



*93rd
Annual Report
and Accounts
2012-2013*

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
24TH SEPTEMBER, 2013

AT BHARATIYA BHASHA PARISHAD
AT 3.30 p. m.

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NOTICE

NOTICE is hereby given that the Ninety-third 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 24th day of September, 2013 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, 2013 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, 2013.
3. To appoint Directors in place of Mr. K. K. Damani & Mr. Sanjay Kumar Maheswary, 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 a Special Resolution:

RESOLVED that subject to the provisions of Sections 198, 269, 309 and 310 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 of Mr. K. K. Mohta, as Whole Time Director, designated as Chairman of the Company not liable to retire by rotation, for a period of 3 years (Three) years w.e.f. 1s April, 2013 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.

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

Resolved that in modification of Resolution No.9 passed at the Annual General Meeting of the Company held on 11th September, 2012 for appointment and remuneration payable to Mr. Bharat Mohta, Whole time Director designated as Director Corporate Planning and Strategy of the Company and pursuant to the provisions of Section 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") as amended or re-enacted from time to time, read with Schedule XIII of the Act, the company hereby approves of the revision in terms of remuneration of Mr. Bharat Mohta, Whole time Director designated as Director Corporate Planning and Strategy of the Company by way of an increase in the maximum amount of his salary (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors or a committee thereof to fix his salary within such maximum amount, increasing thereby proportionately all benefits related to the quantum of salary and perquisites with effect from April 1, 2013 for the remainder of the tenure of his appointment i.e. up to 31st March, 2015 as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting.

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

Resolved that in modification of Resolution No.10 passed at the Annual General Meeting of the Company held on 11th September, 2012 for re-appointment and remuneration payable to Mr. K K Damani, Whole time Director designated as Executive Director of the Company and pursuant to the provisions of Section 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") as amended or re-enacted from time to time, read with Schedule

**NOTICE (Contd.)**

XIII of the Act, the company hereby approves of the revision in terms of remuneration of Mr. K K Damani, Whole time Director designated as Executive Director of the Company by way of an increase in the maximum amount of his salary (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors or a committee thereof to fix his salary within such maximum amount, increasing thereby proportionately all benefits related to the quantum of salary with effect from April 15, 2013 for the remainder of the tenure of his appointment i.e. up to 14th April, 2014 as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting.

Registered Office :
Bombay Mutual Building
9, Brabourne Road,
Kolkata-700 001
Dated : 08-05-2013

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

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- 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 17th September to 24th September, 2013 (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 & 31st March, 2012 . 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. Mohta	Mr. K. K. Damani	Mr. Bharat Mohta	Mr. S. K. Maheswary
Date of Birth	24.01.1948	17.08.1949	14.02.1975	06.02.1946
Date of appointment	29.05.1980	15.04.1998	30.10.2005	30.01.2004
Expertise in Specific functional area	Industrialist	Chemical Engineer	Executive	Financial & Commercial Activities
Qualification	B.Sc.	B. Tech. (Hons)	B. Com/ Diploma in Business Management	Chartered Accountant
List of Companies in which outside Directorship held as on 31.03.2013	1. Arvind Engg. Works Ltd. 2. Security Co. Ltd. 3. Indian Glass & Electricals Ltd.	Nil	1. Arvind Engg. Works Ltd. 2. Shree Manufacturing Co. Ltd. 3. Indian Glass & Electricals Ltd.	Nil

EXPLANATORY STATEMENTS : (Pursuant to Section 173 (2) of the Companies Act, 1956)**Item No. 1**

Mr. K K Mohta, engaged in day to day affairs of the Company was reappointed as Whole time Director, designated as Chairman of the Company not liable to retire by rotation for a further period of 3 years w.e.f 1st April, 2013. During this period Company achieved new heights and the performance is better year after year, hence it was desired to retain his valuable services, and the Board re-appointed him, on the remuneration as recommended by the Remuneration Committee subject to the approval of Shareholders in the General Meeting. The broad particulars of remuneration and perquisites payable to and the principal terms and conditions of his re-appointment as contained in the agreement to be entered into between the Company and Mr.K K Mohta, are as under:

1. Remuneration

- Salary Rs.1,20,000/- per month in the scale of 1,20,000/- 12,500/-(2) Rs.1,45,000/-
- Perquisites:

The following perquisites shall be restricted to an amount equal to the annual salary drawn by Mr. Mohta or Rs.10,00,000/- per annum whichever is less. Contribution to Provident Fund to the extent they are exempted under the Income-tax Act 1961, and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'A'

- Where the company does not provide accommodation to the Chairman, House Rent Allowance may be paid by the Company @ 30% of the basic Salary
 - The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income tax Rule, 1962.
- Medical Reimbursement & Leave Travel Expenses:
 - Expenses incurred for self and 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.
 - Leave travel Concession- For self and family once in a year, in accordance with any rules specified by the Company.



NOTICE (Contd.)

- iii) Club Fees - Fees of Clubs subject to a maximum of two Clubs, admission and life membership fees not being allowed.
- iv) Personal Accident Insurance - Of an amount the premium of which shall not exceed One Month Salary per annum

CATEGORY 'B'

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

CATEGORY 'C'

1. Free use of Company's car for Company's business
2. Residential telephone shall be provided. All long distance personal calls shall be duly logged and paid by the Chairman.

The Chairman 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. Krishna Kumar Mohta will get minimum remuneration as permissible under schedule XIII of the Companies Act, 1956.

The proposed Special Resolution seeks your approval for the re-appointment of Mr. Krishna Kumar Mohta as whole time Director, designated as Chairman and the remuneration payable to him.

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

This may be treated as an abstract of the draft agreement for re-appointment and remuneration payable to Mr.K K Mohta, pursuant to Section 302 of the Act.

Item No. 2

At the Annual General Meeting of the Company held on 11th September, 2012, the members had approved the terms of appointment of Mr.Bharat Mohta, Whole time Director designated as Director Corporate Planning and Strategy with a remuneration of Rs.50,000/-p.m.plus other perquisites. Taking into consideration the increase in business activities of the Company and the responsibilities cast on Mr.Bharat Mohta, the Board has revised the remuneration of Mr.Bharat Mohta from Rs.50,000/- to Rs. 80,000/- in the scale of Rs.80,000/- - Rs.8,000/- Rs.88,000/- with, effect from 1st April, 2013 for the remainder of the tenure of his appointment i.e. up to 31st March, 2015 with proportionate increase in the benefits related to his Salary.

It is also proposed that the perquisites shall be amended and restricted to an amount equal to the Annual Salary drawn by Mr.Bharat Mohta or Rs.5,00,000/- per annum which ever is less.

The increase in remuneration by the Board is as recommended by the Remuneration Committee subject to the approval of Shareholders in the General Meeting.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under section 198, 269, 309, 310 and all other applicable provisions, if any, of the Act, read with Schedule XIII of the Act as amended from time to time.

All other terms and conditions relating to the appointment of Mr.Bharat Mohta as approved by the Members of the Company will remain unchanged.

In compliance with the provisions of Section 198, 269, 309 and 310 and all other applicable provisions, if any, of the Act, read with schedule XIII of the act, the revised terms of remuneration of Mr.Bharat Mohta as specified above are now being placed before the members for their approval.

The proposed Special Resolution seeks your approval for the revision of the remuneration of Mr.Bharat Mohta as whole time Director, designated as Director Corporate Planning and Strategy, and to get minimum Remuneration as permissible under Schedule XIII of the Companies Act.



NOTICE (Contd.)

This may be treated as an abstract of the amendment in the draft agreement for revision of the remuneration payable to Mr. Bharat Mohta, pursuant to Section 302 of the Act.

Except Mr. Bharat Mohta & Mr. K K Mohta, no other directors are interested or concerned in the said resolution

Item No. 3

At the Annual General Meeting of the Company held on 11th September, 2012, the members had approved the terms of re-appointment of Mr. K K Damani, Whole time Director designated as Executive Director for a period of two years on a remuneration in the scale of Rs.94,000/— Rs.5,000, - Rs. 99,000/- p.m. plus other perquisites. Taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. K K Damani, the Board has revised the Remuneration of Mr. K K Damani from Rs. 99,000/- to Rs. 1,05,000/- with effect from 15th April, 2013 for the remainder of the tenure of his appointment i.e. up to 14th April, 2014 with proportionate increase in the benefits related to his Salary. The increase in remuneration by the Board is as recommended by the Remuneration Committee subject to the approval of Shareholders in the General Meeting.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under section 198, 269, 309 and 310 and all other applicable provisions, if any, of the Act, read with Schedule XIII of the Act as amended from time to time.

All other terms and conditions relating to the re-appointment of Mr. K K Damani as approved by the Members of the Company will remain unchanged.

In compliance with the provisions of Section 198, 269, 309 and 310 and all other applicable provisions, if any, of the Act, read with schedule XIII of the act, the revised terms of remuneration of Mr. K. K. Damani as specified above are now being placed before the members for their approval.

The proposed Special Resolution seeks your approval for the revision of the remuneration of Mr. K. K. Damani as whole time Director, designated as Executive Director, and to get minimum Remuneration as permissible under Schedule XIII of the Companies Act.

This may be treated as an abstract of the amendment in the draft agreement for revision of the remuneration payable to Mr. K. K. Damani, pursuant to Section 302 of the Act.

Except Mr. K. K. Damani, none of the other directors are interested or concerned in the said resolution.



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting their 93rd Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

	2012 – 13	2011 – 12
	Rs. in lacs	Rs. in lacs
Profit for the year before tax adjustments	231.34	200.83
<i>Less : Provision for taxation</i>		
Current Year	77.00	60.00
Earlier Year	0.93	Nil
Deferred Tax	10.68	1.96
Surplus for the year	<u>142.73</u>	<u>61.96</u>
<i>Add : Opening balance in surplus account</i>	<u>275.22</u>	<u>194.83</u>
Available Surplus	417.95	333.70
APPROPRIATIONS		
Proposed Dividend	10.74	10.74
Tax on Proposed Dividend	1.74	1.74
Transfer to General Reserve	34.00	46.00
Closing balance in surplus account	371.47	275.22

DIVIDEND

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

GENERAL

During the year under review company faced recessionary trend prevailing in the country. In spite of adverse situation your Company could maintain a turnover of Rs. 79.93 crores as against a turnover of Rs. 77.94 crores in the previous year.

As reported earlier, there was substantial pressure on the Raw Material Import cost mainly due to pressure on Indian Rupee, which is still continuing. However with best efforts and positive steps your Company could made higher PBT amounting to Rs. 2.31 crores as against Rs. 2.01 crores in the previous year.

The Company is still trying to reduce further cost and to increase the efficiency.

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, 2013.

SECRETARIAL COMPLIANCE REPORT

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

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

Information in accordance with the provisions of Section 271(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure - II) hereto forming part of the Report.



DIRECTORS' REPORT (Contd.)

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

Mr. K. K. Mohta has been re-appointed as Chairman for a further period of (Three) years with effect from April 01, 2013 subject to the approval of the members of the Company in the ensuing Annual General Meeting.

Under Article 103 of the Articles of Association of the Company Mr. K. K. Damani & Mr. S. K. Maheswary, retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS REPORT

Auditors' Report to the members of the Company does not contain any qualification or adverse remark. The Notes to the Accounts forming part of the financial statements are self-explanatory and needs no further explanation.

AUDITORS

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

PERSONNEL

Your Directors wish to express their appreciation to all the employees of the Company for their sustained 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 : the 8th May, 2013

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, 2013. 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 6 (six) times on 12th May, 2012, 16th June, 2012, 14th August, 2012, 11th September, 2012, 9th November, 2012 and on 30th January, 2013, 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 4th September, to 11th September, 2012, 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, 2012 was held on 11th September, 2012 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 earlier appointed Whole-time Director, designated as Chairman, Director Corporate Planning and Strategy 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 11th September, 2012. 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 and complied with the provision of the Act.
31. As informed by the management, in an earlier 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 and made applications for compounding of offences before the Company Law Board which is pending for hearing. No other fines or penalties are imposed as yet.
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, 2013.

Place : Kolkata
Date : 8th May, 2013

ASHOK KUMAR DAGA
Practicing 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, 2013

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. 23	U/s. 192	Appointment of Whole time Director designated as Director Corporate Planning and Strategy	27.04.2012	Yes	No
2.	No. 23	U/s. 192	Re-appointment of Executive of Director	27.04.2012	Yes	No
3.	No. 32	U/s. 303	Change in designation of Director	27.04.2012	Yes	No
4.	No. 25C	U/s 269(2)	Return of Whole time Director designated as Director Corporate planning and Strategy	28.05.2012	Yes	No.
5.	No. 25C	U/s 269(2)	Return of Whole time Director designated as Executive Director	28.05.2012	Yes	No.
6.	No. 62	U/s. 58A Rule 10	Return of Deposit	20.06.2012	Yes	No
7.	No. 66	U/s. 383A	Compliance Certificate as on 31.03.2012	12.09.2012	Yes	No
8.	No. 62	U/s. 58A	Statement in Lieu of Advertisement	12.09.2012	Yes	No
9.	No. 23	U/s. 31 & 293	Alteration of Articles of Association and authority for contribution towards Donation	09.10.2012	Yes	No
10.	No. 20B	U/s. 159	Annual Return for A.G.M. held on 11.09.2012	07.11.2012	Yes	No
11.	No. 5 INV	U/s. 205 & Rule 3 of Investor Education and Protection Fund	Details of unpaid Dividend upto date of AGM on 11.09.2012	05.12.2012	Yes	No
12.	No. 23AC & ACA XBRL	U/s. 220	Balance Sheet & Profit & Loss A/c as on 31.03.2012	14.01.2013	Yes	No
13.	Form A- XBRL	U/s. 209(1)(d) and 600(3)(b)	Cost Compliance Certificate	04.02.2013	Yes	No



ANNEXURE - II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 217(1)(e) of the The Companies Act, 1956 read with the rules made therein and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY

Company is engaged in Manufacturing of Katha being the Principal Product and the said activity does not fall under any of the Industries specified in Schedule 2 of the Companies (disclosure of particulars in the report of Board of Directors) Rule 1988. Hence the information in form of A as required is not applicable to the Company.

B. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

Research and Development (R & D) is carried out regularly to improve the quality at every stage of production. All existing activities will be continued and further steps for development are being taken as required from time to time.

(Rs. in lacs)

Expenditure on R & D	2012-2013	2011-2012
Capital Expenditure	Nil	Nil
Recurring Expenditure	4.02	7.79

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 has contributed to reduction in cost, improvement of quality of our products. There is no Imported technology for Katha Industry.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The export market is not consistent and favourable for Katha. Moreover as per the past trend export sales compared to domestic sales is neither significant nor material. However the Company was able to export a small quantity of Katha and is regularly Importing Raw Materials for its consumption resulting in earnings / outgo as under :

1. Earnings	—	Rs. 44.20	Rs. 8.02
2. Outgo	—	Rs. 1924.41	Rs. 1746.05

Kolkata
Dated : 8th May, 2013

On behalf of the Board
K. K. MOHTA
Chairman



INDEPENDENT AUDITORS' REPORT

To
The Members of
The Indian Wood Products Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s The Indian Wood Products Company Limited, which comprise the Balance Sheet as at March 31, 2013, and the Profit and Loss Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and the Cash Flow Statement for the year ended on that date.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 March 31, 2013;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we 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 account as required by law have been kept by the Company so far as appears from our examination of those books



INDEPENDENT AUDITORS' REPORT (Contd.)

- c. The Balance Sheet and Profit and Loss Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit and Loss Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

4A, Council House Street,
Kolkata-700 001
Dated : 8th May, 2013

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

1. As required by the Companies (Auditors Report) Order, 2003 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 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. 42.00 lacs and Rs. 36.00 lacs respectively.
 - b) In our opinion, the terms and conditions of such loans are not prima-facie prejudicial to the interest of the Company. ‘
 - c) In respect of the aforesaid loans, there is no overdue amount.
 - 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.



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

- 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:
- 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.
 - The details of dues of Sales Tax, Custom Duty, Excise Duty, Employees State Insurance and Cess which have not been deposited as on 31st March, 2013 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/-
U P Sales Tax	2010-2011	Appeal before Jt. Commissioner	25,000/-
Central Sales Tax	2008-2009	Appeal before Jt. Commissioner	32,000/-

- 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.
- The Company has not defaulted in the repayment of dues to financial institution and banks.
- 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.
- According to the information given to us, the company has not provided any guarantee for availing any loan by other body corporate.
- In our opinion, and according to the information and explanation given to us on overall basis, the term loans have been applied for the purpose for which they were obtained.
- 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.
- 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 : 8th May, 2013

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

**BALANCE SHEET AS AT 31ST MARCH, 2013**

	Note No.	As at 31st March, 2013 Rs. in lacs	As at 31st March, 2012 Rs. in lacs
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
a) Share Capital	2	107.73	107.73
b) Reserves and Surplus	3	1,207.71	1,077.46
		<u>1,315.44</u>	<u>1,185.19</u>
2. Non-current Liabilities			
a) Long-term borrowings	4	62.76	70.01
b) Deferred tax liabilities (Net)	5	43.58	32.90
c) Other Long term liabilities	7	184.24	128.66
d) Long-term provisions	8	103.92	199.59
		<u>394.50</u>	<u>431.16</u>
3. Current Liabilities			
a) Short-term borrowings	4	988.48	1,077.93
b) Trade payables	6	1,115.45	883.32
c) Other current liabilities	9	49.92	71.44
d) Short-term provisions	10	56.40	49.40
		<u>2,210.25</u>	<u>2,082.09</u>
TOTAL		<u>3,920.19</u>	<u>3,698.44</u>
II. ASSETS			
1. Non Current Assets			
a) Fixed Assets			
Tangible assets	11	747.24	650.23
Capital work-in-progress		16.00	38.73
b) Non-current investments	12	0.02	0.02
c) Long-term loans and advances	13	85.38	86.77
		<u>848.64</u>	<u>775.75</u>
2. Current Assets			
a) Inventories	14	1,604.95	1,451.32
b) Trade receivables	15	1,061.35	1,191.54
c) Cash and cash equivalents	16	237.33	148.10
d) Short-term loans and advances	17	167.92	131.73
		<u>3,071.55</u>	<u>2,922.69</u>
TOTAL		<u>3,920.19</u>	<u>3,698.44</u>

The accompanying notes 1 to 29 form an integral part of the financial statements

In terms of our attached report of even date.

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

Kolkata
Dated : 8th May, 2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	31st March, 2013 Rs. in lacs	31st March, 2012 Rs. in lacs
Revenue from Operations			
Sales		7,993.36	7,793.50
Less : Excise duty		375.61	294.13
		<u>7,617.75</u>	<u>7,499.37</u>
Other Income	18	17.26	19.56
Total Revenue		<u>7,635.01</u>	<u>7,518.93</u>
Expenses :			
Cost of materials consumed	19	4,406.37	4,339.47
Changes in inventories of finished goods works in progress and stock in Trade	20	-31.26	138.60
Manufacturing expenses	21	1,577.56	1,529.80
Employee benefits expenses	22	992.51	905.59
Finance costs		153.29	149.33
Depreciation	11	58.40	62.41
Other expenses	23	246.80	192.90
Total Expenses		<u>7,403.67</u>	<u>7,318.10</u>
Profit before tax		231.34	200.83
Less : Current tax expenses		77.00	60.00
Tax for earlier year		0.93	—
Deferred tax expenses	5	10.68	1.96
Profit for the year		<u>142.73</u>	<u>138.87</u>
Earnings per equity share : Basic & Diluted	25	13.29	12.93

The accompanying notes 1 to 29 form an integral part of the financial statements

In terms of our attached report of even date.

Kolkata
Dated : 8th May, 2013

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, 2013

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS.

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. 22)
- 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 AND NOTES ON FINANCIAL STATEMENTS. (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 recordable 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 Share Capital

	As at March 31st, 2013 Rs. in lacs	As at March 31st, 2012 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

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

Name	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	%	No. of shares	%
1. Security Company Ltd.	305089	28.40	305089	28.40
2. Avanti Mohta	74404	6.93	74404	6.93
3. Bharat Mohta	75975	7.07	75975	7.07



NOTES ON FINANCIAL STATEMENTS. (Contd.)

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
3 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. 14 (a))	292.75	292.75
General Reserve		
As per last account	366.00	320.00
Add : Transfer from Statement of Profit & Loss	<u>34.00</u>	<u>46.00</u>
	400.00	366.00
Surplus		
Opening Balance	275.22	194.83
Add : Profit for the year	<u>142.73</u>	<u>138.87</u>
	417.95	333.70
Amount available for appropriation		
Appropriations		
Proposed Dividend @ Re. 1/- per share (Re. 1/-)	(10.74)	(10.74)
Tax on Dividend	(1.74)	(1.74)
Transfer to General Reserve	<u>(34.00)</u>	<u>(46.00)</u>
	<u>371.47</u>	<u>275.22</u>
Closing Balance	<u>1207.71</u>	<u>1077.46</u>
4. Borrowings		
Non-Current Liabilities		
Long Term Borrowings - Secured		
Term Loan from Banks and Financial Institutions (Refer Note No. 2)	<u>62.76</u>	<u>70.01</u>
Current Liabilities		
Short Term Borrowings		
Secured		
Loan repayable on demand from banks (Refer Note No. 1)	863.54	961.02
Unsecured -		
From Bodies Corporate	44.12	74.33
From Directors	36.00	-
Deposits	<u>44.82</u>	<u>42.58</u>
	<u>988.48</u>	<u>1,077.93</u>

Notes :

- 1) Working Capital facilities from State Bank of Bikaner and Jaipur Rs. 589.72 lacs and Axis Bank Ltd. Rs. 273.86 lacs are secured by pari passu charge on stocks of raw material, Katha and Cutch whether raw or in process of manufacture and all articles manufactured 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 (including 30,000 sq. meter against L/C limits and also have been guaranteed by one of the Director.
- 2) 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. 0.85 lacs per month.

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

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
5. Provision for Deferred Tax		
As per accounting standard - 22 on Tangible fixed assets which arises primarily from Depreciation		
Opening Balance	32.90	30.94
Add : Credit for the year	<u>10.68</u>	<u>1.96</u>
Closing Balance	<u>43.58</u>	<u>32.90</u>
6. Trade Payable	1,115.45	883.32
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.		
7. Other Long Term Liabilities		
Contractors and Customers Security Deposits	9.94	14.55
Advance from Customers	154.34	94.13
Others	<u>19.96</u>	<u>19.98</u>
	<u>184.24</u>	<u>128.66</u>
8. Provisions		
Long Term provisions for Employees Benefits		
Gratuity (Refer Note No. 22)	15.34	109.02
Leave encashment	<u>88.58</u>	<u>90.57</u>
	<u>103.92</u>	<u>199.59</u>
9. Other Current Liabilities		
Interest accrued but not due	2.49	2.70
Other statutory liabilities	<u>47.43</u>	<u>68.74</u>
	<u>49.92</u>	<u>71.44</u>
10. Short terms provisions		
Provision for taxation (Net)	43.58	36.58
Provision for Fringe Benefit tax (Net)	0.34	0.34
Proposed Dividend	10.74	10.74
Tax on Dividend	<u>1.74</u>	<u>1.74</u>
	<u>56.40</u>	<u>49.40</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)

THE INDIAN WOOD PRODUCTS COMPANY LIMITED



11. Fixed Assets

(Rs. in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION			NET BLOCK	
	As at April 1, 2012	Additions	Sales/ Adjustments	As at March 31st 2013	As at April 1, 2012	Charge for the period	Sales Adjustments	As at March 31, 2013	As at March 31, 2012
Tangible									
Free Hold Land (Ref. Note 14)	166.99	—	—	166.99	—	—	—	166.99	166.99
Building	139.66	22.77	—	162.43	45.06	3.25	—	114.12	94.60
Tube-Well	2.74	—	—	2.74	1.57	0.04	—	1.13	1.17
Plant and Machinery	134.65	6.25	—	140.90	86.08	7.60	—	47.22	48.57
Effluent Treatment Plant	20.79	—	—	20.79	19.75	—	—	1.04	1.04
Electric Installation	130.33	0.17	4.51	125.99	45.80	8.98	4.28	75.49	84.53
Weighing Scales	4.58	0.18	—	4.76	2.56	0.33	—	1.87	2.02
Trolley & Trays	62.00	14.65	—	76.65	61.58	10.89	—	4.18	0.42
Laboratory Apparatus	4.66	—	—	4.66	3.04	0.13	—	1.49	1.62
Refrigeration & Cooling System	208.30	73.94	—	282.24	62.82	11.72	—	207.70	145.48
Motor Car & Vehicles	119.75	36.06	11.25	144.56	38.39	11.44	6.72	101.45	81.36
Computers	31.55	5.55	—	37.10	23.60	2.20	—	11.30	7.95
Furniture, Fixture & Office Equipment	51.17	0.79	0.30	51.66	36.69	1.82	0.11	13.26	14.48
Total	1077.17	160.36	16.06	1221.47	426.94	58.40	11.11	747.24	650.23
Previous Year	924.15	154.31	1.29	1077.17	365.41	62.41	0.88	426.94	650.23



NOTES ON FINANCIAL STATEMENTS (Contd.)

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
12. 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 Vishnuhari Investments & Properties Ltd. (Received on amalgamation of Karuna Sindhu Financers & Investors Ltd. (640 shares)		
Market Value	<u>0.04</u>	<u>0.04</u>
13. Long Term Loans & Advances		
Unsecured – Considered good		
a) Security Deposit	20.75	21.57
b) Other Loans & Advances Deposit with Government Authorities	<u>64.63</u>	<u>65.20</u>
	<u>85.38</u>	<u>86.77</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.		
14. Inventories		
Land (Stock in trade) (Ref. Note a below)	126.15	126.15
Raw Materials	405.36	252.06
Work in Process	671.40	621.77
Finished Goods (Ref. note b below)	298.26	317.58
Consumables	5.99	32.20
Stores and Spare parts	96.99	100.74
Tools and Implements	<u>0.80</u>	<u>0.82</u>
	<u>1604.95</u>	<u>1,451.32</u>

Note :

- a) The free hold land at Bareilly was revalued in the year 2008-09 based on the rate as on 01.04.1981. 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. 14.89 lacs (15.85 lacs)

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

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
15 Trade Receivables		
Debts outstanding for more than 6 months		
Unsecured – Considered good	167.98	176.76
Considered doubtful	<u>—</u>	<u>6.91</u>
	167.98	183.67
Other Debts		
Secured – Considered good	4.00	3.99
Unsecured – Considered good	889.37	1,003.88
	<u>893.37</u>	<u>1,007.87</u>
	1,061.35	1,191.54
16 Cash & Cash Equivalents		
Cash in hand	2.69	1.86
Cheques, Drafts on hand	<u>—</u>	<u>1.59</u>
	2.69	3.45
Balances with scheduled banks		
In current account	109.48	19.58
In Deposit Account with Banks -		
Against Margin money for Letter of Credit	122.00	121.99
Against Sales tax [Ref. note No. 27 (b)]	3.16	3.08
	<u>234.64</u>	<u>144.65</u>
	237.33	148.10
17. Short Term Loans & Advances		
Unsecured – Considered Good		
Advance to Materials Suppliers	35.97	62.07
Advance to employees	10.91	9.10
Interest receivables	19.02	9.81
Excise duty Credit	89.03	38.70
Others	12.99	12.05
	<u>167.92</u>	<u>131.73</u>

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

	2012-2013 Rs. in lacs	2011-2012 Rs. in lacs
18. Other Income		
Interest on Fixed Deposit	12.53	10.32
Liabilities no longer required written back	2.68	0.79
Other Miscellaneous income	2.05	8.45
	<u>17.26</u>	<u>19.56</u>
19 Cost of Materials consumed		
Raw materials consumed		
Opening Stock	279.30	178.59
Purchases	4,447.40	4285.67
Add : Extraction expenses	69.54	79.22
Foreign Exchange Fluctuations (Net)	33.33	75.29
	<u>4,829.57</u>	<u>4,618.77</u>
Less : Closing Stock	405.36	279.30
Less : Raw materials sold	17.84	—
Raw materials consumed	<u>4,406.37</u>	<u>4,339.47</u>
20. Change in Inventory		
Stock of Finished goods and Stock in process as at 1st April, 2012	923.51	1,062.11
Less : Stock of Finished goods and Stock in process as at 31st March, 2013	<u>954.77</u>	<u>923.51</u>
(Increase) / Decrease	<u>-31.26</u>	<u>138.60</u>
21. Manufacturing Expenses		
Stores and Spare parts consumed	274.92	268.20
Other Consumable and Chemicals Consumed	76.90	70.22
Power and Fuel	220.40	213.68
Electric, Light & Power	208.94	169.11
Rent	0.22	0.64
Insurance	3.53	2.74
Repairs & Maintenance		
Buildings	17.96	29.94
Plant & Machinery	41.89	33.90
Others	12.39	12.83
Machine Katha Expenses	521.92	528.14
Rates & Taxes	40.56	39.87
Travelling Expenses	13.76	17.40
Misc. Expenses	144.17	143.13
	<u>1577.56</u>	<u>1,529.80</u>

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

22 Employee Benefit Expenses	2012-2013 Rs. in lacs	2011-2012 Rs. in lacs
Salaries, Wages, Bonus & Other Benefits	858.31	777.36
Contribution to Provident Fund	53.14	46.68
Staff Welfare Expenses	81.06	81.55
	<u>992.51</u>	<u>905.59</u>

As per Actuarial Valuations as on 31.03.2013 and recognised in the financial statements in respect of Employees benefit schemes.

	(Rs. in lacs)
A. Component of Employer expenses	
1. Current service Cost	12.62
2. Interest Cost	17.14
3. Expected Return on Plan Asset	– 15.23
4. Actuarial Losses / (gain)	16.23
5. Expenses directly paid by the Company (For Current Year)	0.68
6. Total expenses recognised in the Statement of Profit & Loss	30.14
B. Net Asset / (Liability) Recognised in Balance Sheet as at 31.03.2013	
1. Present Obligation of Defined Benefit Obligation	239.01
2. Fair Value of Plan Asset	223.67
3. Net Asset / (Liability) recognised in the Balance Sheet	15.34
C. Change in Defined Benefit Obligation during the year ended 31.03.2013	
1. Present Value of DBO at Beginning of period	214.26
2. Current Service Cost	12.62
3. Interest Cost	17.14
4. Actuarial Losses/(gains)	16.23
5. Benefits paid	-21.25
6. Present value of DBO at the end of period	239.01
D. Change in Fair Value of the asset	
1. Plan asset at the beginning of the period	105.86
2. Return on Plan Asset	15.23
3. Actuarial Gain	—
4. Actual Company contributions	123.83
5. Benefits paid	-21.25
6. Plan Assets at the end of the period	223.67
E. Actuarial Assumption	
1. Discount Rate (%)	8.00%
2. Expected return on plan assets (%)	9.25%

The year end Gratuity liability has been provided as above and as per actuarial valuation done by L I C with whom Company is maintaining Group Gratuity Scheme.



NOTES ON FINANCIAL STATEMENTS (Contd.)

23. OTHER EXPENSES	2012-2013	2011-2012
	Rs. in lacs	Rs. in lacs
Rent expenses	8.09	7.17
Rates and Taxes	0.18	0.21
Insurance	1.81	0.88
Other Repairs	1.85	0.51
Travelling Expenses	69.44	47.58
Auditors Remuneration		
For Audit Fees	1.40	1.40
For Other Services	0.11	0.09
Directors sitting fees	0.48	0.54
Misc. Expenses	161.40	130.68
Advances Written off	—	1.44
Loss on Sale of Fixed Assets	2.04	0.17
Sales tax for earlier year	—	2.23
	246.80	192.90

24. 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, 2013.

	2012 — 2013		2011 — 2012	
	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	40.04		27.26	
b) Advance taken	42.00	NIL	34.20	NIL
c) Advance repaid	6.00	NIL	34.20	NIL
d) Closing balance	36.00	NIL	NIL	NIL

25. Earning per Share

	31st March, 2013	31st March, 2012
	Rs. in lacs	Rs. in lacs
Net Profit / (Loss) after Tax but before Extra Ordinary Item as per Statement of Profit & Loss	142.73	138.86
Weighted average number of equity shares outstanding	10,74,318	10,74,318
Basic and diluted earnings per share of Rs. 10/- each	13.29	12.93

26. 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.)****27. Contingent liabilities and Commitments**

- a) Katha, the main product of the Company was brought within the Ambit of Central Excise duty w.e.f. 1st March, 2011. For earlier years, the Central Excise authority issued show cause notices demanding Rs. 35.95 crores (till, March, 2010 Rs. 31.03 crores and from April 2010 to February 2011 Rs. 4.92 crores). Their contention is that Raw Katha produced by processing Gambier (an excisable item) is also liable to duty. Since the department's contention as well as their basis of valuation was not acceptable an appeal was preferred by the Company. Against our appeals the appellate authority not only accepted our ground of valuation of the products as per CAS4 but also reduced the demands of Rs. 11.93 crores to Rs. 4.40 crores. Accordingly on the same ground total demand of Rs. 35.95 crores would get reduced to Rs. 11.62 crores.

The Company's contention was also accepted by CESTAT New Delhi vide their order dated 31st July, 2012 and stayed the demand till disposal of the case with the observation that the appellant have prima facie case in their favour.

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. 12.33 crores paid while importing Gambier, which 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 crystalized.

- b) Demands for Sales Tax amounting to Rs. 131.80 lacs (Rs. 136.79 lacs)) which are not acknowledged as debts. Against the same Company has paid under protest a total of Rs. 10.42 lacs (Rs. 12.26 lacs) included in Loans and Advances and TDR of Rs. 2.48 lacs (Rs. 2.48 lacs) are deposited with Sales Tax authorities.
- c) 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.

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

	31st March, 2013		31st March, 2012	
	% of Consumption	Value Rs. in lacs	% of Consumption	Value Rs. in lacs
Raw Materials–				
Indigenous	27.65	1218.51	30.77	1335.31
Imported	72.35	3187.86	69.23	3004.16
	<u>100.00</u>	<u>4406.37</u>	<u>100.00</u>	<u>4339.47</u>
Stores and Spare Parts–				
Indigenous	100	274.92	100	268.20
Consumable Stores–				
Indigenous	100	76.90	100	70.22

29. Earnings in foreign currency :

Export of Goods calculated on F.O.B. basis 44.20 8.02

30. C I F Value of Imports 2666.87 2440.09

31. Expenditure travelling in foreign currency 26.31 19.50

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

Kolkata
Dated : 8th May, 2013

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


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

	31st March, 2013 Rs. in lacs	31st March, 2012 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	231.34	200.83
Adjustment for		
Depreciation	58.39	62.41
Interest Expenses	153.29	149.33
Interest Received	(12.53)	(10.32)
Liabilities no Longer required written back	(2.68)	(0.79)
Advances written off	—	1.44
Loss/Gain on Sale of Fixed Assets	2.04	0.17
Operating Profit/(Loss) before working capital changes	429.85	403.07
Adjustments for		
Trade & Other receivables	95.40	49.61
Inventories	(153.63)	15.74
Trade payables	172.66	(70.92)
Cash generated from Operations	544.28	397.50
Direct Tax (paid) / Refund received (Net)	70.93	82.00
Cash Flow before extra Ordinary items	473.35	315.50
NET CASH FLOW FROM OPERATING ACTIVITIES	473.35	315.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(137.62)	(170.31)
Sale of Fixed Assets	2.90	0.25
Interest Received	12.53	10.32
NET CASH USED IN INVESTING ACTIVITIES	(122.19)	(159.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	38.24	30.21
Repayment of Borrowings	(134.94)	(58.27)
Dividend / Dividend tax paid	(11.55)	(11.58)
Interest paid	(153.68)	(149.18)
NET CASH USED IN FINANCING ACTIVITIES	(261.93)	(188.82)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	89.23	(33.06)
CASH AND CASH EQUIVALENTS (Note 2 below)		
AT START OF THE YEAR	148.10	181.16
AT CLOSE OF THE YEAR	237.33	148.10



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 :

	31-03-2013	31-03-2012
	Rs. in lacs	Rs. in lacs
Cash in hand	2.69	3.45
Balance with Scheduled Banks	234.64	144.65
	237.33	148.10

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

Kolkata
Dated : 8th May, 2013

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 93rd ANNUAL GENERAL MEETING of the Company held at 3.30 p.m. on the 24th September, 2013 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 93rd Annual General Meeting of the Company to be held at
3.30 p.m. on Tuesday, the 24th September, 2013 and at any adjournment thereof.
As witness my/our hand(s) this..... day of..... 2013.

.....
(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