finance Pvt. Ltd. Rs.1.16 lacs per month, VOLKS Wagon - 0.56 lacs per month, State Bank of Bikaner & Jaipur Rs. 0.68 lacs per month & Kotak Mahindra Rs. 0.35 lacs per month.


NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
2.4 Provision for Deferred Tax		
Opening Balance	30.94	30.01
Add : Credit for the year	1.96	0.93
Closing Balance	<u>32.90</u>	<u>30.94</u>
As per accounting standard - 22 on Tangible fixed assets which arises primarily from Depreciation		
2.5 Trade Payable	<u>883.32</u>	<u>977.81</u>
Note :		
The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts payable out of the above at the year end together with interest payable thereon to these parties, are not ascertainable.		
2.6 Other Long Term Liabilities		
Contractors and Customers Security Deposits	14.55	14.55
Advance from Customers	94.13	132.59
Others	19.98	19.97
	<u>128.66</u>	<u>167.11</u>
2.7 Provisions		
Long Term provisions for Employees Benefits		
Gratuity (Refer note No. 2.21)	109.02	111.83
Leave encashment	90.57	56.25
	<u>199.59</u>	<u>168.08</u>
2.8 Other Current Liabilities		
Interest accrued but not due	2.70	2.61
Other statutory liabilities	68.74	38.06
	<u>71.44</u>	<u>40.67</u>
2.9 Short terms provisions		
Provision for taxation (Net)	36.58	58.58
Provision for Fringe Benefit tax (Net)	0.34	0.34
Proposed Dividend	10.74	10.74
Tax on Dividend	1.74	1.74
	<u>49.40</u>	<u>71.40</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)

THE INDIAN WOOD PRODUCTS COMPANY LIMITED



2.10 Fixed Assets

(Rs. in lacs)

Particulars	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK	
	As at April 1, 2011	Additions	As at March 31, 2012	As at April 1, 2011	Charge for the period	Sales Adjustments	As at March 31, 2012	As at March 31, 2011
Tangible								
Free Hold Land (Ref. Note 2.13(a))	166.99	—	166.99	—	—	—	166.99	166.99
Building	124.00	15.66	139.66	42.51	2.55	—	94.60	81.49
Tube-Well	2.74	—	2.74	1.53	0.04	—	1.17	1.21
Plant and Machinery	129.00	5.65	134.65	79.06	7.02	—	48.57	49.95
Effluent Treatment Plant	20.79	—	20.79	19.75	—	—	1.04	1.04
Electric Installation	129.32	1.01	130.33	36.51	9.29	—	84.53	92.81
Weighing Scales	4.38	0.20	4.58	2.42	0.14	—	2.02	1.96
Trolleys & Trays	39.17	22.83	62.00	38.75	22.83	—	61.58	0.42
Laboratory Apparatus	4.66	—	4.66	2.91	0.13	—	1.62	1.75
Refrigeration & Cooling System	151.57	56.73	208.30	55.24	7.58	—	145.48	96.33
Motor Car & Vehicles	75.20	45.84	119.75	30.29	8.98	0.88	81.36	44.91
* Computers	27.26	4.29	31.55	21.69	1.91	—	7.95	5.57
Furniture, Fixture & Office Equipment	49.07	2.10	51.17	34.75	1.94	—	14.48	14.32
Total	924.15	154.31	1077.17	365.41	62.41	0.88	426.94	558.75
Previous Year	831.53	94.72	924.15	324.06	42.97	1.63	365.40	558.75



NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
2.11 Non Current Investments		
Other investments - At Cost	<u>0.02</u>	<u>0.02</u>
339 Equity Shares of Rs. 10 each fully paid in Vishuhari Investments & Properties Ltd. (Received on amalgamation of Karuna Sindhu Financers & Investors Ltd. (640 shares)		
Market Value	<u>0.04</u>	<u>0.04</u>
2.12 Long Term Loans & Advances		
Unsecured – Considered good		
a) Security Deposit	21.57	21.51
b) Other Loans & Advances		
Deposit with Government Authorities	<u>65.20</u>	<u>64.09</u>
	<u>86.77</u>	<u>85.60</u>
Note :		
Other Loans and advance include Rs. 40.00 lacs (40.00 lacs) deposited with customs authority under protest company's representation in this connection is pending before the authority, further adjustments if any will be done as and when the matter is crystallized.		
2.13 Inventories		
Land (Stock in trade) (Ref. Note a below)	126.15	126.15
Raw Materials	252.06	157.74
Work in Process	621.77	444.42
Finished Goods (Ref. note b below)	317.58	640.52
Consumables	32.20	25.51
Stores and Spare parts	100.74	72.04
Tools and Implements	0.82	0.68
	<u>1,451.32</u>	<u>1,467.06</u>

Note :

- a) The free hold land at Bareilly was revalued in the year 2008-09 based on the rate as on 1.04.1981. The surplus over cost aggregating to Rs. 2.93 crores arising on revaluation was credited to Revaluation Reserve Account. Consequently the surplus land admeasuring 112387 Sq. mtr. valuing Rs. 1.26 crores was appropriated as stock in trade.
- b) Finished goods includes excise duty of Rs. 15.85 lacs (22.83 lacs)

**NOTES ON FINANCIAL STATEMENTS (Contd.)**

	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
2.14 Trade Receivables		
Debts outstanding for more than 6 months		
Unsecured – Considering good	176.76	422.03
Considered doubtful	<u>6.91</u>	<u>8.15</u>
	183.67	430.18
Other Debts		
Secured – Considered good	3.99	0.30
Unsecured – Considered good	<u>1,003.88</u>	<u>853.80</u>
	<u>1,007.87</u>	<u>854.10</u>
	<u>1,191.54</u>	<u>1,284.28</u>
 Note : Pending outcome of persuasive / legal action taken for recovery of doubtful Debts aggregating Rs. 6.91 lacs (2010-11 Rs. 8.15 lacs) no provision is considered necessary in this regard at this stage.		
 2.15 Cash & Cash Equivalents		
Cash in hand	1.86	6.33
Cheques, Drafts on hand	<u>1.59</u>	<u>1.28</u>
	3.45	7.61
Balances with scheduled banks		
In current account	19.58	67.25
In Deposit Account with Banks -		
Against Margin money for Letter of Credit	121.99	101.08
Against Sales tax (Ref. note No. 2.26 (ii))	<u>3.08</u>	<u>5.22</u>
	144.65	173.55
	<u>148.10</u>	<u>181.16</u>
 2.16 Short Term Loans & Advances		
Unsecured – Considered Good		
Advance to Materials Suppliers	62.07	38.02
Advance to employees	9.10	9.30
Interest receivables	9.81	3.84
Excise duty Credit	38.70	27.35
Others	12.05	12.71
	<u>131.73</u>	<u>91.22</u>



NOTES ON FINANCIAL STATEMENTS (Contd.)

2.17 Other Income	2011-2012	2010-2011
	Rs. in lacs	Rs. in lacs
Interest on Fixed Deposit	10.32	5.71
Liabilities no longer required written back	0.79	0.11
Other Miscellaneous income	8.45	3.37
	<u>19.56</u>	<u>9.19</u>
2.18 Cost of Materials consumed		
Raw materials consumed		
Opening Stock	157.74	144.69
Purchases	3,604.99	3,138.17
Add : Extraction expenses	79.22	59.70
Foreign Exchange Fluctuations (Net)	75.29	(6.76)
	<u>3,917.24</u>	<u>3,335.80</u>
Less : Closing Stock	252.06	157.74
Less : Raw materials sold	—	20.07
Raw materials consumed	<u>3,665.18</u>	<u>3,157.99</u>
2.19 Change of Inventory		
Stock of Finished goods and Stock in process as at 1st April, 2011	1,062.11	881.26
Less : Stock of Finished goods and Stock in process as at 31st March, 2012	923.51	1,062.11
(Increase) / Decrease	<u>138.60</u>	<u>(180.85)</u>
2.20 Manufacturing Expenses		
Stores and Spare parts consumed	268.20	226.96
Other Consumable and Chemicals Consumed	744.51	875.26
Power and Fuel	213.68	227.83
Electric, Light & Power	169.11	184.22
Rent	0.64	0.69
Insurance	2.74	2.33
Repairs & Maintenance		
Buildings	29.94	11.91
Plant & Machinery	33.90	23.33
Others	12.83	9.89
Machine Katha Expenses	528.14	357.27
Rates & Taxes	39.87	32.70
Travelling Expenses	17.40	12.54
Other Misc. Expenses	143.13	100.23
	<u>2,204.09</u>	<u>2,065.16</u>



NOTES ON FINANCIAL STATEMENTS (Contd.)

2.21 Employee Benefit Expenses

	2011-2012	2010-2011
	Rs. in lacs	Rs. in lacs
Salaries, Wages, Bonus & Other Benefits	777.36	693.48
Contribution to Provident Fund	46.68	38.65
Staff Welfare Expenses	81.55	69.86
	<u>905.59</u>	<u>801.99</u>

As per Actuarial Valuations as on 31.03.2012 and recognised in the financial statements in respect of Employees benefit schemes.

	(Rs. in lacs)
A. Component of Employer expenses	
1. Current service Cost	13.01
2. Interest Cost	13.71
3. Expected Return on Plan Asset	- 7.09
4. Actuarial Losses / (gain)	25.55
5. Expenses directly paid by the Company (For Current Year)	0.59
6. Total expenses recognised in the Statement of Profit & Loss	45.77
B. Net Asset / (Liability) Recognised in Balance Sheet as at 31.03.2012	
1. Present Obligation of Defined Benefit Obligation	214.89
2. Fair Value of Plan Asset	105.86
3. Net Asset / (Liability) recognised in the Balance Sheet	109.03
C. Change in Defined Benefit Obligation during the year ended 31.03.2012	
1. Present Value of DBO at Beginning of period	171.44
2. Current Service Cost	13.01
3. Interest Cost	13.71
4. Actuarial Losses/(gains)	26.90
5. Benefits paid	10.17
6. Present value of DBO at the end of period	214.89
D. Change in Fair Value of the asset	
1. Plan asset at the beginning of the period	59.60
2. Return on Plan Asset	7.09
3. Actuarial Gain	0.77
4. Actual Company contributions	48.57
5. Benefits paid	(10.17)
6. Plan Assets at the end of the period	(105.86)
E. Actuarial Assumption	
1. Discount Rate (%)	8.25%
2. Expected return on plan assets (%)	9.00%

The year end Gratuity liability has been provided as above and as per actuarial valuation. Though the Company's Group Gratuity Scheme with LIC was temporarily discontinued. But since 2011 Company again started paying to LIC and against Gratuity liability of Rs. 214.89 lacs as on date an amount of Rs. 105.86 lacs is lying with them.



NOTES ON FINANCIAL STATEMENTS (Contd.)

2.22 OTHER EXPENSES	2011-2012 Rs. in lacs	2010-2011 Rs. in lacs
Rent expenses	7.17	6.64
Rates and Taxes	0.21	0.04
Insurance	0.88	0.84
Other Repairs	0.51	0.50
Travelling Expenses	47.58	33.55
Auditors Remuneration		
For Audit Fees	1.40	1.10
For Other Services	0.09	0.06
Directors sitting fees	0.54	0.40
Other Misc. Expenses	130.69	107.62
Advances Written off	1.44	0.11
Loss on Sale of Fixed Assets	0.17	0.25
Sales tax for earlier year	2.23	0.11
	192.91	151.22

2.23 Related Party Disclosures

1. Key Management Personnel
 - I. Mr. K. K. Mohta, (Chairman)
 - II. Mr. K. K. Damani (Executive Director)
 - iii. Mr. Bharat Mohta (Director)
2. Enterprises over which key management persons and their / relatives exercise significant influence.
 - I. M/s. Arvind Engineering Works Ltd.
 - II. M/s. Security Company Ltd.
3. Disclosures of Transaction between reporting enterprises and related parties and the status of outstanding as on 31st March, 2012.

	2011 — 2012		2010 — 2011	
	Key Management Personnel Rs. in lacs	Enterprises having Significant influence Rs. in lacs	Key Management Personnel Rs. in lacs	Enterprises having Significant Influence Rs. in lacs
a) Directors Remuneration	27.26		27.57	
b) Advance given	NIL	NIL	NIL	NIL
c) Advance taken	34.20	NIL	NIL	17.00
d) Closing balance	NIL	NIL	23.20	NIL

2.24 Earning per Share

	31st March, 2012 Rs. in lacs	31st March, 2011 Rs. in lacs
Net Profit / (Loss) after Tax but before		
Extra Ordinary Item as per Profit & Loss Statement	138.87	120.79
Weighted average number of equity shares outstanding	10,74,318	10,74,318
Basic and diluted earnings per share of Rs. 10/- each	12.93	11.24

2.25 Segment Reporting

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



NOTES ON FINANCIAL STATEMENTS (Contd.)

2.26 Contingent liabilities and Commitments

- i) The Principle product of the Company "Katha" was exempted from Central Excise tariff. However by a notification No. 16/2003 dt. 01.03.2003 such exemption was available to Katha excluding Gambier. The Central Excise authorities were of the view that Raw Katha (an intermediate product) produced by processing Gambier Extract is also liable to duty. The Department issued show-cause notices demanding Rs. 31.13 crores till March, 2010. The Company preferred appeal against the show-cause notices received from time to time. In one of the such appeal, the appellate authority accepted the main ground of valuation of the products as per CAS 4 and have reduced demand from Rs. 7.00 crores to Rs. 2.40 crores for the period from September 2008 to March 2010 Accordingly on the same ground total demand of Rs. 31.13 crores would get reduced to Rs. 9.59 crores. The Company has preferred an appeal in Tribunal against such order, which is pending.
Consequently as per legal advice obtained departments action is not tenable based on issues including classification, exemption, valuation, time bar and allowability of cenvat credit of CV duty amounting to Rs. 9.90 crores paid while importing Gambier, is also likely to be adjusted against the said demands. Hence no provision is made at this stage; final adjustment will be made only when the matter is crystallized.
Katha the main products of the Company was brought within the ambit of Central Excise duty w.e.f. 1st March, 2011 and the Company is regular in discharging its duty liability thereafter.
- ii) Demands for Sales Tax amounting to Rs. 136.79 lacs (Rs. 136.60 lacs)) which are not acknowledged as debts. Against the same Company has paid under protest a total of Rs. 12.26 lacs (Rs. 10.32 lacs) included in Loans and Advances and TDR of Rs. 2.36 lacs (Rs. 2.36 lacs) are deposited with Sales Tax authorities.
- iii) Mandi Samiti demand on Katha amounting to Rs. 2.38 lacs (Rs. 2.38 lacs) has been disputed by the Company and stayed by Honourable High Court Allahabad.

2.27 Value of raw materials and stores and spare parts consumed and percentage of each to total consumption.

	31st March, 2012		31st March, 2011	
	% of Consumption	Value Rs. in lacs	% of Consumption	Value Rs. in lacs
Raw Materials–				
Indigenous	18.08	661.02	30.33	966.11
Imported	81.92	3004.16	69.67	2191.88
	<u>100.00</u>	<u>3665.18</u>	<u>100.00</u>	<u>3157.99</u>
Stores and Spare Parts–				
Indigenous	100	268.20	100	226.96
Consumable Stores–				
Indigenous	100	744.51	100	875.26

2.28. Earnings in foreign currency :

Export of Goods calculated on F.O.B. basis 8.02 Nil

2.29 C I F Value of Imports 2440.09 1699.06

2.30 Expenditure travelling in foreign currency 19.50 11.35

2.31 For better presentation previous year's figures have been regrouped / rearranged wherever necessary and have been shown in brackets.

Kolkata
Dated : 16th June, 2012

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

For and on behalf of the Board
K. K. MOHTA
Chairman
S. K. MAHESWARAY
Director
BHARAT MOHTA
Director


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

 31st March, 2012
 Rs. in lacs

 31st March, 2011
 Rs. in lacs

A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit before tax		200.83		175.96
Adjustment for				
Depreciation	62.41		42.97	
Interest Expenses	149.33		137.82	
Interest Received	(10.32)		(5.71)	
Liabilities no Longer required written back	(0.79)		(0.11)	
Advances written off	1.44		0.11	
Loss/Gain on Sale of Fixed Assets	0.17	202.24	0.25	175.33
Operating Profit / (Loss) before working capital changes		403.06		351.30
Adjustments for				
Trade & Other receivables	49.61		52.29	
Inventories	15.74		(226.23)	
Trade payables	(70.92)	(5.57)	130.32	(43.62)
Cash generated from Operations		397.50		307.67
Direct Tax (paid) / Refund received (Net)		82.00		(42.31)
Cash Flow before extra Ordinary items		315.50		265.36
NET CASH FLOW FROM OPERATING ACTIVITIES		315.50		265.36

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets		(170.31)		(94.72)
Sale of Fixed Assets		0.25		0.23
Interest Received		10.32		5.70
NET CASH USED IN INVESTING ACTIVITIES		(159.74)		(88.79)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Borrowings		30.21		100.45
Repayment of Borrowings		(58.27)		(144.25)
Dividend / Dividend tax paid		(11.58)		—
Interest paid		(149.18)		(137.73)
NET CASH USED IN FINANCING ACTIVITIES		(188.82)		(181.53)

 NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) **(33.06)** 4.96

CASH AND CASH EQUIVALENTS (Note 2 below)

AT START OF THE YEAR	181.16	186.12
AT CLOSE OF THE YEAR	148.10	181.16



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

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

2. Cash and Cash Equivalents Consists of :

	31-03-2012	31-03-2011
	Rs. in lacs	Rs. in lacs
Cash in hand	3.45	7.61
Balance with Scheduled Banks	144.65	173.55
	148.10	181.16

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

Kolkata
Dated : 16th June, 2012

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

For and on behalf of the Board
K. K. MOHTA
Chairman
S. K. MAHESWARY
Director
BHARAT MOHTA
Director

ATTENDANCE SLIP

The Indian Wood Products Co., Ltd.

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

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

NAME & ADDRESS OF THE SHAREHOLDER

L. F. No.	
Client ID	
DP ID	

I hereby record my presence at the 92nd ANNUAL GENERAL MEETING of the Company held at 3.30 p.m. on the 11th September, 2012 at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, 4th Floor, Kolkata-700 017.

SIGNATURE OF THE SHAREHOLDER OR PROXY

PROXY FORM

The Indian Wood Products Co., Ltd.

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

L. F. No.	
Client ID	
DP ID	

I/We
ofbeing a member / members of THE INDIAN WOOD PRODUCTS CO. LTD.
hereby appoint of or failing
him of as my/
our Proxy to vote for me/us and on my/our behalf, at the 92nd Annual General Meeting of the Company to be held at
3.30 p.m. on Tuesday, the 11th September, 2012 and at any adjournment thereof.
As witness my/our hand(s) this..... day of..... 2012.

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

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

Affix One Rupee Revenue Stamp
--

BOOK - POST

If undelivered, please return to :

THE INDIAN WOOD PRODUCTS COMPANY LIMITED

9, BRABOURNE ROAD (7TH FLOOR)

KOLKATA - 700 001