

Corporate Information

BOARD OF DIRECTORS

Sri Satya Brata Ganguly	<i>Chairman</i>
Sri Hari Prasad Agarwal	<i>Vice Chairman</i>
Sri Sajjan Bhajanka	<i>Managing Director</i>
Sri Sanjay Agarwal	<i>Jt. Managing Director</i>
Sri Prem Kumar Bhajanka	<i>Jt. Managing Director</i>
Sri Vishnu Khemani	<i>Jt. Managing Director</i>
Sri Ajay Baldawa	<i>Executive Director</i>
Sri Manindra Nath Banerjee	<i>Director</i>
Sri Mangi Lal Jain	<i>Director</i>
Sri Sajjan Kumar Bansal	<i>Director</i>
Sri Brij Bhushan Agarwal	<i>Director</i>
Ms Plistina Dkhar	<i>Director</i>

CFO & COMPANY SECRETARY

Sri A. K. Julasaria

AUDITORS

Ashok Kedia & Co.,
Chartered Accountants
4, Gangadhar Babu Lane
Kolkata 700 012

Kailash B. Goel & Co.
Chartered Accountants
31, Ganesh Ch. Avenue, 4th Floor
Kolkata 700 013

BANKERS

State Bank of India
Commercial Branch
N. S. Road, Kolkata 700 001

UCO Bank
Flagship Corporate Centre
N. S. Road, Kolkata 700 001

Oriental Bank of Commerce
Park Street Branch
Kolkata 700 016

Corporation Bank
38 & 39, White's Road
Chennai 600 014

State Bank of India
Commercial Branch
Mayapuri, New Delhi 110 064

REGISTERED OFFICE

6, Lyons Range
Kolkata 700 001

WORKS

Plywood, Veneer and Laminate Units

Diamond Harbour Road
Kanchowki, Bishnupur
Dist : 24 Parganas (S)
West Bengal

Ramba Road
Taraori
Haryana

Chinnappolapuram
Gummidipoondi
Chennai

Ferro Alloy & Power Units

EPIP Area, Byrnihat
Dist. Ri-Bhoi
Meghalaya

REGISTRARS & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata 700 001

Notice

NOTICE is hereby given that the **Twenty-seventh Annual General Meeting** of the Shareholders of Century Plyboards (India) Limited will be held at **Gyan Manch, 11 Pretoria Street, Kolkata - 700 071 on Wednesday 27th August, 2008 at 11.00 A.M.**, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 1a. To declare dividend on Preference Shares and Equity Shares for the Financial year 2007-08.
2. To appoint a Director in place of Sri Sajan Kumar Bansal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Manindra Nath Banerjee, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri Brij Bhushan Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, and for the purpose, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. S. R. Batliboi & Co., Chartered Accountants, Kolkata be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company in place of M/s. Ashok Kedia & Co., Chartered Accountants and M/s. Kailash B. Goel & Co., Chartered Accountants, the retiring Auditors of the Company, who have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company on their retirement at this Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company.”

6. To consider and, if thought fit, to pass with or without modification/s the following Resolution as an Ordinary Resolution relating to appointment of Branch Auditors of the Company:

“RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorized to appoint auditors in respect of its branch offices in consultation with Company’s Statutory Auditors, to hold office from conclusion of this Meeting until conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses.”

SPECIAL BUSINESS

7. **Appointment of Sri Prem Kumar Bhajanka as Director**

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

"RESOLVED that Sri Prem Kumar Bhajanka, who was appointed as an Additional Director of the Company by the Board of Directors and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member of the Company, proposing the candidature of Sri Bhajanka to the office of Director of

the Company and who has consented, if appointed, to act as a Director of the Company, is hereby appointed as a Director of the Company, liable to retire by rotation."

8. **Appointment of Sri Vishnu Khemani as Director**

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

"RESOLVED that Sri Vishnu Khemani, who was appointed as an Additional Director of the Company by the Board of Directors and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member of the Company, proposing the candidature of Sri Khemani to the office of Director of the Company and who has consented, if appointed, to act as a Director of the Company, is hereby appointed as a Director of the Company, liable to retire by rotation."

9. **Appointment of Sri S. B. Ganguly as Director**

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

"RESOLVED that Sri S. B. Ganguly, who was appointed as an Additional Director of the Company by the Board of Directors and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member of the Company, proposing the candidature of Sri Ganguly to the office of Director of the Company and who has consented, if appointed, to act as a Director of the Company, is hereby appointed as a Director of the Company, liable to retire by rotation."

10. **Appointment of Sri Prem Kumar Bhajanka as Joint Managing Director**

To consider and if though fit, to give assent/dissent to the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) the Company hereby approves the appointment and remuneration of Sri Prem Kumar Bhajanka as Joint Managing Director of the Company for a period of five years from 1st August, 2008 to 31st July, 2013 (both days inclusive), upon the terms and conditions including remuneration, as set out in the Agreement dated 31st July, 2008 entered into by the Company and Sri Prem Kumar Bhajanka."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to vary the terms and conditions of the appointment including the increase of the remuneration and perquisites of Sri Prem Kumar Bhajanka in such manner as may be agreed to between the Board and Mr. Bhajanka in the best interest of the Company, but subject to the restrictions contained in the Companies Act, 1956 and Schedule XIII to the said Act."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regards."

11. **Appointment of Sri Vishnu Khemani as Joint Managing Director**

To consider and if though fit, to give assent/dissent to the following Resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (including any statutory

modification or re-enactment thereof, for the time being in force) the Company hereby approves the appointment and remuneration of Sri Vishnu Khemani as Joint Managing Director of the Company for a period of five years from 1st August, 2008 to 31st July, 2013 (both days inclusive), upon the terms and conditions including remuneration, as set out in the Agreement dated 31st July, 2008 entered into by the Company and Sri Vishnu Khemani.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to vary the terms and conditions of the appointment including the increase of the remuneration and perquisites of Sri Vishnu Khemani in such manner as may be agreed to between the Board and Mr. Khemani in the best interest of the Company, but subject to the restrictions contained in the Companies Act, 1956 and Schedule XIII to the said Act.”

“RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regards.”

12. Remuneration to Sri S. B. Ganguly

To consider and if though fit, to give assent/dissent to the following Resolution as an Ordinary Resolution :

“RESOLVED that pursuant to the provisions of Section 309(4) of the Companies Act, 1956, Clause 49 of the Listing Agreement with Stock Exchanges and other applicable provisions, if any and subject to the approval of the Central Government, consent of the Company is hereby accorded to the payment of remuneration by way of monthly payment not exceeding Rs. 1,50,000 p.m. (Rupees One Lakh Fifty Thousand Only per month) to Sri S. B. Ganguly, Non-executive Independent Director of the Company w.e.f. 26th June, 2008.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this resolution.”

**By Order of the Board
For Century Plyboards (India) Ltd.**

Registered Office
6, Lyons Range
Kolkata - 700 001
31st July, 2008

**A. K. Julasaria
Chief Financial Officer and Company Secretary**

NOTES

1. Explanatory Statements in respect of items numbered 7 to 12 as required under Section 173(2) of the Companies Act, 1956 are annexed.
2. Members holding shares in physical form are requested to notify change in address and bank mandate, bank particulars for printing in the dividend warrants, if any under their signatures to Maheshwari Datamatics Pvt. Ltd., 6 Mangoe Lane, Kolkata – 700 001, the Registrar and Share Transfer Agent, quoting Folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participant.
3. The share transfer books of the Company will remain closed from 23rd August, 2008 to 27th August, 2008 (both days inclusive).

4. Members seeking any information regarding accounts should write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.
5. Pursuant to Section 205A of the Companies Act, 1956, dividends, which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund of the Central Government. Section 205C of the Act, declares that no claims shall lie against the Fund or Company in respect of Individual amounts which were unclaimed and unpaid for seven years as aforesaid and transferred to the Fund.
6. Brief bio-data of Sri Sajan Kumar Bansal, Sri Manindra Nath Banerjee and Sri Brij Bhushan Agarwal, Directors who are retiring by rotation and eligible for re-appointment are as under:

Sri Sajan Kumar Bansal, 51 years, is a commerce graduate. He is having an experience of over 25 years in steel and engineering industry. He is Managing Director of Skipper Steels Ltd. and also Director of Bansal TMT Steels Ltd., Skipper Infrastructure Ltd., Cement Manufacturing Co. Ltd., Skipper Tele - Link Ltd., Swasti Agencies Pvt. Ltd., Riangdo Veneers Pvt. Ltd. and Transcend Infrastructure Ltd. He is holding 4924980 shares of face value of Re. 1/- each in the Company as on date.

Sri Manindra Nath Banerjee, 71 years is MA, retired IAS. He is presently an independent Director of the Company. He is having substantial administrative experience in various Government Departments. He is also a Director of Skipper Steels Ltd. He is not holding any shares in the company.

Sri Brij Bhushan Agarwal, 36 years, is B.Com. He has an experience of over 12 years in steel, ferro alloy and power industries. He is Managing Director of Shyam Sel Ltd. and also Director of Cement Manufacturing Co. Ltd., Shyam DRI Power Ltd, Shyam Ferro Alloys Ltd., Shyam Energy Ltd, Shyam Metalics Pvt. Ltd., S A Trading Co. Pvt. Ltd., Meghalaya Powers Ltd., Shyam Century Cement Industries Ltd., Apnapan Viniyog Pvt. Ltd., Ara Suppliers Pvt. Ltd., Puri Ports Ltd., Adonis Vyaper Pvt. Ltd. and Arham Sales Pvt. Ltd. He is holding 8498930 shares of face value of Re. 1 each in the Company as on date.

7. M/s. Ashok Kedia & Co., Chartered Accountants and M/s. Kailash B. Goel & Co., Chartered Accountants, Kolkata, Joint Auditors of the Company have expressed their unwillingness to be re-appointed as the Auditors of the Company. It is, therefore, proposed to appoint M/s. S.R. Batliboi & Co., Chartered Accountants, Kolkata as the Statutory Auditors in their place. M/s. S. R. Batliboi & Company has expressed their willingness to be appointed as auditors of the company and has informed that their appointment, if made, will be in accordance with the limit specified in Section 224(1B) of the Companies Act, 1956.
8. The Company, at present has 22 branches spread all over India and further manufacturing locations/branches may have to be established from time to time. In view of such a large network of locations it is recommended to authorize the Board of Directors to appoint Branch Auditors in consultation with Statutory Auditors of the Company.

Explanatory Statement Pursuant To Section 173(2) of the Companies Act, 1956.

Items No. 7 & 10

Sri Prem Kumar Bhajanka, 50 years, is a commerce graduate. He has an experience of over 30 years in plywood industry. He was appointed Additional Director of the Company on 16th April, 2008 by the Board of Directors of the Company and is to hold office till ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the directorship of the Company. He is holding 1,58,08,510 shares of face value of Re. 1/- each in the company. Sri Bhajanka has been a Director of erstwhile Century Panels Private Limited which got amalgamated with the Company. He is also a Director of Cement Manufacturing Company Ltd., Star India Cement Ltd., Namchic Tea Estates Pvt. Ltd., Lal Pahar Tea Estates Pvt. Ltd., Namchik Coal Pvt. Ltd., YP Multi Minerals Pvt. Ltd., Zenith Copper Mines Pvt. Ltd. and Auro Sundram Ply and Doors Pvt. Ltd. Your Directors believe that continued association of Sri Bhajanka would be immensely beneficial to the Company.

The Remuneration Committee and the Board of Directors at their respective meetings held on 31st July, 2008, subject to the relevant provisions of the Companies Act, 1956 and subject to the approval of shareholders, appointed Sri Prem Kumar Bhajanka as Joint Managing Director of the Company for a period of five years w.e.f. 1st August, 2008 to 31st July, 2013 (both days inclusive) on the following terms, conditions and remuneration.

I. SALARY : Not exceeding Rs. 3,00,000/- per month.

II. PERQUISITES :

In addition to salary, the Joint Managing Director shall be entitled to such perquisites, as may be decided by the Board of Directors or by the Remuneration Committee, subject however that the aggregate remuneration on account of such perquisites shall not exceed Rs. 1,00,000/- per month.

The Joint Managing Director shall also be entitled to the following perquisites which shall not be included in the remuneration as stated above :

- a) Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per Rules of the Company, to the extent these either singly or together are not taxable under Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.

In addition to above, the following facilities, if provided, shall not be considered as perquisites :

- a) Provision of car for use on Company's business. Use of car for personal purposes shall be billed by the Company to him.
- b) Mobile phone and telephone facilities at the residence for official use. Personal long distance calls shall be billed by the Company to him.
- c) Reimbursement of entertainment and other expenses actually incurred in connection with the business of the Company.

Sri Prem Kumar Bhajanka is interested or concerned in the resolution to the extent of his remuneration and perquisites. None of the other Directors are interested or concerned in these resolutions.

Notice received under Section 257 of the Companies Act, 1956 proposing candidature of Sri Prem Kumar Bhajanka together with Agreement entered into between the Company and Sri Prem Kumar Bhajanka are available for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 12.30 p.m. upto the date of this meeting.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of the terms of appointment and memorandum under section 302 of the Companies Act, 1956.

The Board of Directors recommend the resolutions mentioned at items No. 7 and 10 of the notice for your approval.

Items No. 8 & 11

Sri Vishnu Khemani, 56 years, is a commerce graduate. He is having an experience of over 30 years in plywood industry. He was appointed Additional Director of the Company on 16th April, 2008 by the Board of Directors of the Company and is to hold office till ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the directorship of the Company. He is holding 7704130 shares of face value Re. 1/- each in the company. Sri Khemani was a Director of erstwhile Sharon Veneers Private Limited and Sharon Wood Industries Private Limited which got amalgamated with the Company. He is also a Director of Sharon International Services Pvt. Ltd. Your directors believe that continued association of Sri Khemani would be immensely beneficial to the Company.

The Remuneration Committee and the Board of Directors at their respective meetings held on 31st July, 2008, subject to the relevant provisions of the Companies Act, 1956 and subject to the approval of shareholders, appointed Sri Vishnu Khemani as Joint Managing Director of the Company for a period of five years w.e.f. 1st August, 2008 to 31st July, 2013 (both days inclusive) on the following terms, conditions and remuneration.

I. **SALARY** : Not exceeding Rs. 3,00,000/- per month.

II. **PERQUISITES** :

In addition to salary, the Joint Managing Director shall be entitled to such perquisites, as may be decided by the Board of Directors or by the Remuneration Committee, subject however that the aggregate remuneration on account of such perquisites shall not exceed Rs. 1,00,000/- per month.

The Joint Managing Director shall also be entitled to the following perquisites which shall not be included in the remuneration as stated above :

- a) Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per Rules of the Company, to the extent these either singly or together are not taxable under Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.

In addition to above, the following facilities, if provided, shall not be considered as perquisites :

- a) Provision of car for use on Company's business. Use of car for personal purposes shall be billed by the Company to him.
- b) Mobile phone and telephone facilities at the residence for official use. Personal long distance calls shall be billed by the Company to him.
- c) Reimbursement of entertainment and other expenses actually incurred in connection with the business of the Company.

Sri Vishnu Khemani is interested or concerned in the resolution to the extent of his remuneration and perquisites. None of the other Directors are interested or concerned in these resolutions.

Notice received under Section 257 of the Companies Act, 1956 proposing candidature of Sri Vishnu Khemani together with Agreement entered into between the Company and Sri Vishnu Khemani are available for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 12.30 p.m. upto the date of this meeting.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of the terms of appointment and memorandum under section 302 of the Companies Act, 1956.

The Board of Directors recommend the resolutions mentioned at items No. 8 and 11 of the notice for your approval.

Items No. 9 & 12

Sri S. B. Ganguly, 66 years, is a Graduate of Chemical Engineering, Fellow of Plastics & Rubber (London), Fellow of Institute of Chemical Engineers and also a Fellow Member of the Institute of Chemicals. He is having 44 years experience in various industrial fields. Presently, he is the Chairman Emeritus of Exide Industries Ltd. and Associated Battery Manufacturers (Ceylon) Ltd., Sri Lanka. He is also Director of ING Vysya Life Insurance Co. Ltd., West Bengal Industrial Development Corporation Ltd., The Calcutta Stock Exchange Association Ltd. and Sundarban Infrastructure Development Corporation Ltd. He is also actively associated with a number of educational, technical and research Institutes across the country.

Mr. Ganguly was appointed Additional Director of the Company on 26th June, 2008 by the Board of Directors of the Company and is to hold office till ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the directorship of the Company. He is not holding any share in the company.

Notice received under Section 257 of the Companies Act, 1956 proposing candidature of Sri S. B. Ganguly is available for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 12.30 p.m. upto the date of this meeting.

Mr. Ganguly carries with him significant professional expertise and rich experience and is regarded as a business leader. Your Directors believe that your company will immensely benefit from expertise, experience and leadership of Mr. Ganguly.

Clause 49 of the Listing Agreement dealing with Corporate Governance requires that "All fees/ compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting." As such, resolution under item no 12 is proposed seeking approval for payment of remuneration to Sri S. B. Ganguly.

None of the Directors, except Sri S. B. Ganguly, are interested in the above resolutions.

The Board of Directors recommend the resolutions mentioned at items No. 9 and 12 of the notice for your approval.

**By Order of the Board
For Century Plyboards (India) Ltd**

Registered Office
6, Lyons Range
Kolkata - 700 001
31st July, 2008

**A. K. Julasaria
Chief Financial Officer and Company Secretary**

Directors' Report

Dear Shareholders,

Your Directors have great pleasure in presenting the 27th Annual Report together with the audited Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the year ended on that date.

FINANCIAL RESULTS

Rs. in Crores

Particulars	CONSOLIDATED		STAND ALONE	
	2007-08	2006-07	2007-08	2006-07
Gross Income	1009.92	718.25	641.56	452.40
Net Income	875.86	640.06	549.51	397.09
Profit Before Depreciation, Interest & Tax	219.82	159.80	86.38	45.17
Depreciation	35.14	24.95	13.93	12.87
Interest	23.68	15.57	10.47	7.92
Profit Before Tax	161.00	119.28	61.98	24.38
- Current Tax (including FBT)	28.71	17.10	16.65	5.25
- Deferred Tax	0.31	(1.24)	0.37	(1.15)
- Adjustment for earlier years	1.03	0.27	0.34	0.16
- MAT Credit Entitlement	(10.73)	—	—	—
Profit After Tax	141.68	103.15	44.62	20.44
Less : Minority Interest	30.01	25.75	—	—
Net Profit after Minority Interest	111.67	77.40	44.62	20.44
Pre acquisition Profit/(Loss) of Subsidiaries	—	0.06	—	—
Dividend (including tax on dividend)	25.80	7.07	11.15	5.63
Transfer to General Reserve	14.50	2.04	4.50	2.04
Profit & Loss Account (Cr.) brought forward	115.99	47.64	49.30	36.53
Profit & Loss Account Balance on Amalgamation	4.78	—	4.78	—
Profit & Loss Account Balance carried forward	192.14	115.99	83.05	49.30

Figures for the current year are not comparable with those of the previous year as the current year figures include transactions arising out of amalgamation of erstwhile Century Panels Private Limited, Sharon Veneers Private Limited and Sharon Wood Industries Private Limited with the company, with effect from the appointed date 1st April, 2007.

AMALGAMATION OF CENTURY PANELS PRIVATE LIMITED, SHARON VENEERS PRIVATE LIMITED AND SHARON WOOD INDUSTRIES PRIVATE LIMITED AND ISSUE OF NEW SHARES

During the year, a Scheme of Amalgamation (the scheme) of Century Panels Private Limited (CPPL), Sharon Veneers Private Limited (SVPL) and Sharon Wood Industries Private Limited (SWIPL) with the Company was

approved by the members at the court convened meeting held on 8th October, 2007 and was subsequently sanctioned by Hon'ble High Courts of Judicature at Delhi and Kolkata on 27th February, 2008 and 5th March, 2008 respectively. The Certified copies of orders of Hon'ble High Courts were filed with Ministry of Corporate Affairs on 1st April, 2008 and accordingly the scheme became effective from 1st April, 2008. The appointed date of the scheme being 1st April, 2007, the effect of all transactions of CPPL, SVPL and SWIPL had been given in financial year 2007-08.

SVPL and SWIPL were both engaged in manufacturing of plywood and related products with a major market share in southern India and having manufacturing unit in Chinnappolapuram, Gummidipoondi, Chennai. CPPL was also engaged in manufacturing of plywood and related products having its unit at Rambha Road, Taraori, Haryana.

This merger is coherent with the current corporate trend of expansion via strategic acquisitions at group level. The merger has resulted in

- | Creation of a combined base of higher profitability and assets,
- | Benefits of horizontal integration, efficient utilization of their resources, greater economies of scale
- | Formation of a more coherent strategy for growth by providing an opportunity to plan for future growth avenues with greater choices and larger pool of combined resources.
- | Providing an access to a combined pool of marketing set up and unhindered leveraging of common financial and managerial resources in pursuit of a unified strategy.
- | Ensuring higher standards of corporate governance, assurance and risk management aspects.
- | Increased production capacities and increased market share of organized plywood market
- | Logistic advantages as acquired manufacturing units are located in northern and southern part of India
- | Unlocking the true potential of the combined resources.

This merger has resulted in the formation of a larger and stronger entity having a wider geographical reach and area of operations with a larger capital and asset base and greater capacity for conducting its operations more efficiently and competitively.

SUB DIVISION OF EQUITY SHARES

In accordance with the consent given by the Shareholders of the Company through Postal Ballot on 15th February, 2008 the equity shares of the company were sub-divided from Rs. 10/- denomination to Re. 1/- denomination. The sub-division became effective from the Record Date, i.e. 2nd May, 2008. The new sub-divided shares have been credited to the depository accounts of respective shareholders, where shares were held in demat form and physically dispatched to the shareholders who were holding shares in physical form. Old share certificates of Rs. 10/- denomination stands cancelled. ISIN for equity shares of Rs. 10/- each has been de-activated and new ISIN- INE348B01021 has been allotted for the sub-divided equity shares of Re. 1/- each and the same is active.

PERFORMANCE AND OPERATIONS REVIEW

During the year, your Company achieved Gross Income of Rs. 641.56 crores against Rs. 452.40 crores during the previous year reflecting a growth of over 41 %. The net profit also increased from Rs. 20.44 crores to 44.62 crores reflecting growth of over 118%. Your company continued its dominance in plywood, veneer & allied products and further increased its market share. The merger of three companies resulted in substantial increase of plywood capacity and also logistic benefits of proximity of manufacturing set ups across the country. The profitability of plywood segment increased from Rs. 20.71 crores to Rs. 39.75 crores. The profitability of all

segments increased considerably. The laminate division posted segmental profit of Rs. 7.47 crores against loss of Rs. 3.75 crores last year. With the assured availability of power from Captive Power Plant, the ferro alloy unit's profitability increased from Rs. 7.26 crores to Rs. 14.67 crores.

With record performance of the cement plant of the subsidiary, on consolidated basis also, your Company's operations grew significantly. During the year under review, your company achieved Gross Income of Rs. 1009.92 crores against Rs. 718.25 crores during the previous year, reflecting a growth of over 40 %. The net profit after minority interest also increased from Rs. 77.40 crores to Rs. 111.67 crores reflecting growth of over 44%.

DIVIDEND

In view of substantial growth in profitability of the Company your Directors are pleased to recommend the Dividend, at the rate of 50% against 25% paid last year. The Dividend amount of 50 paise per equity share of Re. 1/- each shall be exclusive of Dividend Tax. Dividend on 9% preference shares shall be paid as per coupon rate.

SAP IMPLEMENTATION

During the year your Company has implemented SAP ERP system, which connects all offices and manufacturing locations across the country through single software and single server. The new system will greatly enhance the company's capability to capture and process real time and comprehensive range of data to be used for decision making and day to day operations. The system will enable automation of almost all processes which were not part of the IT legacy system. It will also integrate good governance practices into the business process through the use of IT tools and software components. It will incorporate internal control requirements through well defined authorization profiles and rigid systems. The system will ensure better transparency and corporate governance across organization.

INTERNAL CONTROL SYSTEMS

Your Company's internal control systems are commensurate with its size and nature of business. Your Company places great emphasis on the maintenance of effective internal controls, both from the point of view of compliance with statutory requirements as well as supporting the smooth and efficient running of the business process that have an impact on financial reporting. Your Company has embarked on an internal control systems project to standardize and properly document the major processes and associated key controls. SAP will also help to achieve the same. Responsibility for ensuring correct and timely performance of the controls has been assigned to specific individuals at all locations.

SUBSIDIARIES & ASSOCIATES

Cement Manufacturing Co. Ltd (CMCL), Megha Technical & Engineers Pvt. Ltd (MTEPL) and Auro Sundaram Ply & Doors Pvt Ltd (ASPDPL) continued to be subsidiaries of the Company. During the Financial Year 2007-08, CMCL acquired 100% controlling interest in Star Cement Meghalaya Ltd. (SCML) and as such SCML also became a subsidiary of your Company with effect from 2nd June, 2007.

CMCL along with its subsidiary MTEPL operates integrated Cement plant at Meghalaya with aggregate annual installed capacity of 1 million Tonne. During the year under review, the cement production increased to 725196 MT as compared to 508150 MT in the previous year. It has been able to maintain its EBIDTA margins of 44% and improved net profit margin from 32.91% to 35.47%.

ASPDPL is operating a plywood unit at Raipur Industrial Area, Uttarkhand. This unit is manufacturing plywood and allied products from eco-friendly agro-forestry timber and is entitled to various incentives including excise duty and income tax exemption.

SCML is setting up a 1.5 million tonne clinkerisation unit along with a captive power plant at Lumshnong, Meghalaya.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statement comprising financial statements of the Company and its subsidiaries is also annexed.

Ministry of Corporate Affairs, Government of India has exempted the company from attaching the Annual Reports and other particulars of its subsidiary companies along with the Annual Report of the company required u/s 212 of the Companies Act, 1956. Therefore, the said Reports of the subsidiary companies are not attached herewith. However, a statement giving certain information as required by Ministry of Corporate Affairs, while granting exemption, is separately given. The company shall provide a copy of the Annual Report and other documents of its subsidiaries companies as required u/s 212 of the Companies Act, 1956 to the shareholders upon their request, free of cost. A statement of Holding Company's interest in subsidiaries is also furnished separately.

FUTURE OUTLOOK

Demand for Plywood, Laminates, Ferro Alloys and Cement is directly related to the growth of construction and infrastructure sector. With the ongoing boom in the infrastructure and construction sector, the demand for company and its subsidiaries' products is expected to remain comfortable. The present economic situation in the country and Government's fiscal policies also point to buoyancy in construction and infrastructure sector. In order to boost environment friendly interior materials, the Finance Minister has reduced excise duty on plywood and veneers from 16% to 8%, which will immensely benefit the organized sector of the industry.

In view of present shortage and additional future demand for houses the construction activity is expected to remain in full swing. Although a temporary cool down of construction activities may not be ruled out, the overall situation is expected to remain tilted towards demand. The enormous amount of activity in the construction industry has led to the growing demand for cement, steel, plywood, laminates and related products. Boom time continues in the commercial and residential construction sectors. Since Cement, Steel, Plywood and laminate related products are essential part of construction right from initial brick and mortar stage to final stage of furnishing, the demand for these products is expected to remain buoyant. With the increased urbanization and improvement in income and living standard of average Indians, branded products, like "Centuryply" are continuing to command price premium and consumer preference.

FUTURE PLANS OF EXPANSION

Considering buoyant demand for the products and marketing strength of "Centuryply" brand, the company has plans for green field projects, brown field expansions, mergers and acquisitions. The company had firmed up its plans to set up Medium Density Fiber (MDF) Board units, in Punjab, Uttarakhand and North Eastern states. The company has also planned India's biggest greenfield plywood unit in Punjab and double the capacity of its laminate unit.

The company is also increasing its focus on logistic services sector. The company is already operating a jetty at Falta, South 24 Parganas, West Bengal with Ministry of Commerce, Govt. of India. The company has plans to develop Container Freight Stations (CFS) and Inland Container Terminals. Increasing volume of cargo at Kolkata Port has resulted in heavy congestion at the port and in order to ease congestion, the port authorities have decided to develop CFS. Kolkata Port Trust has allotted to the company two plots near Kolkata Port which are being developed as CFS and are expected to commence operations in the current financial year.

The subsidiaries of the company are also having ambitious growth plans and are proposing to expand their cement manufacturing capacity from 1 million MT to 4 million MT.

PUBLIC DEPOSITS

The Company did not invite or accept any deposits from the public under Section 58A of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Directors reaffirm their commitment to Corporate Governance Code prescribed by the Securities Exchange Board of India (SEBI). This Annual Report contains a detailed Corporate Governance Report along with Auditors' Certificate, as per requirement of Clause 49 of the Listing Agreements with the Stock Exchanges.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required by Clause 49 of the Listing Agreement with the Stock Exchanges for the year under review is given as a separate statement

CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification has been submitted to the Board.

COMPLIANCE CERTIFICATE

A certificate from the auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is contained elsewhere in the Annual Report.

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

Your Company firmly believes in all around human resource development and cordial industrial relations. Identifying and rewarding human talent at all levels has helped the company to achieve all around development both in terms of quality and economy. The company maintains absolute harmony with its work force and has not faced any labour trouble since inception.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956.

Details of the employees of the Company who were drawing remuneration requiring disclosure under section 217 (2A) of the Companies Act, 1956 is as under :

There was no employee employed throughout the year drawing remuneration more than Rs. 24 Lacs per annum. Name and detail of one employee who was employed for part of the year and drawing remuneration of more than Rs. 2 Lacs per month is given hereunder.

Name	: Mr. Anoop Hoon
Designation	: President (Marketing) and Organisation Development
Qualification	: B.A (Economic) PGDM (XLRI Jamshedpur)
Age	: 53 years
Date of Joining	: 1st March, 2008
Experience	: 28 years
Gross Remuneration	: Rs. 3,81,167/-
Previous Employment	: Invigorsys Consultancy Pvt Ltd.
Designation at Previous Employment	: Director

Information as to conservation of energy

The Company has always been conscious of the need of conservation of energy. Adequate energy conservation steps are being taken in all plants and offices of the company. The additional information on Conservation of energy for company's ferro-alloy unit is set out in a separate statement, attached to this report and forming part of it.

Information as to technology absorption

There is no specific area in which R & D is carried out by the Company but Company constantly carry out research for improvement of its products. During the year under review there has been no specific and material capital/recurring expenditures on R&D. The Company is a member of Indian Plywood Industries Research and Training Institute (IPIRTI) and have contributed Rs.15,000/- towards yearly subscription to IPIRTI. The technologies used by the company are indigenous. Constant efforts are made towards absorption, adaptation and innovation of technologies used, for improvement/ development of products of the company.

Foreign Exchange earnings and outgo

Foreign Exchange Earning	Rs. 22.69 Crores
Foreign Exchange Outgo	Rs. 190.91 Crores

DIRECTORS

In accordance with Articles of Association of the Company Sri Sajan Kumar Bansal, Sri Manindra Nath Banerjee and Sri Brij Bhushan Agarwal retire by rotation, and being eligible, offer themselves for re-appointment. In view of their considerable experience, your Directors recommend their re-appointment.

Sri Banwari Lal Agarwal and Sri Nag Raj Tater resigned from the Directorship of the Company with effect from 16th April, 2008. As per request of the Board Sri Agarwal, agreed to continue providing guidance to the company as 'Chairman Emeritus' and Sri Tater agreed to remain in services of the company.

Sri Santanu Ray has submitted resigned from the Directorship of the Company w.e.f 26th June, 2008. Your Directors appreciate the services rendered by Sri Ray to the Company.

Sri Prem Kumar Bhajanka and Sri Vishnu Khemani were appointed as Additional Directors of the Company on 16th April, 2008 by the Board of Directors of the Company. Sri S.B. Ganguly was appointed as Additional Director of the Company on 26th June, 2008 by the Board of Directors. Sri Bhajanka, Sri Khemani and Sri Ganguly would hold such office till the ensuing Annual General Meeting. The Company has received notices under section 257 of the Companies Act, 1956 proposing their candidature to the office of Director of the Company. In view of considerable experience of Sri Bhajanka, Sri Khemani and Sri Ganguly, your Directors recommend their appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors hereby confirm that :-

- (i) in preparing the annual accounts, 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 judgments 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 of 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) the Directors had prepared the annual accounts on a going concern basis

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and as such do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

AUDITORS

M/s. Ashok Kedia & Co., Chartered Accountants and M/s. Kailash B. Goel & Co., Chartered Accountants, Joint Statutory Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting. They have expressed their unwillingness to be reappointed. Your Directors place on record the invaluable services rendered by both the firms during their respective tenures. In view of their unwillingness, the Board of Directors propose M/s. S. R. Batliboi & Co., Chartered Accountants, who have agreed for appointment and have confirmed that their appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Your Directors recommend their appointment for ensuing year.

APPRECIATION

Your Directors take this opportunity to convey their sincere appreciation to the Company's employees, Bankers, Shareholders for their valuable services, support and continued confidence in the company. Your Directors are also deeply grateful to company's customers, associates, suppliers, Government Authorities for their continued support.

For and on behalf of the Board of Directors

Kolkata
26th June, 2008

S. B. Ganguly
Chairman

Annexure - I

DISCLOSURE AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988. AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2008.

Form for Disclosures of particulars with respect to conservation of energy.

SL No.	Particulars		2007-08	2006-07
A	Power and fuel Consumption			
1	Electricity			
	A	Purchased		
		Units (Lacs KWH)	114.63	143.13
		Total Amount (Rs. In Lacs)	337.10	391.82
		Rate / unit (Rs.)	2.94	2.74
	B	Own Generation		
		Through Diesel Generator		
		Units (Lacs KWH)	0.44	0.75
		Unit / Ltr of HSD	3.84	3.37
		Total Amount (Rs in Lacs)	3.54	6.98
		HSD cost / Unit Generated (Rs/unit)	8.10	9.34
		HSD Rate / Litre (Rs)	31.07	31.51
	C	Through Captive Power Unit		
		Units (Lacs KWH)	1092.32	894.03
		Total Cost (Rs. Lacs)	2458.83	1802.02
		Rate /Unit (Rs.)	2.25	2.02
B	CONSUMPTION PER UNIT OF PRODUCTION			
		Electricity (KWH/T of Ferro Silicon)	8246.93	9047.11
		HSD (Ltr / T of Ferro Silicon)	0.85	1.93

**CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER**

To
The Board of Directors
Century Plyboards (I) Ltd.
6 Lyons Range
Kolkata – 700 001

1. We hereby certify that for the financial year ending 31st March 2008 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2007-08, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design and operation of the internal control systems and that we have taken the required steps to rectify those deficiencies.

We further certify that :

- a) there have been no significant changes in internal control during the year.
- b) there have been no significant changes in accounting policies during the year.
- c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Sajjan Bhajanka
Managing Director & CEO

Arun Kumar Julasaria
CFO and Company Secretary

Date 26th June, 2008

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. In accordance with the Listing Agreement, a certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance by the Company has been inserted elsewhere in the Annual Report.

1. BOARD OF DIRECTORS

Composition

As on 31st March, 2008 the Board of Directors consisted of Twelve Directors, headed by non-executive Chairman, as under :

Sl	Name	Designation	Whether Promoter	Whether Executive	Whether Independent
1.	Sri Banwari Lal Agarwal	Chairman	Yes	No	No
2.	Sri Hari Prasad Agarwal	Vice Chairman	Yes	Yes	No
3.	Sri Sajjan Bhajanka	Managing Director	Yes	Yes	No
4.	Sri Sanjay Agarwal	Dy. Managing Director	Yes	Yes	No
5.	Sri Brij Bhushan Agarwal	Director	Yes	No	No
6.	Sri Sajan Kumar Bansal	Director	Yes	No	No
7.	Sri Ajay Baldawa	Executive Director	No	Yes	No
8.	Sri Nag Raj Tater	Executive Director	No	Yes	No
9.	Sri Manindra Nath Banerjee	Director	No	No	Yes
10.	Sri Santanu Ray	Director	No	No	Yes
11.	Sri Mangi Lal Jain	Director	No	No	Yes
12.	Ms Plistina Dkhar	Director	No	No	Yes

The Company has an optimum combination of Promoter, Independent, Executive and Non-executive Directors who are experts in different disciplines of corporate working i.e., finance, legal, technical, marketing, administration, etc.

Sri Banwari Lal Agarwal and Sri Nag Raj Tater resigned from the Directorship of the Company with effect from 16th April, 2008. Sri Santanu Ray has submitted his resignation from the Directorship of the Company, to be made effective on and from 26th June, 2008.

Sri Prem Kumar Bhajanka and Sri Vishnu Khemani were appointed as Additional Directors of the Company on 16th April, 2008. Sri S.B. Ganguly was appointed Additional Director of the Company on 26th June, 2008. He was also elected to be non-executive chairman of the company.

Other Directorship, Committee Membership and Chairmanship

The details about positions held by Board of Directors as Directors of other Public Limited Companies, Committee Membership and Committee Chairmanship as on 31st March, 2008 are as under :

Sl	Name	Number of Other		
		Directorship of Public Limited Companies	Committee Membership	Committee Chairmanship
1.	Sri Banwari Lal Agarwal	1	—	—
2.	Sri Hari Prasad Agarwal	7	—	—

Sl	Name	Number of Other		
		Directorship of Public Limited Companies	Committee Membership	Committee Chairmanship
3.	Sri Sajjan Bhajanka	8	—	1
4.	Sri Sanjay Agarwal	7	—	—
5.	Sri Ajay Baldawa	—	—	—
6.	Sri N. R. Tater	2	—	—
7.	Sri Manindra Nath. Banerjee	1	—	—
8.	Sri Santanu Ray	3	—	—
9.	Sri Mangi Lal Jain	4	—	—
10.	Sri Brij Bhushan Agarwal	8	—	—
11.	Sri Sajan Kumar Bansal	7	—	—
12.	Ms. Plistina Dkhar	1	—	—

None of the Directors hold membership of more than ten Committees of Board nor is a Chairman of more than five Committees of Board of all the companies in which he/ she is a Director.

Board Meetings & Procedure

The Board meets in executive session at least four times in a year at quarterly intervals and more frequently if deemed necessary, to transact its business. The meetings are convened by giving appropriate notice after obtaining approval of the Chairman of the Board. The Company Secretary, in consultation with the Chairman and Managing Director prepares the agenda for the meeting. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions at the meetings. Sensitive subject matters are discussed at the meeting even without written material being circulated. The meetings of the Board of Directors are generally held at Company's Registered Office at Kolkata, and generally scheduled well in advance. The members of the Board have complete access to all information of the Company.

Number and Dates of Board Meetings held during the year

During the financial year ended 31st March, 2008, the Board met seven times on 16th May 2007, 2nd June 2007, 30th July 2007, 30th September 2007, 30th October 2007, 18th December 2007 and 24th January 2008. Attendance at the Board Meetings during the financial year 2007-08 and at the previous Annual General Meeting are as under :

Sl	Name	No. of Board Meetings held	No. of Board Meeting Attended	Last AGM Attended
1.	Sri Banwari Lal Agarwal	7	7	Yes
2.	Sri Hari Prasad Agarwal	7	7	Yes
3.	Sri Sajjan Bhajanka	7	7	Yes
4.	Sri Sanjay Agarwal	7	5	Yes
5.	Sri Brij Bhushan Agarwal	7	1	No
6.	Sri Sajan Kumar Bansal	7	5	Yes
7.	Sri Ajay Baldawa	7	3	Yes
8.	Sri Nag Raj Tater	7	6	Yes
9.	Sri Manindra Nath Banerjee	7	7	Yes
10.	Sri Santanu Ray	7	5	Yes
11.	Sri Mangi Lal Jain	7	7	No
12.	Ms. Plistina Dkhar	7	—	No

Changes during the financial year 2007-08

Ms. Plistina Dkhar was appointed as Director at the previous Annual General Meeting held on 16th July, 2007.

2. COMMITTEES OF BOARD

Audit Committee

The Audit Committee is responsible for the effective supervision of the financial reporting processes to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting

Composition

The Audit Committee comprises of the following four members :

Name	Category	Designation
Sri Santanu Ray	Non-Executive independent	Chairman
Sri Mangi Lal Jain	Non-Executive independent	Member
Sri Manindra Nath Banerjee	Non-Executive independent	Member
Sri Hari Prasad Agarwal	Executive non-independent	Member

All the members of the Committee are financially literate. The Committee was headed by Sri Santanu Ray, who is a fellow member of the Institute of Chartered Accountants of India and is also Ph D. He is having an experience of over 26 years in management consultancy and management education. Sri Mangi Lal Jain is also a fellow member of the Institute of Chartered Accountants of India and has over 51 years of experience in various industries. Sri Manindra Nath Banerjee is a retired IAS Officer with over 41 years of experience. Sri Hari Prasad Agarwal is Commerce Graduate with over 35 years of experience in finance and accounts.

The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

During the financial year ended 31st March, 2008, the Audit Committee met four times on 16th May 2007, 30th July 2007, 30th October 2007 and 24th January 2008. Sri Santanu Ray, Sri Mangi Lal Jain, Sri Manindra Nath Banerjee and Sri Hari Prasad Agarwal attended all four meetings.

The meetings of the Audit Committee were also attended by the Executive Director (Finance & Commercial), the Manager-Accounts and representatives of the Statutory Auditors as invitees for the relevant meetings.

Terms of reference

Terms of reference of the Audit Committee includes the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending appointment, re-appointment and if required removal/replacement of statutory, branch & internal auditors and recommend their remuneration.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the annual audited financial statements before submission to the board for approval, with particular reference to Directors' Responsibility Statement, Change in Accounting Policies, Major Accounting entries, Audit findings, Audit Qualifications, Related Party Transactions and Compliance with listing agreements of stock exchanges.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain areas of concern.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control system.
- Reviewing the adequacy of internal audit function and discussion with internal auditors regarding any significant finding and follow up.

- h) To investigate into any matter in relation to items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary.
- i) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit report.

Remuneration Committee

The Remuneration Committee determines on behalf of the Board and shareholders as per agreed term of reference, the Company's policy on specific remuneration packages for executive directors.

Composition

The Remuneration Committee comprises of the following three members :

Name	Category	Designation
Sri Santanu Ray	Non-Executive independent	Chairman
Sri Mangi Lal Jain	Non-Executive independent	Member
Sri Manindra Nath Banerjee	Non-Executive independent	Member

During the year the Committee was reconstituted by appointment of Shri Mangi Lal Jain in place of Shri Hari Prasad Agarwal who resigned from the membership of the Committee.

The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

During the year, the Remuneration Committee met only once on 16th May 2007 and was duly attended by all the members of the Committee.

Details of remuneration paid to Directors

Executive Directors :

Sl. No	Name of the Director	Designation	Remuneration Rs.
1.	Sri Sajjan Bhajanka	Managing Director	12,00,000
2.	Sri Sanjay Agarwal	Dy Managing Director	12,00,000
3.	Sri Hari Prasad Agarwal	Executive Director	10,00,000
4.	Sri Ajay Baldawa	Executive Director	10,00,000
5.	Sri N. R. Tater	Executive Director	9,23,330

The remuneration shown above is total consolidated salary paid during 2007-08.

Non-Executive Directors

The Company did not pay any remuneration to Non-Executive Directors, except sitting fees for attending the meetings of the Board and reimbursement of traveling and out of pocket expenses for attending such meetings. During the year, the company paid sitting fee of Rs. 5000/- for attending each meeting of the Board of the company. Some of the Directors voluntarily waived off the sitting fee for the meetings attended by them. The details of sitting fee paid to Non-Executive Directors during the year 2007-08 are given below :

Sl. No	Name of the Non-Executive Director	Designation	Sitting Fee (Rs.)
1.	Sri Manindra Nath Banerjee	Director	35,000/-
2.	Sri Santanu Ray	Director	25,000/-
3.	Sri Mangi Lal Jain	Director	35,000/-

The salient terms of appointment and payment of remuneration to Managing, Deputy Managing and Executive Directors :

Period of Appointment	Sri Sajjan Bhajanka Sri Sanjay Agarwal Sri Ajay Baldawa Sri Nag Raj Tater* Sri Hari Prasad Agarwal	Upto 31st March, 2011 Upto 30th June, 2011 Upto 30th June, 2011 Upto 30th June, 2012 Upto 31st May, 2012
Salary Scale	Sri Sajjan Bhajanka Sri Sanjay Agarwal Sri Ajay Baldawa Sri Nag Raj Tater* Sri Hari Prasad Agarwal	Maximum Rs. 15,00,000/- Maximum Rs. 15,00,000/- Maximum Rs. 12,00,000/- Maximum Rs. 12,00,000/- Maximum Rs. 12,00,000/-
Perquisites and Allowances (excluding company's contribution to provident, superannuation & gratuity funds and leave encashment)	Sri Sajjan Bhajanka Sri Sanjay Agarwal Sri Ajay Baldawa Sri Nag Raj Tater* Sri Hari Prasad Agarwal	Maximum Rs. 6,00,000/- Maximum Rs. 6,00,000/- Maximum Rs. 6,00,000/- Maximum Rs. 3,00,000/- Maximum Rs. 6,00,000/-
Minimum Remuneration in case of inadequacy of profit during any financial year.	Remunerations mentioned above are Minimum Remuneration in case of inadequacy of profit during any financial year.	
Notice Period on either side	Three Calendar Months from either side	
Severance fees payable by the company for termination of employment.	Nil	
Stock Options	Nil	

* Resigned from Directorship w.e.f 16.04.2008

Share Transfer cum Investor Grievance Committee

As a measure of good Corporate Governance and to focus on the shareholders' grievances towards strengthening investor relations, a Share Transfer cum Investor Grievance Committee has been constituted. The Committee, *inter alia*, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. It also ensures speedy redressal of investor complaints, queries and grievances.

Composition

The Share Transfer cum Investor Grievance Committee comprises of the following two members :

Name	Category	Designation
Sri Manindra Nath Banerjee	Non-Executive independent	Chairman
Sri Hari Prasad Agarwal	Executive non-independent	Member

During the year the Committee was reconstituted by appointment of Sri Manindra Nath Banerjee as chairman of the Committee in place of Sri Hari Prasad Agarwal who resigned from the chairmanship of the Committee. The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

During the year the Share Transfer cum Investor Grievance Committee met twenty-four times on 16th April,2007, 30th April,2007, 15th May,2007, 31st May,2007, 15th June,2007, 30th June,2007, 12th July,2007, 31st July,2007, 16th August,2007, 31st August, 2007, 15th September,2007, 29th September,2007, 15th October,2007, 31st October,2007, 15th November,2007, 30th November,2007, 15th December,2007, 31st December,2007, 15th January,2008, 31st January,2008, 15th February,2008, 29th February,2008, 15th March,2008 and 31st March,2008. Both members attended all the meetings.

Status of pending Complaints

Sri A. K. Julasaria, Company Secretary is Compliance Officer of the Company for attending to Complaints/Grievances of the members. During the year under review, all 20 complaints received from investors were replied / resolved to the satisfaction of the investors. The complaints pending at the beginning and at the close of the financial year were Nil.

3. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings

AGM	Year ended	Venue	Date	Time
24th	31.03.2005	Merchants Chamber of Commerce 15 B, Hemant Basu Sarani, Kolkata – 700 001	15.09.2005	11-00 AM
25th	31.03.2006	Merchants Chamber of Commerce 15 B, Hemant Basu Sarani, Kolkata – 700 001	30.12.2006	11-00 AM
26th	31.03.2007	Merchants Chamber of Commerce 15 B, Hemant Basu Sarani, Kolkata – 700 001	16.07.2007	11-00 AM

Following Special Resolutions were passed in last three Annual General Meetings

At 24th AGM, Special Resolution was passed for delisting equity shares of the company from the Ahmedabad Stock Exchange, the Delhi Stock Exchange and the Calcutta Stock Exchange as per SEBI (Delisting of Securities) Guidelines, 2003.

At 25th AGM, Special Resolution was passed empowering Board to issue securities including equity shares upto Rupees five hundred crores.

At 26th AGM, the following Special Resolutions were passed:

- i. Alteration of Articles of Association of the Company with respect to maximum number of Directors that may be appointed on the Board of the Company.
- ii. Empowering Board to issue securities including equity shares upto Rupees four hundred crores
- iii. Change of name of the Company

During the financial year 2007-08, no Special Resolution was passed through postal ballot. Only an ordinary resolution was passed through postal ballot for sub-division of equity shares from face value of Rs. 10/- each to face value of Re. 1/- each, and consequent alteration of capital clause of the Memorandum of Association of the company.

No resolution is proposed to be put through postal ballot at this Annual General Meeting.

4. DISCLOSURES

- i. There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. having potential conflict with the interests of the Company at large. Other related party transactions have been reported in Notes to Accounts. The Register of Contracts containing transactions, in which the Directors are interested, is placed before the Board regularly.
- i. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three financial years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.
- i. The Company has a defined Risk Management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessment and procedures to minimize risk. The risk policy is periodically reviewed to ensure that the executive management controls the risk as per decided policy. The risk management issues are discussed in Management Discussion and Analysis.

- i The Company had complied with all mandatory requirements and some non-mandatory requirements of Corporate Governance as required by the Listing Agreement.

5. CODE OF CONDUCT

The Board of Directors has adopted a Code of Business Conduct and Ethics for all Board Members and senior management personnel and the same has been posted on the company's website www.centuryply.com. All the Board members and senior management personnel have affirmed compliance with the Code for the year ended 31st March 2008. A declaration to this effect signed by the CEO of the Company is given hereunder:

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2007-08.

Sajjan Bhajanka
Managing Director & CEO

6. CEO/CFO CERTIFICATION

Sri Sajjan Bhajanka, Managing Director & CEO and Sri Arun Kumar Julasaria, CFO and Company Secretary of the Company have submitted CEO/CFO certificate, which is separately annexed to this report.

7. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are considered by the Board and are published in prominent English and Bengali newspapers usually in The Economic Times, Hindu Business Line and Dainik Lipi. The financial results are also posted on the website of the Company –www.centuryply.com.

8. MANAGEMENT DISCUSSION AND ANALYSIS

This information is set out in a separate section included in this annual report.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	27th August, 2008 (Wednesday)
Time	11.00 A.M.
Venue	'Gyan Manch', 11, Pretoria Street Kolkata – 700 071
Financial Year	2007-08
Book Closure Date	23rd August, 2008 to 27th August, 2008 (Both Days inclusive)
Dividend Payment Date	Within statutory period from date of passing resolution at General Meeting.

Listing on Stock Exchanges

The Company's shares are presently listed on following three stock exchanges.

- a) The National Stock Exchange of India Ltd.(NSE),
Exchange Plaza
Bandra- Kurla Complex
Bandra (E).
Mumbai – 400 051
Stock Symbol CENTURYPLY

- b) The Bombay Stock Exchange (BSE),
P J Towers,
Dalal Street, Fort,
Mumbai 400 001
Stock Code 532548
- c) The Delhi Stock Exchange Association Ltd.,(DSE)
DSE House,
3/1, Asaf Ali Road,
New Delhi 110 002
Stock Code 9201

The Company's application for voluntary delisting of shares from The Calcutta Stock Association Ltd. has been approved in terms of Securities & Exchange Board of India (Delisting of Securities) Guidelines 2003 with effect from 25th March, 2008. However, approval from The Delhi Stock Exchange Association Ltd. in this regard is still awaited.

The Company has paid listing fees to NSE and BSE for the year 2007-08 & 2008-09. However, the same has not been paid to DSE in view of its pending approval to Company's application for voluntary delisting.

ISIN No. - for shares of F.V. Rs. 10/- : INE348B01013 (Now stands deactivated)
for shares of F.V. Re. 1/- : INE348B01021 (Sub divided w.e.f. 2nd May,08)

Market Price Data :

Monthly high and low quotations as well as the volume of shares traded at Bombay Stock Exchange and National Stock Exchange, where the shares are regularly traded, for the financial year 2007-08 are as follows :

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High Rs.	Low Rs.	Volume No. of Shares	High Rs.	Low Rs.	Volume No. of Shares
2007						
April	344.00	290.00	28631	340.00	285.00	62062
May	340.00	297.00	59783	345.00	295.55	85349
June	315.00	284.60	17598	315.00	265.00	21272
July	376.80	271.00	156026	395.00	280.00	298101
August	438.85	348.10	90016	433.00	348.00	222062
September	520.00	405.00	228880	519.90	405.00	392767
October	550.00	450.00	91677	554.00	390.00	120334
November	638.00	414.95	169256	648.00	465.00	275167
December	833.60	632.15	133685	815.00	584.70	274789
2008						
January	825.00	560.00	73040	800.00	538.40	163946
February	825.00	601.05	41771	779.90	601.00	73340
March	758.50	556.05	124042	730.00	555.00	175407

Performance of Company's shares in comparison to BSE Sensex is as under :

Month	BSE Sensex		Company's Shares	
	Closing	% Change	Closing	% Change
2007				
April	12042.56	(7.88)	324.00	11.84
May	10398.61	(13.65)	301.00	(7.10)
June	10609.25	2.03	297.35	(1.21)
July	10743.88	1.27	359.15	20.78
August	11699.05	8.89	406.90	13.30
September	12454.42	6.46	489.90	20.40
October	12961.90	4.07	496.50	1.35
November	13696.31	5.67	613.10	23.48
December	13786.91	0.66	792.15	29.20
2008				
January	14090.92	2.21	700.15	(11.61)
February	12938.09	(8.18)	743.35	6.17
March	13072.10	1.04	609.55	(18.00)

Note : Figures in bracket indicate negative value

Registrar and Share Transfer Agent :

M/s. Maheshwari Datamatics Private Ltd.,
6, Mangoe Lane,
Kolkata 700 001
Phone No. 033- 22435029/5809
Fax : 033-22484787
Email : mdpl@cal.vsnl.net.in

Share Transfer System

The Share Transfer cum Investor Grievance Committee approves transfer of shares in physical mode.

The Company's Registrar transfers the shares within 30 days of receipt of request and the same is approved by the Share Transfer cum Investor Grievance Committee. Transfer of shares in dematerialized form are duly processed by NSDL/ CDSL in electronic form through the respective Depository Participants. Dematerialization is done within 20 days of receipt of request along with the share certificates through the Depository Participant of the shareholder.

The Share Transfer cum Investor Grievance Committee generally meets once in a fortnight for approving share transfers and for attending to shareholders' grievances and complaints.

Distribution of shareholding

Category	As on 31st March, 2008			
	No. of Shareholders		No. of Shares	
	Total	%	Total	%
1 - 500	2412	83.95	263890	1.34
501 - 1000	191	6.65	143549	0.73
1001 - 2000	105	3.65	161191	0.82

Category	As on 31st March, 2008			
	No. of Shareholders		No. of Shares	
	Total	%	Total	%
2001 - 3000	36	1.25	88046	0.45
3001 - 4000	15	0.52	54363	0.28
4001 - 5000	10	0.35	46025	0.23
5001 - 10000	25	0.87	183265	0.93
10001 - and above	79	2.75	18825084	95.24
TOTAL	2873	100.00	19765413	100.00

Shareholding pattern

Category	As on 31.03.2008	
	No. of Shares	% to Share Capital
Promoters- Indian	17533055*	88.71
Mutual Funds	360712	1.82
Private Corporate Bodies	831104	4.21
NRIs	42371	0.21
Indian Public	998171	5.05
TOTAL	19765413*	100.00

* Excluding 2451886 equity shares of Rs. 10/- each issued as per Scheme of Amalgamation of Century Panels Pvt. Ltd., Sharon Veneers Pvt. Ltd. and Sharon Wood Industries Pvt. Ltd. with the company. These shares were kept as Share Capital Suspense on 31st March, 2008 and were allotted on 16th April, 2008.

Dematerialization of shares and liquidity

The Company's shares have been mandated for compulsory trading in demat form. Valid demat requests received by the Company's Depository Registrar are confirmed within the statutory period.

The International Securities Identification Number (ISIN) allotted for the Company by NSDL and CDSL consequent upon sub-division of its equity shares from face value of Rs. 10/- to face value of Re. 1/- is INE348B01021. In case a member wants his shares to be dematerialized, he may send the shares along with the request through his Depository Participant (DP) to the Registrars, M/s. Maheshwari Datamatics Private Limited.

The Company's Depository Registrars promptly intimate the DPs in the event of any deficiency and the shareholder is also kept abreast. Pending demat requests in the records of the Depositories, if any, are continually reviewed and appropriate action initiated.

As on 31st March, 2008 a total of 17188015 shares of the Company, which forms 86.96% of the Share Capital of the Company stood dematerialised.

Plant Locations

Plywood, Veneer and Laminate Units			Ferro Alloy & Power Unit
Diamond Harbour Road Kanchowki, Bishnupur Dist : 24 Parganas (S) West Bengal	Rambha Road Taraori Haryana	Chinnappolapuram Gummidipoondi Chennai	EPIP Area Byrnihat Dist : Rai-Bhoi Meghalaya

Address for correspondence

The Company Secretary & Compliance Officer
Century Plyboards (India) Limited.,
6, Lyons Range,
Kolkata 700 001
Phone : 033-2210 4321/26 (6 lines)
FAX : 033-2248 3539
Email : arun@centuryply.com
Website: www.centuryply.com

E Mail ID for Investors Grievances : arun@centuryply.com

For and on behalf of the Board of Directors

Registered Office
6, Lyons Range
Kolkata - 700 001
26th June, 2008

S. B. Ganguly
Chairman

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No. of the Company: 034435
Nominal Capital: Rs. 50 crores

To
The Members of Century Plyboards (India) Ltd

We have examined the compliance of the conditions of Corporate Governance by Century Plyboards (India) Limited for the year ended 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

For **Ashok Kedia & Co.**
Chartered Accountants

For **Kailash B. Goel & Co.**
Chartered Accountants

Kolkata
Date : 26th June,2008

CA. Ashok Kr. Kedia
Partner
M. No. 50510

CA. Arun Kr. Sharma
Partner
M. No.57329

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENT

The projected growth of Company's products (Plywood, Laminates, Cement and Ferro Alloys) is based on the push-and-pull effects of supply and demand determinants like the economic trends in India, growth of housing and infrastructure sector.

The growing influence of technology, organization, information, education and productive skills, acting on the foundation of India's increasingly dynamic and vibrant economic base, lend credence to the view that India can achieve and sustain higher than historical rates of economic growth in the coming decades. The compounded effect of achieving the targeted annual GDP growth rate of 8.5 to 9 per cent over the next 12 years would result in a tripling of the real per capita income and almost eliminating the percentage of Indians living below the poverty line. This will mean, India will move from a low income country to an upper middle income country.

In developed countries like United States 72.5% of citizens own their homes. 69% live in their own houses in UK. If we aspire to become a developed nation by the Year 2020, we must ensure a decent home for each family of our country. According to the Ministry of Urban Development, the total housing requirement of the country is 200-225 million units out which we currently have just 170 million. Hence the shortage is of around 30-55 million units. Further the next 15-20 years will create an additional demand for 70 million houses. We have to gear up to provide around 100 million houses. We will have to build an average 8.5 million houses every year from now and until the year 2020. Even after recent hike in interest rates, the EMI on a 20 years home loan works out attractive than the rent one pays. The capacity to pay exist is evident from the fact that despite sub prime crisis all over the world, Indian home loan lenders remained unaffected.

India has the potential to absorb US \$150 billion in next five years in the infrastructure sector alone. A huge sum is assigned for development of new airports and modernization of existing ones. A number of SEZs are in progress. Hotel majors and Retail majors have lined up their expansion plans to capitalize on the rising opportunities.

For achieving the desired economic growth rate, India needs to rapidly develop its infrastructure and herein lies a big opportunity for company's products as the growth of demand for company's products is related directly to the growth of the real estate sector (construction of residential and commercial spaces, shopping malls, etc), infrastructure (construction of airports, SEZs, etc) and hospitality industries. As Cement, Steel, Plywood and laminate related products are essential part of construction right from initial brick and mortar stage to final stage of furnishing, the demand supply equation for these products is expected to remain tilted towards demand.

OPPORTUNITIES AND THREATS

Plywood and Laminate Segment

It is quite evident from industry as well as our company volumes that, as a result of booming infrastructure and housing, demand for Cement, Plywood, Laminate and related products had remained and expected to remain buoyant.

The Indian Plywood and panel market estimated around Rs. 7000 crores, is highly fragmented, with unorganized sector controlling major market share. The organized segment is highly concentrated, with only few players constituting around 20% of the market. The unorganized segment has advantages in terms of excise waivers and other benefits due to their SSI status. With rationalization of excise duty (from 16% to 8%) and VAT across the country, organized sector is consolidating and expected to grow rapidly and increase its share from 20% to 40% of estimated Rs. 14000 crore market by 2020. Consolidation of organized sector may result in emergence of existing small players as big players and new players entering.

Over heated real estate prices and rising home loan interest rates may temporarily slow down construction activity in housing sector.

Cheap imported particularly Chinese products may eat away organized sector market and hence slow down company's growth.

The Company is India's leading plywood manufacturing company with a very strong brand image. "CENTURY PLY" – the brand name under which the Company markets its products is known for quality. The company deals in upper class segments, which are highly brand conscious. Over the years the company had developed innovative and quality products catering to niche segments, invested heavily on brand building and maintained customer faith by providing guarantee on its products. The company could ward off competition from other players and imported products due to these reasons and expect to sustain its growth levels and continue to command price premium. The company being unable to cope up with present demand is expanding its capacities by mergers, acquisitions, brown and green-field expansions.

Laminate is used to provide aesthetic look to plywood, its market scenario goes along-with plywood market scenario. Despite late entry into this segment Centuryply Mica is today a symbol of quality and company is planning expansion of its laminate capacity.

Ferro Alloys

The company manufactures ferro silicon at its unit at Meghalaya. The production system is continuous system and is highly power intensive. Disruption in power supply will adversely affect production. The product is used as an ingredient in steel industry and as such dependent upon steel demand.

The company has installed a captive power plant to take care of power problem. In view of growing infrastructure, demand for steel and in turn of ferro silicon is expected to remain stable. Apart from this, company's ferro alloy unit is located in Meghalaya and is entitled to various incentives and concessions including excise and tax holidays applicable to units in North East part of India. Due to all these, the company is already in an advantageous position compared to other players.

Cement

The company's major subsidiary Cement Manufacturing Co. Ltd (CMCL) is running a fully integrated composite cement plant in Meghalaya. CMCL's subsidiaries Megha Technical and Engineers Pvt Ltd (MTEPL) and Star Cement Meghalaya Ltd (SCML) are running and setting up cement and clinker capacities in Meghalaya, Assam and West Bengal.

The recent boom in infrastructure and housing has boosted cement demand in country. As per a report by the ICRA Industry Monitor, the installed capacity of cement in India is expected to increase from present 186 mt per annum (mtpa) to 241 mtpa by 2010. The cement demand in country is expected to grow @ 10 per cent per annum. On the price front, cement prices are expected to remain firm owing to the continued buoyancy in demand, driven by housing and infrastructure sectors.

The company is having its cement plant located in North East part of India. According to a report by Holtec, the demand for cement in the north east is growing @ 15% against all India CAGR of 10%. The Government of India has announced the North East Industrial and Investment Promotion Policy 2007, which provides an extensive package of fiscal incentives to boost investment and infrastructure in North East. The company is having its cement unit strategically located and entitled to various fiscal incentives including excise refund and income tax holiday for 10 years. It is having captive lime stone mines and availability of coal within a radius of 50 kms. It is marketing cement under brand name "Star Cement" which is highest selling cement brand of north east.

In order to meet opportunity created by growing demand, the Company during the year expanded its clinker and cement capacity from 1200 TPD to 1800 TPD and has now undertaken plan to expand further to 2400 TPD. During the year under review, MTEPL also commissioned its 1400 TPD grinding unit with which the consolidated cement capacity of the Company now stands at around 1 million tonne per annum. In view of encouraging performances the company has set an ambitious plan to expand its capacity to 4 million tonne per annum by 2010. The capacities will be added in Meghalaya, Assam and West Bengal and will have captive power plants of adequate capacity.

Cement is considered to be a cyclical industry. Addition of new capacities particularly in north east may tilt industry more towards supply situation. Cement is highly capital intensive and fairly long gestation industry.

The expansion plans may make the company very high leveraged to face any demand set back. Rising interest rates may pose further threat.

The company's plant is strategically located in north east. North east is highest price zone with huge demand supply gap. The present demand for cement in north-east is estimated at 3.5 Million MT per annum against supply of 2.00 Million MT per annum. Cement being a bulky material, its transportation from outside north-east involves high logistic cost. The company is having its own captive lime stone mines capable to feed its 40 million ton cement capacity for the next 60 years. North east is demographically difficult place and as such had never been choice of big players. The company's expertise and experience coupled with first mover advantage will always keep it into advantageous position vis a vis other new players. The company's continuing highest EBIDTA margin coupled with entitlement to various fiscal incentives like excise duty exemption, income tax holiday, transport subsidy, interest subsidy, capital subsidy and VAT exemptions can be considered as cushions to face any adverse situation, which is most unlikely in view of booming infrastructure and housing.

Others

Other segments consist mainly of logistic, adhesives and chemicals. The logistic division of the company consist of operation of a jetty and upcoming Container Freight Stations (CFS). The company is running one jetty, at Falta Export Processing zone near kolkata, on profit sharing basis with Ministry of Commerce, Government of India. Apart from providing logistic support to handle its own timber cargo, this jetty also handles outside cargo. Increasing volume of cargo at Kolkata port has resulted in heavy congestion at the port. The Authorities have decided to develop CFS to ease port congestion. As the volume of cargo is continuously increasing, CFS is considered to be a sunrise service with high profitability. Based on company's experience of handling cargo at jetty, the company was taken as a qualified bidder for development of CFS on two ports. The Kolkata Port Trust has already allocated its two plots to the company for developing as CFS. These CFS are expected to commence operations in current financial year. The Company has not yet been able to focus much on the growth prospects of its adhesive and chemical segment.

The logistic business of the company is related to infrastructure and service sector. The business may face problem only on slow down of economy and substantial reduction in import cargo. In view of the global markets, the possibility of such a situation is remote. Regarding adhesive and chemical trading business, company is not having specific USP and as such will have to devise suitable strategy to continue these businesses.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Plywood

Plywood segment achieved substantial growth and higher profitability. The turnover of this segment was up from Rs. 259.87 crores in 2006-07 to Rs. 417.61 crores in 2007-08 showing growth of over 60 %. The profit of this segment also increased from Rs. 20.71 crores to Rs. 39.75 crores showing a growth of over 91 %.

Laminates

Laminate division also performed quite well. The company's focus remained to grab premium market share. The 'CENTURYPLY MICA' the brand under which company's laminates are being sold is today a symbol of quality and is attaining consumer preference. During current financial year this segment earned profit of Rs. 7.47 crores.

Ferro Alloys & Power

Due to availability of uninterrupted power from Captive Power Plant the Ferro Alloy unit operated at full capacity. The Profit of this segment increased from Rs. 7.26 crore to Rs. 14.67 crores showing growth of over 102%.

Cement

The cement capacities run by company's subsidiaries also posted impressive performance. The turnover increased

from Rs. 268.39 crores to 367.41 crores showing growth of over 36%. Net profit increased from Rs. 105.35 crores to Rs. 111.23 crores showing growth of over 5%.

Others

Other segments mainly jetty operations, adhesive and chemicals also performed well during 2007-08.

Outlook

Your Company's products mainly plywood, laminates, and others are linked with the infrastructure and housing sector. In view of booming infrastructure and housing activities, your company is hopeful to maintain its growth levels. With modern plants, latest technologies, and precious brands the products of your company have positioned them to fully exploit the emerging opportunities.

Risks and Concerns

Your Company has a comprehensive risk management policy. The risk policy provides for identification of risk, its assessment and procedures to minimize risk. The risk policy is periodically reviewed by the Audit Committee to ensure that the executive management controls the risk as per decided policy.

Some of the key risks affecting your Company are illustrated below :

Foreign Exchange Risk

Your Company's imports exceed exports. At any given time your company has substantial foreign exchange liability. Any adverse fluctuation in foreign exchange may expose company to foreign exchange risk. Your company's policy is to review foreign exchange risk on regular basis and hedge, if required. At the time of adverse forex situation, forex payments are deferred by availing buyers credits overseas at very low interest rates.

Interest Rate Risk

Your Company is exposed to interest rate fluctuations on its borrowings. Your Company uses a judicious mix of fixed and floating rate debts within the stipulated parameters. Your company has been able to negotiate the debts at most competitive rates due to reputation and satisfactory performance.

Manpower retention Risk

Your Company has a wide marketing network spread across the country. Your company deals in consumer goods through large dealers network and have to maintain large marketing and administrative team. Your company can not be an exception to manpower attrition. Your company has devised a simulative HR policy and performance based incentive system to address this.

Government Policy Change Risk

Changes in Government Policies specially with respect to Custom Duty and Excise Duty may affect the operations of your Company. However, in recent past the Government Policies had been favourable to the industry and company's product segments.

Internal control system and their adequacy

The Company has adequate and effective internal control system, which are continuously reviewed for their effectiveness. The systems are periodically reviewed by the Audit Committee and suggestions of Committee are carried out. The Company has double Certifications ISO-9001 (Quality Systems) and ISO 14001 (Environment Management Systems) from Det Norske Veritas (DNV). The Company had implemented SAP (ERP Solution) which will enable it to be more efficient through better response time and by providing real time availability of information across the country.

Discussion on financial performance with respect to operational performance

During the financial year the total income of your company increased from Rs. 452.40 crores to 641.56 crores reflecting growth over 41%. The Profit Before Tax increased from Rs. 24.38 crores last year to Rs. 61.98 crores this year showing growth over 154 %. The increase in profitability reflect company's operational efficiency and increasing market share of its products.

Material developments in Human Resources / Industrial Relation front, including number of people employed.

The Company strictly adheres to ISO 9001:2000 mandated training. All employees receive on going learning opportunities through customized programs that are designed in-house. Company encourages its employees to attend outside seminars. The employees are encouraged to offer constructive suggestions for improvement in their respective areas which are thoroughly discussed in departmental meetings. Employees are covered by incentive system encouraging them to perform to their best.

The company maintains absolute harmony with its work force. Since inception there has not been even a single instance of strike or lock-out at any of the company's manufacturing establishments.

The total manpower strength of the Company as on 31st March, 2008 was 3657.

Cautionary Statement

The statements in the "Management Discussion and Analysis Report" section describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements". All statements that address expectation or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are based on certain assumptions and expectations of future events. The company can not guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievement may thus differ materially from those projected in such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or event.

For and on behalf of the Board of Directors

Registered Office
6, Lyons Range
Kolkata - 700 001
26th June, 2008

S. B. Ganguly
Chairman

Auditors' Report

To The Members of Century Plyboards (India) Limited

1. We have audited the attached Balance Sheet of CENTURY PLYBOARDS (INDIA) LIMITED as at 31st March, 2008 and also the Profit and Loss Account for the year ended on that date 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. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Amendment Order 2004) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred in paragraph 3 above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch Auditor's Report have been forwarded to us and have been appropriately dealt with;
 - iii) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - iv) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards as referred to in Section 211(3C) of the Companies Act, 1956;
 - v) 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 of the Company is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to explanations given to us the said statement of Accounts give the information required by the Companies Act, 1956, in the manner so required and read with other notes give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2008.
 - ii. in the case of the Profit and Loss account, of the Profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For **ASHOK KEDIA & CO.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner
M.No. 50510
Kolkata, 26th June, 2008

For **KAILASH B. GOEL & CO.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner
M.No. 57329

Annexure to the Auditors' Report to the Members of Century Plyboards (India) Limited (Referred to in paragraph (3) thereof)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) The fixed assets have been physically verified by the management in accordance with the phased programme adopted by the company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
(c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the company.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of Inventory as compared to the book records.
3. (a) The company has not granted any secured or unsecured loans to Companies, firms or other parties covered in the register maintained u/s 301 of Companies Act, 1956. The Company has taken unsecured loan from five Companies covered under the register maintained u/s 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 10.35 crores and the year end balance of loans taken from such Companies was 2.25 crores.
(b) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
(c) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
(d) There is no overdue amount of loans taken from companies, firms, or other parties covered in the register maintained u/s 301 of the Companies Act, 1956
4. 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 with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in these internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and the Rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of certain activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs duty, Excise Duty, Cess and other material statutory dues as applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, service tax, custom duty, excise duty and cess were in arrears as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (c) On the basis of our examination of the documents and records, the disputed statutory dues which have not been deposited with the appropriate authorities are as under :

Name of the Statute	Nature of the dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where pending
Sales Tax Laws	Sales Tax	0.03	2001-02	Jt. Commissioner of Sales Tax, Ahmedabad.
	Local Sales Tax	0.01	2003-04	Jt. Commissioner Appeal-II, Trade & Tax Dept., New Delhi
	Central Sales Tax	0.03	2003-04	Jt. Commissioner Appeal-II, Trade & Tax Dept., New Delhi
	Sales Tax & Surcharge	0.51	2001-02 to 2003-04	Deputy Commissioner of Commercial Taxes
	- Do -	0.60	2003-04 to 2006-07	Appellate Commissioner
	- Do -	0.07	2003-04	Deputy Commissioner of Commercial Taxes
Income Tax Act, 1961	Income Tax	0.31	2003-04	Commissioner of Income Tax Appeals
	Income Tax	2.65	2004-05	Commissioner of Income Tax Appeals

10. The Company has no accumulated losses as at end of the financial year and it has not incurred cash losses, both in the current year and immediately preceding financial year.
11. According to the information and explanation given to us and on the basis of the records examined by us, the company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the clause 4 (xiii) of the Order is not applicable to the Company.
14. According to the information and explanations given to us, the company has maintained proper records of transactions and contracts in respect of dealing/trading in shares, securities, and other investments and timely entries have been made therein. The shares, securities and other investments are held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the cash flow statement and balance sheet of the company, in our opinion, the funds raised on short term basis have, prima-facie, not been used for long term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. According to the information and explanation given to us, the Company has not issued any secured debentures during the period covered by our report.
20. According to information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported.

For **ASHOK KEDIA & CO.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner
M.No. 50510

Kolkata, 26th June, 2008

For **KAILASH B. GOEL & CO.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner
M.No. 57329

Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	Schedule	As at 31.03.2008	As at 31.03.2007
A. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	'A'	19.80	19.80
Share Capital Suspense	'AA'	2.95	—
Reserves & Surplus	'B'	140.54	97.91
		163.29	117.71
LOAN FUNDS			
Secured Loans	'C'	128.56	105.47
Unsecured Loans	'D'	6.84	4.39
		135.40	109.86
DEFERRED TAX LIABILITY (NET)			
		4.12	3.31
		302.81	230.88
B. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'E'	154.88	115.52
Less : Depreciation		63.61	39.86
Net Block		91.27	75.66
Capital Work-in-progress		1.08	1.20
		92.35	76.86
INVESTMENTS			
	'F'	32.84	36.38
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	'G'	127.70	74.14
Sundry Debtors	'H'	106.44	61.00
Cash & Bank Balances	'I'	14.93	12.04
Loans & Advances	'J'	39.39	29.23
		288.46	176.41
Less : Current Liabilities & Provisions			
Current Liabilities	'K'	98.97	58.43
Provisions	'L'	12.06	0.45
		111.03	58.88
NET CURRENT ASSETS			
		177.43	117.53
MISCELLANEOUS EXPENDITURE			
(To the extent not written off/adjusted)	'M'	0.19	0.11
		302.81	230.88
Significant Accounting Policies & Notes on Accounts	'U'		

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

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner

Membership no. 50510
Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner

Membership no. 57329

Sajjan Bhajanka - Managing Director

Sanjay Agarwal - Dy. Managing Director

A. K. Julasaria - CFO & Company Secretary

Profit & Loss Account for the year ended 31st March, 2008

(Rs. in Crores)

	Schedule	2007-08	2006-07
INCOME			
Income from Sales and Services	'N'	633.48	446.84
Less : Excise Duty		37.62	21.60
Less: Sales Tax / VAT		54.43	33.71
		541.43	391.53
Other Income	'O'	8.08	5.56
Increase/(Decrease) in stock	'P'	11.54	(0.88)
		561.05	396.21
EXPENDITURE			
Cost of Materials	'Q'	331.39	252.12
Operating & Administrative Expenses	'R'	112.12	82.31
Personnel Expenses	'S'	31.16	16.61
Depreciation		13.93	12.87
Interest	'T'	10.47	7.92
		499.07	371.83
PROFIT BEFORE TAX			
		61.98	24.38
Less : Prior Period Adjustments (Net)		0.02	(0.16)
Taxes relating to earlier years		0.32	—
Provision for Tax :			
– Current Tax		16.00	4.80
– Fringe Benefit Tax		0.65	0.45
– Deferred Tax		0.37	(1.15)
PROFIT AFTER TAX			
		44.62	20.44
Add : Balance (Cr.) brought forward		49.30	36.53
Add : Balance (Cr.) in Profit & Loss Account acquired on amalgamation (Refer Note 1 in Schedule 'U')		4.78	—
AMOUNT AVAILABLE FOR APPROPRIATION			
		98.70	56.97
Appropriations :			
Transfer to General Reserve		4.50	2.04
Proposed Dividend on Preference shares		0.05	—
Proposed Dividend on Equity shares		11.10	—
Interim Dividend on Equity shares		—	4.94
Corporate Tax on Dividend		—	0.69
Balance (Cr.) carried forward		83.05	49.30
		98.70	56.97
Basic and diluted Earnings per equity share (in Rs.)		20.06	10.34

Significant Accounting Policies & Notes on Accounts 'U'

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

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner
Membership no. 50510
Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner
Membership no. 57329

Sajjan Bhajanka - Managing Director

Sanjay Agarwal - Dy. Managing Director

A. K. Julasaria - CFO & Company Secretary

Schedules to Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'A'		
SHARE CAPITAL		
Authorised Capital		
4,90,00,000 (2,49,60,000) Equity Shares of Rs. 10/- each	49.00	24.96
10,00,000 (40,000) Preference Shares of Rs. 10/- each	1.00	0.04
	50.00	25.00
Issued		
1,99,03,413 (1,99,03,413) Equity Shares of Rs. 10/- each	19.90	19.90
Subscribed & Paid up		
1,97,65,413 (1,97,65,413) Equity Shares of Rs. 10/- each	19.76	19.76
Add : Amount paid on 1,38,000 Shares forfeited	0.04	0.04
	19.80	19.80
Of the above Equity Shares of Rs. 10/- each :		
93,110 Shares were issued in the year 1993 pursuant to the scheme of amalgamation		
9,99,630 Shares were issued in the year 1995-96 as Bonus Shares by capitalisation of reserves		
34,14,516 Shares were issued in the year 2004-05 as Bonus Shares by capitalisation of reserves and Securities Premium		
95,21,865 Shares were issued in the year 2006-07 pursuant to a scheme of amalgamation		
SCHEDULE - 'AA'		
SHARE CAPITAL SUSPENSE		
24,51,886 Equity Shares of Rs.10/- each and 5,00,000 9% Redeemable Preference Shares of Rs. 10/- each to be issued to the shareholders of transferor companies pursuant to scheme of amalgamation (Refer note 1 of Schedule 'U')	2.95	—
	2.95	—
SCHEDULE - 'B'		
RESERVES AND SURPLUS		
General Reserve		
At commencement of the year	8.10	6.06
Add: Acquired/Added on amalgamation*	3.32	—
Add: Transferred from Profit & Loss Account	4.50	2.04
Add: Transitional provisions under Accounting Standard 15	0.18	—
	15.74	8.10
Securities Premium		
At commencement of the year	17.91	17.91
Add: Acquired on amalgamation*	1.02	—
	18.93	17.91
Amalgamation Reserve		
As per last account	3.17	3.17
Capital Reserve		
At commencement of the year	18.58	18.58
Add: Acquired on amalgamation*	0.01	—
Less: Capital subsidy written off (Refer Note 9 in Schedule 'U')	0.86	—
	17.73	18.58
Revaluation Reserve		
At commencement of the year	0.85	0.86
Add: Acquired on amalgamation*	1.15	—
Less: Depreciation adjustment	0.08	0.01
	1.92	0.85
Profit & Loss Account		
	83.05	49.30
	140.54	97.91

*Refer Note 1 Schedule 'U'

Schedules to Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'C'		
SECURED LOANS		
Rupee Term Loans		
- From a Financial Institution	10.25	13.25
- From Banks	18.15	20.75
Buyers' Credit from Banks		
- For Capital Expenditure	0.98	3.85
- For Operational use	16.88	17.31
Working Capital Facilities from Banks		
- Cash Credit	60.93	49.63
- FCNRB Demand Loan	20.06	—
Hire Purchase Finance		
- From Banks	0.96	0.68
- From Bodies Corporate	0.27	—
Interest Accrued and due on Secured Loans	0.08	—
	128.56	105.47

Notes :

1. Term Loan of Rs.10.00 Crores from Banks are secured/ to be secured against first charge on the fixed assets of the company's Laminate Unit and second charge on current assets of the company's Plywood and Laminate unit at Bishnupur, West Bengal.
2. Term Loan of Rs. 6.60 Crores from Banks and Rs. 10.25 Crores from a financial Institution are secured/to be secured against first charge on fixed assets and second charge on current assets of the Company's Ferro Alloy Unit at Byrnihat, Meghalaya.
3. Term Loan of Rs. 0.83 Crores from a Bank is secured/ to be secured against first charge on the fixed assets and second charge on current assets of the company's Plywood Unit at Chinnappolapuram, Gummidipoondi, Chennai.
4. Term Loan of Rs.0.72 Crores from a Bank is secured/ to be secured against first charge on fixed assets and second charge on current assets of the company's Plywood Unit at Rambah Road, Tarraori, Karnal, Haryana.
5. Working Capital facilities of Rs. 65.48 Crores from Banks and Letters of Credit for Buyers' Credit of Rs. 17.86 Crores are secured/ to be secured on current assets of the company's Plywood and Laminate Unit at Bishnupur, West Bengal.
6. Working Capital facilities of Rs. 12.31 Crores from a Bank is secured/ to be secured against first charge on current assets of the company's Ferro Alloy Unit at Byrnihat, Meghalaya.
7. Working Capital facilities of Rs. 2.29 Crores from a Bank is secured/ to be secured against first charge on current assets of the company's Plywood Unit at Chinnappolapuram, Gummidipoondi, Chennai.
8. Working Capital facilities of Rs. 0.91 Crores from a Bank is secured/ to be secured against first charge on current assets of the company's Plywood Unit at Rambah Road, Tarraori, Karnal, Haryana.
9. Term Loans and Working Capital facilities from Banks/Financial Institutions are also guaranteed by some of the Directors of the Company.
10. Hire Purchase finance is secured against hypothecation of assets procured from such finance.
11. Secured Term Loans due within one year Rs. 9.94 Crores (Previous Year 10.11 Crores).

Schedules to Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
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SCHEDULE - 'D'

UNSECURED LOANS

From Bodies Corporate

6.84	4.39
6.84	4.39

SCHEDULE - 'E'

FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2007	Added on Amalga- mation*	Additions during the year	Sales/Adj during the year	As at 31.03.2008	Up to 31.03.2007	Added on Amalga- mation*	For the year	Adjustments during the year	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007
A. TANGIBLE ASSETS												
Land & Site Development	4.04	1.53	0.03	—	5.60	—	—	—	—	—	5.60	4.04
Factory Building	21.24	4.40	1.81	—	27.45	6.17	2.37	1.52	—	10.06	17.39	15.07
Non-Factory Building	1.73	0.09	1.25	—	3.07	0.29	0.02	0.13	—	0.44	2.63	1.44
Leasehold Properties	0.22	—	1.55	—	1.77	0.20	—	0.10	—	0.30	1.47	0.02
Plant & Machinery	69.44	10.82	8.23	0.54	87.95	25.17	6.03	8.85	0.11	39.94	48.01	44.27
Electrical Installation	9.95	0.80	0.48	—	11.23	3.24	0.53	1.08	—	4.85	6.38	6.71
Furniture & Fixtures	2.01	0.19	0.55	0.02	2.73	0.98	0.09	0.23	0.01	1.29	1.44	1.03
Office Equipment	0.75	1.22	0.28	0.03	2.22	0.33	0.27	0.22	0.02	0.80	1.42	0.42
Computers	2.16	0.21	2.21	0.02	4.56	1.57	0.25	0.73	0.02	2.53	2.03	0.59
Vehicles	3.88	1.38	1.60	0.27	6.59	1.88	0.53	0.85	0.18	3.08	3.51	2.00
Sub Total (A)	115.42	20.64	17.99	0.88	153.17	39.83	10.09	13.71	0.34	63.29	89.88	75.59
B. INTANGIBLE ASSETS												
Computer Softwares	0.09	—	1.61	—	1.70	0.02	—	0.29	—	0.31	1.39	0.07
Trade Marks and Patent Rights	0.01	—	—	—	0.01	0.01	—	—	—	0.01	—	—
Sub Total (B)	0.10	—	1.61	—	1.71	0.03	—	0.29	—	0.32	1.39	0.07
Total All Assets (A+B)	115.52	20.64	19.60	0.88	154.88	39.86	10.09	14.00	0.34	63.61	91.27	75.66
Previous Year	107.74	—	8.28	0.51	115.52	27.22	—	12.89	0.24	39.86	75.66	80.52
Capital Work-In-Progress											1.08	1.20

* Refer Note 1 Schedule 'U'

Other Note :

1. Depreciation for the year includes Rs. 0.08 Crores towards depreciation provided on amount added to Gross Block as a result of revaluation of assets

Schedules to Balance Sheet as at 31st March, 2008

(Rs. in Lacs)

				As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'F'					
INVESTMENTS	Face Value	Nos as at			
	Rs.	31.03.2008	31.03.2007		
[A] - LONG-TERM - AT COST					
(a) Quoted Equity Shares (Non-trade)					
Bharat Commerce & Industries Ltd	10	19000	19000	0.73	0.73
Century Textiles Ltd	10	—	350	—	1.67
Corporation Bank	10	600	—	0.48	—
Emami Ltd	2	—	5000	—	13.28
Greenply Industries Ltd	5	100	100	0.09	0.09
Hindalco Industries Ltd	1	5000	5000	9.47	9.47
IDBI Bank Ltd	10	—	5000	—	4.90
IVRCL Infrastrucure & Projects Ltd	2	—	1000	—	2.89
Kitply Industries Ltd	10	100	100	0.02	0.02
Konark Commerce Industries Ltd	10	—	29300	—	11.04
Nagarjuna Fertilisers & Chemicals Ltd	10	—	12400	—	1.71
Oriental Bank of Commerce	10	—	2000	—	5.00
Pidilite Industries Ltd	1	1000	1000	0.27	0.27
Reliance Industries Ltd	10	—	4500	—	63.41
Sesa Goa Ltd	10	—	100	—	1.94
Tata Iron & Steel Co. Ltd	10	410	10000	2.20	49.38
Uco Bank Ltd	10	54500	86244	7.95	11.76
Sub Total				21.21	177.56
(b) Quoted Preference Shares					
Tata Iron & Steel Co. Ltd	100	45	—	0.05	—
Total Quoted Investments (a+b)				21.26	177.56
(c) Unquoted Equity Shares (Non-trade)					
Century Star Shipping Ltd.	10	710766	710766	71.08	71.08
Changlang Plywood Pvt. Ltd.	100	2000	2000	2.00	2.00
Manmao Plywood Pvt. Ltd.	100	1000	1000	1.00	1.00
Transcend Infrastructure Ltd	10	20000	—	2.00	—
Sub Total				76.08	74.08
B Current Investments					
Reliance Equity Fund (Dividend Plan)	10	—	2000000	—	200.00
C Investments in Subsidiary Companies					
Cement Manufacturing Company Ltd.	10	29547500	29547500	2954.75	2954.75
Auro Sundaram Ply & Doors Pvt Ltd.	10	510000	510000	231.80	231.80
Sub Total				3186.55	3186.55
D Investment in Government Securities					
National Savings Certificate (VII Issue)				0.08	0.08
TOTAL (Rs. Lacs)				3283.97	3638.27
TOTAL (Rs. Crores)				32.84	36.38
Aggregate Market value of Quoted Investments Rs. in Crores				0.25	1.60

Note : Following Investments were purchased and sold during the year

Praj Industries Ltd 4000 shares of face value Rs. 10

Tata Iron & Steels Ltd 9800 shares of face value Rs. 10

Schedules to Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'G'		
INVENTORIES (As taken, valued & certified by the management)		
Raw Materials	70.81	31.93
Work in Progress	2.80	1.46
Finished Goods/Stock in trade	43.86	31.08
Consumable Stores & Spares Parts	10.23	9.67
	127.70	74.14
SCHEDULE - 'H'		
SUNDRY DEBTORS (Unsecured, considered good)		
Outstanding for a period exceeding six months	7.28	3.38
Other Debts	99.16	57.62
	106.44	61.00
SCHEDULE - 'I'		
CASH & BANK BALANCES		
Cash in hand (As certified by the Management)	0.43	0.36
Cheques/DDs in Hand	4.48	3.11
Balance with Scheduled Banks		
— In Current Accounts	7.38	5.06
— In Fixed Deposit Accounts	2.64	3.51
	14.93	12.04
SCHEDULE - 'J'		
LOANS & ADVANCES (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	19.34	14.49
Subsidies receivable from Central / State Government	6.66	6.22
Advance Income Tax (Net of Provisions)	0.65	2.42
Deposits	8.15	2.48
Balance with Excise Department	4.59	3.62
	39.39	29.23
SCHEDULE - 'K'		
CURRENT LIABILITIES		
Sundry Creditors - Micro, Small and Medium Enterprises*	—	—
Sundry Creditors - Others (including Rs. 0.23 Crores (P.Y. Rs. 2.46 Crores) due to subsidiary)	81.97	47.92
Interest accrued but not due	—	0.11
Unclaimed Dividend	0.07	0.17
Advance From Customers	0.54	1.36
Other Liabilities	16.39	8.87
	98.97	58.43
* The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and, hence disclosure relating to amounts unpaid at the year end, interest paid/payable under this Act have not been given.		
SCHEDULE - 'L'		
PROVISIONS		
Proposed Dividend	11.15	—
For Retirement Benefits	0.91	0.45
	12.06	0.45
SCHEDULE - 'M'		
MISCELLANEOUS EXPENDITURE (To the extent not written off/adjusted)		
Share Issue Expenses	0.05	0.06
Amalgamation Expenses	0.04	0.05
Others	0.10	—
	0.19	0.11

Schedules to Profit & Loss Account for the year ended 31st March, 2008

(Rs. in Crores)

	2007-08	2006-07
SCHEDULE - 'N'		
INCOME FROM SALES & SERVICES		
Income from Sale of Products	629.64	443.10
Income from Services (Gross, TDS Rs.0.03 Crores, P.Y.-Rs.0.02 Crores)	2.26	1.31
Govt Incentives/Export Benefits/Other Entitlements	1.58	2.43
	633.48	446.84
SCHEDULE - 'O'		
OTHER INCOME		
Dividend [including Rs.4.43 Crores (P.Y. Rs. 4.43 Crores) from a subsidiary] and [including Rs. 0.02 Crores (P.Y. Rs. 0.01 Crores) on long term investments]	4.45	4.44
Interest [Gross, TDS Rs. 0.14 Crores, (P.Y. Rs. 0.06 Crores)]	0.74	0.50
Profit on Sale of Investments [including Rs. 0.40 Crores (P.Y. Rs. 0.13 Crores) on long term investments]	0.78	0.13
Profit on Sale of Fixed Assets	0.04	0.01
Exchange Difference (Net)	1.51	0.32
Miscellaneous Income	0.56	0.16
	8.08	5.56
SCHEDULE - 'P'		
INCREASE/(DECREASE) IN STOCK		
Opening stock		
Finished Goods	31.08	32.10
Work in Progress	1.46	1.32
	32.54	33.42
Add: Acquired on amalgamation (Refer Note 1 in Schedule U)		
Finished Goods	1.89	—
Work in Progress	0.69	—
	35.12	33.42
Closing Stock		
Finished Goods	43.86	31.08
Work in Progress	2.80	1.46
	46.66	32.54
Increase/(Decrease) in stock	11.54	(0.88)
SCHEDULE - 'Q'		
COST OF MATERIALS		
Raw Materials Consumed	278.24	138.92
Purchases	53.15	113.20
	331.39	252.12

Schedules to Profit & Loss Account for the year ended 31st March, 2008

(Rs. in Crores)

	2007-08	2006-07
SCHEDULE - 'R'		
OPERATING & ADMINISTRATIVE EXPENSES		
Stores & Spare parts consumed	10.00	6.40
Power & Fuel	30.28	21.02
Insurance Charges	0.85	0.63
Jetty Expenses	0.78	0.24
Repairs & Maintenance	4.31	4.13
Transport & Freight	15.68	15.27
Commission	1.95	1.15
Rebates & Discounts	6.67	4.77
Advertisement, Publicity and Sales Promotion	20.48	13.45
Communication Expenses	1.97	1.41
Miscellaneous Expenses	11.06	9.20
Bank Charges	1.79	1.43
Directors' Remuneration	0.53	0.35
Auditors' Remuneration	0.13	0.08
Preliminary Expenses Written off	0.05	0.03
Excise Duty on Stock *	0.20	(0.32)
Octroi	2.52	1.54
Rent	2.26	1.19
Rates & Taxes	0.61	0.34
	112.12	82.31
* Represents the aggregate of excise duty difference between excise duty on opening and closing stock of finished goods.		
SCHEDULE - 'S'		
PERSONNEL COST		
Salaries, Wages & Bonus	27.88	14.72
Contribution to Provident and other Funds	2.63	1.43
Staff & Labour Welfare	0.65	0.46
	31.16	16.61
SCHEDULE - 'T'		
INTEREST & FINANCE CHARGES		
On Term Loans	2.93	3.50
On Others	7.54	4.42
	10.47	7.92

Schedules forming part of the Account

SCHEDULE – ‘U’

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(Annexed to and forming part of the Balance Sheet as at 31st March 2008 and Profit & Loss Account for the year ended on that date)

A. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Concepts

The financial statements are prepared under the historical cost convention (except for certain fixed assets which are revalued) on accrual basis and in accordance with the applicable mandatory Accounting Standards issued by The Institute of Chartered Accountants of India.

b. Fixed Assets

Fixed Assets are stated at their cost of acquisition or construction or revalued amount (net of cenvat, wherever applicable) less accumulated depreciation/amortisation and impairment loss, if any. Cost comprises the purchase price, installation and attributable cost of bringing the asset to its working condition for its intended use.

c. Capital Work in Progress

Capital work in progress is carried at cost comprising direct cost and pre-operatives expense during construction period to be allocated to the fixed assets on the completion of construction.

d. Intangible Assets

Intangible Assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The amortisable amount of an intangible asset is allocated over its estimated useful life.

e. Leased Assets

Operating lease rentals are expensed with reference to lease terms and other considerations. Rentals pertaining to the period upto the date of commissioning of the assets are capitalized.

f. Depreciation/ Amortisation

Depreciation on Fixed Assets is charged on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Leasehold assets are amortized on the basis of their useful life or remaining lease period, whichever is lower.

g. Impairment

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

h. Investments

Current Investments are stated at lower of cost and market/fair value. Long-term investments are stated at cost after deducting provision made for permanent diminution in value.

Schedules forming part of the Account

i. Inventories

Inventories are valued at lower of cost and net realizable value except scrap which is valued at estimated realizable value. The cost is computed on weighted average/FIFO basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

j. Employee Benefits

(i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are immediately recognized in the Profit & Loss Account.

k. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

l. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate prevailing on the dates of the transactions and exchange differences are dealt with in the profit & loss account.

All exchange differences arising from foreign currency transaction (including booking of forward contracts) remaining unsettled at the year end are translated at closing exchange rate prevailing at the end of the year and dealt with in the profit & loss account.

Profit/Loss arising out of cancellation of forward contracts are taken to revenue in the year of cancellation.

m. Research and development expenditure

Revenue expenditure is charged to the profit and loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

n. Miscellaneous Expenditure

Preliminary Expenses/Share Issue Expenses are written off over a period of ten and five years. Amalgamation Expenses and subsequent Preliminary Expenses are written off over a period of five years.

o. Taxes on Income

Provision for current tax including Fringe Benefit Tax is made on the basis of estimated taxable income

Schedules forming part of the Account

for the current accounting period and in accordance with the provisions of The Income Tax Act, 1961. Disputed outstanding demands are examined on the basis of the decisions of the appellate authorities and the interpretations of relevant provisions. No provision is made for demands which are likely to be either deleted or substantially reduced and are shown as contingent liabilities.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year, and quantified using the tax rates and laws substantially enacted on the Balance Sheet Date. The deferred tax in respect of timing difference which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized/adjusted in future.

p. Revenue Recognition

Sales revenue is recognized on dispatch of goods to the buyer and stated at net of returns and trade discounts/rebates but includes excise duty and sales tax/VAT. Income from services is recognized as the services are rendered to the parties. Dividend income is accounted for when the right to receive the payment is established. Interest income is recognized on time proportion basis. Certain insurance and other claims and incentives including export benefits/entitlements, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

q. Government Grants / Subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the Profit and Loss Account either as income or deducted from related expenses. Capital grants / subsidies are credited to respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.

r. Provision and Contingent Liabilities

Provisions for contingencies are recognized in respect of present obligation arising out of past events where there are reliable estimate of probable outflows of resource. Contingent liabilities are the possible obligation of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

B. NOTES ON ACCOUNTS

- 1.** Amalgamation of Century Panels Private Limited, Sharon Veneers Private Limited and Sharon Wood Industries Private Limited with the Company
 - a) Pursuant to the Scheme of Amalgamation (the scheme) erstwhile Century Panels Private Limited (hereinafter referred to as CPPL), erstwhile Sharon Veneers Private Limited (hereinafter referred as SVPL) and erstwhile Sharon Wood Industries Private Limited (hereinafter referred as SWIPL) have amalgamated with the Company, as approved by the members of the Company at court convened meeting held on 8th October, 2007 and subsequently sanctioned by the Honourable High Courts of Judicature at Delhi and Kolkata vide their orders dated 27th February, 2008 and 5th March, 2008 respectively and pursuant to filing of certified copies of the said orders with Ministry of Corporate

Schedules forming part of the Account

Affairs on 1st April, 2008, the undertakings of CPPL, SVPL and SWIPL being all their assets and properties, both moveable and immovable, industrial and other licences, all other interests, rights and powers of every kind, etc and all debts, liabilities including contingent liabilities, duties and obligations, have been transferred to and vested in the company retrospectively with effect from 1st April, 2007 (the Appointed Date). The Scheme has accordingly been given effect to in these accounts.

- b) CPPL, SVPL and SWIPL were engaged in manufacturing of Plywood and allied products.
- c) In accordance with the scheme following fully paid shares are to be issued, to the respective shareholders of CPPL, SVPL and SWIPL:
- 14,51,622 equity shares of Rs. 10/- each of the company in the ratio of 100 equity shares of Rs. 10/- each for every 320 equity shares of Rs. 10/- each held in CPPL
 - 7,37,212 equity shares of Rs. 10/- each of the company in the ratio of 100 equity shares of Rs. 10/- each for every 61 equity shares of Rs. 10/- each held in SVPL
 - 2,63,052 equity shares of Rs. 10/- each of the company in the ratio of 100 equity shares of Rs. 10/- each for every 19 equity shares of Rs. 100/- each held in SWIPL
 - 5,00,000 9% redeemable preference shares of Rs. 10/- each of the company in the ratio of ten preference shares of Rs. 10/- each for every one 9% redeemable preference share of Rs. 100/- each held in SWIPL. These shares would be redeemable at par at the end of 10th year from the date of allotment i.e; 18th September, 2002. These shares would carry a fixed cumulative dividend of 9% per annum.

The above equity shares shall rank pari-passu with the existing equity shares of the company.

The above shares have been allotted to respective shareholders of CPPL, SVPL and SWIPL on 16th April, 2008 and are shown under Share Capital Suspense Account as at 31st March, 2008 (Schedule AA).

- d) The amalgamation has been accounted for under the “Pooling of Interest” method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India. Accordingly, the assets and Liabilities of CPPL, SVPL and SWIPL as at 1st April, 2007 have been taken over at their respective book values. The balances in General Reserve (Rs. 0.18 Crores), Securities Premium (Rs. 1.02 Crores), Capital Reserve (Rs.0.01 crores), Revaluation Reserve (Rs. 1.15 crores) and Profit & Loss Account (Rs. 4.78 crores) have been added to the Company’s respective heads under Reserves & Surplus. The difference of Rs. 3.14 crores between paid up Share Capital of CPPL, SVPL and SWIPL and aggregate face value of shares issued by the Company has been added to General Reserve.
- e) The income accruing and expenses incurred by CPPL, SVPL and SWIPL during the period from 1st April, 2007 to 31st March, 2008 have also been incorporated in these accounts. During this period CPPL, SVPL and SWIPL carried on existing business in “trust” and on behalf of the company and all vouchers, documents etc. for the said period are in the respective names of CPPL, SVPL and SWIPL. The title deeds for freehold land, buildings, licences, agreements, loan documents etc. are being transferred in the name of the company.
- f) In view of aforesaid amalgamation with effect from 1st April, 2007, the figures for the current year are not comparable to those of previous year.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided (Net of advances) Rs. 0.31 Crores (Previous year Rs. 0.39 Crores).

Schedules forming part of the Account

B. NOTES ON ACCOUNTS

	As at 31.03.2008	(Rs. in Crores) As at 31.03.2007
3. Contingent Liabilities		
(a) Guarantees issued by Banks	1.49	0.97
(b) Bills discounted by Banks	5.64	0.94
(c) Letters of Credit issued by Banks	18.32	10.73
(d) Export Obligations against EPCG License Scheme	0.70	15.32
(e) Claims against the company not acknowledged as debts :		
- Excise Matters	—	—
- Sales Tax/VAT	1.25	1.28
- Income Tax	2.96	1.32
	2007-08	2006-07
4. Payment made to Auditors during the year		
(a) Statutory Audit Fee	0.11	0.07
(b) Tax Audit Fee	0.01	0.01
(c) Certification Work	0.01	—
Total	0.13	0.08
5. Break up of Repairs & Maintenance		
(a) Plant & Machinery	2.85	2.61
(b) Buildings	0.61	0.65
(c) Others	0.85	0.87
Total	4.31	4.13

6. In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

7. Based on information/documents available with the company there was no amount due and outstanding as on 31st March, 2008 to be transferred to Investors Education and Protection Fund under Section 205C of the Companies Act, 1956.

8. (a) General Description of Lease Terms:

- (i) Lease rentals are charged on the basis of agreed terms.
(ii) Assets are taken on lease over a period of 10 to 15 years.

(b) The Company has taken lands on operating lease basis and lease rent amounting to Rs. 0.70 Crores (P.Y. Rs. 0.11 Crores) has been charged to profit and loss account. The future minimum lease payments are as under:

	2007-08	(Rs. in Crores) 2006-07
Not later than one year	0.51	0.41
Later than one year and not later than five years	2.26	0.09
Later than five years	7.08	—

9. In view of uncertainty in acceptability and realization, State Capital Investment Subsidy claim of Rs. 0.86 Crores has been written off and debited to Capital Reserve.

10. Disclosure in respect of related parties pursuant to Accounting Standard 18 "Related Party Disclosures"

a) Parties where control exists:

Subsidiary Companies	
	Cement Manufacturing Company Limited
	Megha Technical & Engineers Private Limited
	Star Cement Meghalaya Limited (w.e.f. 2nd June, 2007)
	Auro Sundaram Ply & Doors Private Limited

Schedules forming part of the Account

b) Other Related Parties with whom transactions have taken place during the year :

Associates	Brijdham Merchants (P) Limited
	Sriram Merchants Private Limited
	Sriram Vanijya Private Limited
	Sumangal Business Private Limited
	Sumangal International Private Limited
	Riangdo Veneers Pvt. Ltd.
	Century Star Shipping Limited
	Meghalaya Power Limited
	Ara Suppliers Pvt Ltd
	Apnapan Viniyog Pvt Ltd.
	Adonis Vyaper Pvt. Ltd.
	Arham Sales Pvt. Ltd.
	Cent Ply Pvt Ltd
	Puri Ports Ltd
Key Management Personnel	Mr. Sajjan Bhajanka (Managing Director)
	Mr. Sanjay Agarwal (Deputy Managing Director)
	Mr. Hari Prasad Agarwal (Executive Director)
	Mr. Ajay Baldawa (Executive Director)
	Mr. Nag Raj Tater (Executive Director)
	Mr. Arun Kr. Julasaria (Chief Financial Officer cum Company Secretary)

c) Details of transactions and the status of outstanding balance as at year end:

(Rs. in Crores)

Sl.	Type of Transactions	Subsidiaries		Associates		Key Management Personnel	
		2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
1.	Purchases	15.20	5.25	2.11	0.03	—	—
2.	Sales	0.38	—	0.04	—	—	—
3.	Purchase of Capital Assets	—	—	0.04	—	—	—
4.	Sale of Capital assets	—	0.02	0.05	—	—	—
5.	Loans taken	10.50	—	15.45	23.02	—	—
6.	Loans Repaid	10.50	—	13.20	21.02	—	—
7.	Share Application	—	—	1.18	—	—	—
8.	Loans Given	—	2.00	—	0.35	—	—
9.	Loans Repayment Received	—	2.00	—	0.35	—	—
10.	Purchase of shares for investment	—	—	—	—	0.02	—
11.	Investments	—	2.26	0.02	0.71	—	—
12.	Interest Paid	0.10	—	0.53	0.32	—	—
13.	Interest Received	—	0.01	—	—	—	—
14.	Remuneration Paid	—	—	—	—	0.61	0.40
15.	Balances as at the year ended						
	Current Assets	—	—	0.04	—	—	—
	Current Liabilities	0.23	—	—	—	—	—
	Loans	—	—	2.25	2.45	—	—
	Investments	—	2.32	—	0.71	—	—

11. Directors' Remuneration /Sitting Fee

(Rs. in Crores)

	2007-08	2006-07
Remuneration	0.53	0.35
Sitting fees	0.01	0.02
Total	0.54	0.37

The Remuneration so paid is within limits prescribed U/s 198 and 309 of the Companies Act,1956 read with Schedule XIII part II Section 1.

Schedules forming part of the Account

12. Deferred Tax Liability / (Asset) as at 31st March, 2008 comprises as under :

	As at 31.03.2008	As at 31.03.2007
A. Deferred Tax Liability on account of Timing difference on account of Depreciation	4.30	3.51
B. Deferred Tax Assets on account of Gratuity & Leave Encashment	0.18	0.20
C. Net Deferred Tax Liability (A – B)	4.12	3.31

(Rs. in Crores)

13. Segment Reporting

a. Primary Segment Reporting (by business segment)

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Details of products included in each of the segments are as under:-

Plywood	—	Plywood, Block-Board, Veneer & Timber
Laminate	—	Decorative Laminates & Prelaminated Boards
Ferro-Alloys	—	Ferro Silicon
Others	—	Logistics, Adhesives & Chemicals

b. Information about Business Segments

(Rs. in Crores)

Sl.		Plywood	Laminate	Ferro Alloys	Others	Unallocated	Total
1.	Revenue	417.61 (259.87)	106.24 (86.67)	69.16 (54.81)	40.47 (45.49)	— —	633.48 (446.84)
2.	Results Profit/Loss(-)	39.75 (20.70)	7.47 (- 3.75)	14.67 (7.26)	2.48 (2.52)	— —	64.37 (26.73)
3.	Interest					10.47 (7.92)	10.47 (7.92)
4.	Other un-allocable expenses net of un-allocable income					8.08 (5.57)	8.08 (5.57)
5.	Profit Before Tax						61.98 (24.38)
6.	Other Information						
	Segment Assets	189.48 (94.00)	84.48 (72.22)	73.37 (61.77)	33.48 (15.95)	32.84 (36.38)	380.81 (243.94)
	Segment Liabilities	85.90 (32.57)	7.17 (5.94)	3.44 (4.82)	14.52 (15.10)	135.40 (109.86)	111.03 (58.43)
	Capital Expenditure	6.49 (1.09)	1.73 (0.74)	3.36 (3.22)	8.28 (2.84)	— —	19.86 (7.89)
	Depreciation	2.76 (0.95)	4.01 (4.77)	5.82 (6.46)	1.34 (0.69)	— —	13.93 (12.87)

Note : Figures in the bracket represent previous year figures

Schedules forming part of the Account

14. Earning per share (EPS)

	2007-08	2006-07
Profit / (Loss) Attributable to Equity Shareholders (Rs. in Crores)	44.57	20.44
Face Value per Equity Share (Rs.)	10/-	10/-
No. of Equity Shares Outstanding (For Basic and diluted EPS)	22217299	19765413
Basic/ Diluted Earning Per Share on Rs. 10/- face value basis (Rs.)	20.06	10.34

15. Employees Defined Benefits :

(a) Defined Contribution Plans : The Company has recognized an expense of Rs. 2.07 Crores (Previous year Rs. 1.15 Crores) towards the defined contribution plans.

(b) Defined Benefit Plans – As per Actuarial Valuation as on 31st March, 2008

(Rs. in Crores)

	Gratuity	Leave Encashment
I Expense recognized in the Statement of Profit and Loss Account for the year ended 31st March'2008		
1. Current Service Cost	0.33	0.13
2. Interest Cost	0.14	0.04
3. Employee Contribution	—	—
4. Expected Return on Plan Assets	—	—
5. Actuarial (Gains)/Losses	0.03	0.01
6. Past Service Cost	—	—
7. Settlement Cost	—	—
8. Losses/(gains) on acquisition/divestiture	—	—
9. Total Expense	1.96	0.58
II Net Asset/(Liability) recognized in the Balance Sheet as at 31st March'2008	1.93	0.07
1. Present Value of Defined Benefit Obligation	—	—
2. Fair Value of Plan Assets	(0.15)	(0.62)
3. Funded Status [Surplus/(Deficit)]	(0.15)	(0.62)
1. Net Asset/(Liability) as at 31st March, 2008		
III Change in Obligation during the Year ended 31st March'2008		
1. Present value of Defined Benefit Obligation at the beginning of the year	1.52	0.43
2. Current Service Cost	0.33	0.13
3. Interest Cost	0.14	0.04

Schedules forming part of the Account

(Rs. in Crores)

	Gratuity	Leave Encashment
4. Settlement Cost	—	—
5. Past Service Cost	—	—
6. Employee Contribution	—	—
7. Liabilities assumed on acquisition/(settled on divesture)	—	—
8. Actuarial (Gains)/Losses	0.03	0.01
9. Benefits Payments	(0.04)	—
10. Present Value of Defined Benefit Obligation at the end of the year	1.99	0.62
IV Change in assets during the Year ended March, 2008		
1. Plan Assets at the beginning of the year	1.34	—
2. Assets acquired on amalgamation in previous year	0.01	—
3. Settlements	(0.01)	—
4. Expected return on plan assets	0.13	—
5. Contributions by employer	0.40	—
6. Actual Benefit Paid	(0.02)	—
7. Actuarial Gains/(Losses)	(0.01)	—
8. Plan Assets at the end of the year	1.84	—
9. Actual Return on plan assets	—	—

16. Miscellaneous Expenses includes Rs. 0.60 Lacs (Previous year Rs. 1.00 Lac) paid to Bhartiya Janta Party towards political contribution.

17. Information pursuant to provisions of paragraphs 3, 4-C and 4-D of Part-II of Schedule VI to the Companies Act, 1956.

(a) Licensed and Installed Capacity:

Sl.	Items	Unit	2007-08		2006-07	
			Licensed	Installed	Licensed	Installed
1.	Veneer	CBM	N.A.	149000*	N.A.	50200
2.	Plywood	CBM	N.A.	100820*	N.A.	25400
3.	Laminate sheets	Nos.	N.A.	2400000	N.A.	2400000
4.	Pre-laminated Boards	SQM	N.A.	800000	N.A.	800000
5.	Ferro Silicon	MT	N.A.	10620	N.A.	10620
6.	Power	MW	N.A.	13.80	N.A.	13.80
7.	Adhesives	MT	N.A.	2000	N.A.	—

* Including capacities added on amalgamation

Schedules forming part of the Account

(b) Production/Generation:

Sl.	Items	Unit	2007-08	2006-07
1.	Veneer	CBM	72203*	25879*
2.	Plywood	CBM	71003	22896
3.	Laminate sheets	Nos.	2203068	2195176
4.	Pre-laminated Boards	SQM	244246	132536
5.	Ferro Silicon	MT	13316	11464
6.	Power	KWH	109232000#	89403360#
7.	Adhesives	MT	1199.02	—

*includes 41971 CBM (previous year 11146 CBM) for captive use

for captive use

(c) Opening Stock, Purchases, Sales and Closing Stock :

Particulars	Unit	2007-08		2006-07	
		Qty.	Value (Rs. in Crores)	Qty.	Value (Rs. in Crores)
Opening Stock :					
Plywood/Block Board	CBM	5386*	9.80*	3338	7.58
Veneer	CBM	435*	1.04*	497	1.04
Adhesives	KGS	106510	0.55	91582	0.36
Laminate Sheets	PCS	299304	9.97	325423	13.88
Pre-laminated Boards	SQM	31439	0.94	27354	1.00
Chemicals	MT	158	8.34	263	1.86
Ferro Silicon	MT	313	0.93	372	1.70
Timber	CBM	1042	1.28	2009	2.46
Others			0.12		2.23
			32.97		32.11
Purchases :					
Plywood/Block Board	CBM	24355	27.14	49062	78.27
Veneer	CBM	52	0.03		
Adhesives	KGS	108536	0.70	1423542	6.69
MDF/PPB	CBM	2870	4.31	—	—
Chemicals	MT	2410	20.97	1458	28.11
Timber	CBM	—	—	—	—
Others			—		0.13
			53.15		113.20

Schedules forming part of the Account

Particulars	Unit	2007-08		2006-07	
		Qty.	Value (Rs. in Crores)	Qty.	Value (Rs. in Crores)
Sales :					
Plywood/ Block Board	CBM	94530	357.70	71563	235.19
Veneer	CBM	29311	53.42	15037	19.99
MDF/PPB	CBM	1851	2.99	—	—
Adhesives	KGS	1310336	11.59	1408614	11.71
Laminate Sheets	PCS	2142894	90.65	2221295	80.46
Pre-laminated Boards	SQM	255013	10.97	128451	6.21
Chemicals	MT	1746	25.82	1563	24.94
Ferro Silicon	MT	13072	69.16	11523	54.81
Timber	CBM	741	0.95	967	1.65
Others			6.39		8.14
			629.64		443.10
Closing Stock :					
Plywood/Block Board	CBM	6214	15.00	3733	8.18
Veneer	CBM	1408	2.60	193	0.77
MDF/PPB	CBM	1019	1.41	—	—
Adhesives	KGS	103726	0.58	106510	0.55
Laminate Sheets	PCS	359478	12.68	299304	9.97
Pre-laminated Boards	SQM	20672	0.41	31439	0.94
Chemicals	MT	822	8.24	158	8.34
Ferro Silicon	MT	557	2.45	313	0.93
Timber	CBM	301	0.37	1042	1.28
Others			0.12		0.12
			43.86		31.08

* includes stock added on amalgamation

(d) Raw Materials Consumed :

	Unit of Qty	2007-08		2006-07	
		Quantity	Value (Rs. in Crores)	Quantity	Value (Rs. in Crores)
(i) Timber Logs	CBM	110936	130.17	36990	42.36
(ii) Veneer	CBM	47539	47.10	12601	20.36
(iii) Chemicals	KGS/LTR.	16546924	50.52	7809282	32.66
(iv) Paper	KGS	6486940	32.28	6095475	30.50
(v) Particle Board	CBM	4125	4.26	2673	2.27
(vi) Coal/Charcoal/Lame Coke	MT	2378	1.10	356	0.24
(vii) Super Screen Coal	MT	16703	8.29	21336	7.83
(viii) Quartz	MT	25546	2.40	20573	1.82
(ix) Mill Scale	MT	5147	1.28	4550	0.77
(x) Others			0.84		0.11
Total			278.24		138.92

Schedules forming part of the Account

(e) Value of Imported and indigenous Raw-materials, Stores, Spare parts, components and their percentage to total consumption:

(Rs. in Crores)

	2007-08		2006-07	
	Value	%	Value	%
Raw Materials / Goods				
- Imported	167.88	60.34	75.00	53.99
- Indigenous	110.36	39.66	63.92	46.01
Total	278.24	100.00	138.92	100.00
Stores & Spares				
- Imported	0.18	1.84	0.31	4.84
- Indigenous	9.82	98.16	6.09	95.16
Total	10.00	100.00	6.40	100.00

(f) Value of Imports (CIF) / Expenditures in Foreign Currency:

	2007-08	2006-07
Raw Materials/Goods	188.35	79.84
Capital Goods	1.87	0.73
Stores & Spares	0.19	0.23
Expenditure :		
Travelling Expenses	0.26	0.25
Interest	0.19	0.74
Others	0.05	0.09
Total	190.91	81.88

g) Earnings in Foreign Currency:

	2007-08	2006-07
Export (FOB Value)	22.69	16.53
Total	22.69	16.53

18. Unhedged Foreign Currency Exposure as at 31.03.2008 Rs. 94.57 Crores (Previous year 39.77 Crores).
19. The Ministry of Corporate Affairs, Government of India vide its letter no. 47/228/2008-CL-III dated 2nd June,2008 has exempted the company from attaching the Annual Reports and other particulars of its subsidiary companies along with the Annual Report of the company required u/s 212 of the Companies Act, 1956. Therefore, the said Reports of the subsidiary companies are not attached herewith. However, a statement giving certain information as required by Ministry of Corporate Affairs, while granting exemption, is given hereunder.

Schedules forming part of the Account

(Rs. in Crores)

	Name of the Subsidiary	Direct Subsidiaries		Ultimate Subsidiaries	
		Cement Manufacturing Co. Ltd.	Auro Sundaram Ply & Doors (P) Ltd.	Megha Technical & Engineers (P) Ltd.	Star Cement Meghalaya Ltd.
1.	Capital	41.92	1.00	27.35	2.84
2.	Reserves	190.32	4.35	21.52	—
3.	Total Assets	336.78	8.75	103.07	3.76
4.	Total Liabilities	336.78	8.75	103.07	3.76
5.	Details of Investment Reliance Energy Ltd. (except investment in subsidiaries)	0.25	—	—	—
6.	Turnover	269.94	15.93	164.35	—
7.	Profit Before Taxation	95.00	0.33	8.35	—
8.	Provision for Taxation	0.27	0.07	1.63	—
9.	Profit After Taxation	94.73	0.26	6.72	—
10.	Proposed Dividend	10.48	—	—	—

20. Previous year's figures have been regrouped / rearranged/ recasted wherever necessary, to make them comparable to current year's figures.

21. Rupee Figures have been rounded to the nearest Crores unless otherwise stated.

Signature to Schedules 'A' to 'U' forming part of the Balance Sheet and Profit & Loss Account.

As per our report of even date

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner

Membership no. 50510
Kolkata, 28th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner

Membership no. 57329

For and on behalf of the Board

Sajjan Bhajanka - Managing Director

Sanjay Agarwal - Dy. Managing Director

A. K. Julasaria - CFO & Company Secretary

Cash Flow Statement for the year ended 31st March, 2008

(Rs. in Crores)

	2007-08	2006-07
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	61.98	24.38
Adjustments for :		
Depreciation	13.93	12.87
Interest	10.47	7.92
Dividend Income	(4.45)	(4.44)
Sundry Balances/Bad Debts written off	0.05	—
(Profit)/Loss on Sale of Fixed Assets	(0.04)	0.01
(Profit)/Loss on Sale of Investments	(0.78)	(0.13)
Interest Received	(0.74)	(0.50)
Prior period Adjustments	(0.09)	—
Operating Profit before Working Capital changes	80.33	40.11
Adjustments for :		
Trade and other Receivables	(44.69)	(23.80)
Inventories	(41.92)	(6.44)
Trade Payables and other Liabilities	19.83	0.65
Cash Generated from Operations	13.55	10.52
Interest Paid	(10.47)	(7.92)
Direct Taxes Paid (Net of Refunds)	(14.63)	(6.70)
Net Cash from Operating Activities	(11.55)	(4.10)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed Assets (including C.W.I.P.) (Net)	(11.94)	(7.52)
Investments (Net)	3.55	(4.10)
Dividend Income	4.45	4.44
Interest Received	0.74	0.50
Net Cash from Investing Activities	(3.20)	(6.68)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Borrowings (net)	(5.23)	23.57
Amalgamation Expenses	20.27	(0.06)
Dividend paid (including Dividend Tax)	—	(8.55)
Net Cash from Financing Activities	15.04	14.96
Net Increase/(Decrease) in Cash and Cash equivalents	0.29	4.18
Cash and Cash equivalents as at 1st April (Opening Balance)	14.64	7.86
Cash and Cash equivalents as at 1st April (Closing Balance)	14.93	12.04

Notes to the Cash Flow Statement for the year ended 31st March 2008

- Cash and Cash equivalents at the beginning of the year includes Rs. 1.19 crores of erstwhile Century Panels Pvt.Ltd., Rs. 1.40 crores of erstwhile Sharon Veneers Pvt. Ltd. and Rs. 0.01 crores of erstwhile Sharon Wood Industries Ltd. taken over on merger.
- The merger of mentioned companies is a non-cash transaction (Refer note B-1 in Schedule 'U').
- In view of the aforesaid amalgamation, the current year figures are not comparable with those of previous year.
- Previous year's figures have been regrouped/rearranged wherever necessary to conform to this year's classification.

In terms of our report of even date.

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants

For **Kailash B. Goel & Co.**
Chartered Accountants

Sajjan Bhajanka - Managing Director

CA. Ashok Kr. Kedia
Partner

CA. Arun Kr. Sharma
Partner

Sanjay Agarwal - Dy. Managing Director

Membership no. 50510
Kolkata, 26th June, 2008

Membership no. 57329

A. K. Julasaria - CFO & Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I. Registration Details

Registration No. State Code
 Balance Sheet Date

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

Public Issue Rights Issue
 Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 Other Income Profit after Tax
 Profit before Tax
 Earning per Share in Rs. Dividend %

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

Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner

Membership no. 50510
Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner

Membership no. 57329

Sajjan Bhajanka - Managing Director

Sanjay Agarwal - Dy. Managing Director

A. K. Julasaria - CFO & Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956, RELATING TO SUBSIDIARY COMPANIES

	Name of the Subsidiary	Direct Subsidiaries		Ultimate Subsidiaries	
		Cement Manufacturing Co. Ltd.	Auro Sundaram Ply & Doors (P) Ltd.	Megha Technical & Engineers (P) Ltd.	Star Cement Meghalaya Ltd.
1.	Financial year of the Subsidiary ended on	31st March, 2008	31st March, 2008	31st March, 2008	31st March 2008
2.	Date from which they became Subsidiary	1st October, 2006	20th December, 2006	23rd March, 2006	2nd June, 2007
3.	Shares of the Subsidiary held by the Company/ Direct Subsidiary as on 31st March, 2008				
	a) Number of Shares	2,95,47,500	5,10,000	27336400	28,37,500
	b) Face value of Shares	Rs.10/-	Rs.10/-	Rs.10/-	Rs.10/-
	c) Extent of Holding	70.48 %	51 %	99.96 %	100 %
4.	The net aggregate amount of the Subsidiary Company's profit/(loss) so far as it concerns the members of the holding company	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
	a) Not dealt with in the holding company's accounts				
	i) For the financial year ended 31st March, 2008	66.76	0.13	6.72	Nil
	ii) Upto the previous financial years of the Subsidiary company	0.73	0.07	0.39	Nil
	b) Dealt with in the holding company's accounts				
	i) For the financial year ended 31st March, 2008	Nil	Nil	Nil	Nil
	ii) For the the previous financial year of the Subsidiary company since they become the holding company's subsidiaries	Nil	Nil	Nil	Nil

For and on behalf of the Board

Sajjan Bhajanka - *Managing Director*

Sanjay Agarwal - *Dy. Managing Director*

A. K. Julasaria - *CFO & Company Secretary*

Auditors' Report on Consolidated Financial Statements

To The Board of Directors

Century Plyboards (India) Limited

We have examined the attached Consolidated Balance Sheet of CENTURY PLYBOARDS (I) LIMITED and its subsidiaries as at 31st March, 2008, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Financial Statements of the subsidiaries (Cement Manufacturing Company Ltd, Megha Technical & Engineers Pvt Ltd and Star Cement Meghalaya Ltd) whose financial statements have been audited by M/s Kailash B. Goel & Co., Chartered Accountants reflects total assets of Rs. 450.12 crores as at 31st March, 2008, revenue of Rs. 351.43 crores and net cash outflow amounting to Rs. 5.46 crores for the year ended on that date.

We did not audit the Financial Statements of the subsidiary Auro Sundaram Ply & Doors Pvt. Ltd. whose financial statements reflect total assets of Rs. 8.75 crores as at 31st March, 2008, revenue of Rs. 16.11 crores and net cash inflows amounting to Rs. 0.03 crores for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the company and its subsidiaries included in the Consolidated Financial Statements.

On the basis of information and explanations given to us and on the consideration of separate audit reports on individual financial statements of the company and its subsidiaries subject to note no.12 in Schedule U regarding change in accounting policy in respect of depreciation on certain fixed assets of one of the subsidiary company and the resultant impact, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March 2008;
- ii. in the case of the Consolidated Profit and Loss account, of the profit of the Company for the year ended on that date and its subsidiaries; and
- iii. in the case of Consolidated Cash Flow Statement, of the consolidated Cash flows for the Company and its subsidiaries for the year ended on that date.

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner
M.No. 50510

Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner
M.No. 57329

Consolidated Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	Schedule	As at 31.03.2008	As at 31.03.2007
A. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	19.80	19.80
Share Capital Suspense	AA	2.95	—
Reserves & Surplus	B	294.38	171.82
		317.13	191.62
MINORITY INTEREST		73.21	43.20
LOAN FUNDS			
Secured Loans	C	270.83	258.11
Unsecured Loans	D	26.43	18.20
		297.26	276.31
DEFERRED TAX LIABILITY (NET)		4.20	3.46
		691.80	514.59
B. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	379.75	248.32
Less : Depreciation		115.03	69.48
Net Block		264.72	178.84
Capital Work in Progress		25.16	76.62
		289.88	255.46
INVESTMENTS	F	1.22	4.52
CURRENT ASSETS LOANS & ADVANCES			
Inventories	G	163.09	111.57
Sundry Debtors	H	200.42	123.16
Cash & Bank Balances	I	17.40	19.67
Loans & Advances	J	167.39	82.06
		548.30	336.46
Less : Current Liabilities & Provisions			
Current Liabilities	K	123.44	81.67
Provisions	L	24.91	0.60
		148.35	82.27
NET CURRENT ASSETS		399.95	254.19
MISCELLANEOUS EXPENDITURE (To the extent not written off/adjusted)	M	0.75	0.42
		691.80	514.59
Significant Accounting Policies and Notes on Accounts	U		
As per our report of even date			

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner

Membership no. 50510
Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner

Membership no. 57329

Sajjan Bhajanka - Managing Director

Sanjay Agarwal - Dy. Managing Director

A. K. Julasaria - CFO & Company Secretary

Consolidated Profit & Loss Account for the year ended 31st March, 2008

(Rs. in Crores)

	Schedule	2007-08	2006-07
INCOME			
Income from Sales & Services	N	1001.45	715.75
Less : Excise Duty		51.80	26.97
Less : Sales Tax/VAT		82.26	51.22
		867.39	637.56
Other Income	O	8.47	2.50
Increase/(Decrease) in stock	P	5.25	2.38
		881.11	642.44
EXPENDITURE			
Cost of Material	Q	354.15	269.84
Operating & Administrative Expenses	R	260.75	187.31
Personnel Expenses	S	46.39	25.49
Depreciation		35.14	24.95
Interest	T	23.68	15.57
		720.11	523.16
PROFIT BEFORE TAX			
		161.00	119.28
Less : Prior Period Adjustments (Net)		0.71	0.27
Taxes relating to earlier years		0.32	—
Provision for Tax :			
- Current Tax		27.68	16.30
- Fringe Benefit Tax		1.03	0.80
- Deferred Tax		0.31	(1.24)
- MAT Credit entitlement		(10.73)	—
PROFIT AFTER TAX (Before Minority Interest Adj.)		141.68	103.15
Less Minority Interest		30.01	25.75
PROFIT AFTER TAX (After Minority Interest Adj.)		111.67	77.40
Pre acquisition (Profit)/Loss			0.03
Adjustment of Minority Interest Pre acquisition Profit/Loss			0.03
Add : Balance (Cr.) brought forward		115.99	47.64
Add : Balance (Cr.) in Profit & Loss Account acquired on amalgamation (refer Note 1 of Schedule 'U')		4.78	—
AMOUNT AVAILABLE FOR APPROPRIATION		232.44	125.10
Appropriations :			
Transfer to General Reserve		14.50	2.04
Proposed Dividend on Preference shares		0.05	—
Proposed Dividend on Equity shares		21.59	—
Interim Dividend on Equity shares		1.39	5.84
Corporate Tax on Dividend		2.77	1.23
Balance (Cr.) Carried forward		192.14	115.99
		232.44	125.10
BASIC & DILUTED EARNING PER SHARE (Rs.)			
		50.24	39.19

Significant Accounting Policies and Notes on Accounts U
As per our report of even date

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants
CA. Ashok Kr. Kedia
Partner
Membership no. 50510
Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants
CA. Arun Kr. Sharma
Partner
Membership no. 57329

Sajjan Bhajanka - *Managing Director*
Sanjay Agarwal - *Dy. Managing Director*
A. K. Julasaria - *CFO & Company Secretary*

Schedules to Consolidated Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'A'		
SHARE CAPITAL		
Authorised Capital		
4,90,00,000 (2,49,60,000) Equity Shares of Rs. 10/ each	49.00	24.96
10,00,000 (40,000) Preference Shares of Rs. 10/ each	1.00	0.04
	50.00	25.00
Issued		
1,99,03,413 (1,99,03,413) Equity Shares of Rs. 10/- each	19.90	19.90
Subscribed & Paid		
1,97,65,413 (1,97,65,413) Equity Shares of Rs. 10/- each	19.77	19.77
Add : Amount paid on 1,38,000 shares forfeited	0.03	0.03
	19.80	19.80
Of the above Equity Shares of Rs. 10/- each		
93,110 Shares were issued in the year 1993 pursuant to scheme of amalgamation		
9,99,630 Shares were issued in the year 1995-96 as Bonus shares by capitalisation of reserves		
34,14,516 Shares were issued in the year 2004-05 as Bonus shares by capitalisation of reserves and Securities Premium		
95,21,865 Shares were issued in the year 2006-07 pursuant to scheme of amalgamation		
SCHEDULE - 'AA'		
SHARE CAPITAL SUSPENSE		
24,51,886 Equity Shares of Rs. 10/- each and 5,00,000 9% Redeemable Preference shares of Rs. 10/ each to be issued to the shareholders of transferor companies pursuant to scheme of amalgamation (Refer note 1 of Schedule 'U')	2.95	—
	2.95	—
SCHEDULE - 'B'		
RESERVES & SURPLUS		
General Reserve		
At commencement of the year	9.58	6.06
Add : Acquired/Added on amalgamation*	3.32	—
Add : Transferred from Profit & Loss Account	14.50	3.52
Less : Transitional provisions under Accounting Standard 15	0.18	—
	27.22	9.58
Securities Premium		
At commencement of the year	17.91	17.91
Add : Acquired on amalgamation*	1.02	—
	18.93	17.91
Amalgamation Reserve		
As per last account	3.17	3.17
Capital Reserve		
At commencement of the year	24.33	24.16
Add : Acquired on amalgamation*	0.01	—
Add : Addition during the year	27.52	0.17
Less : Capital Subsidy Written off (Refer note 9 Schedule 'U')	0.86	—
	51.00	24.33
Revaluation Reserve		
At commencement of the year	0.84	0.86
Add : Acquired on amalgamation*	1.16	—
Less : Depreciation Adjustment	0.08	0.02
	1.92	0.84
Profit & Loss Account		
	192.14	115.99
	294.38	171.82

* Refer Note 1 Schedule 'U'

Schedules to Consolidated Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'C'		
SECURED LOANS		
Rupee Term Loans		
From a Financial Institution	29.56	37.01
From Banks	82.50	93.90
FCNRB Term Loan from Banks	27.73	24.45
Buyers' Credit from Banks		
For Capital Expenditure	0.98	3.85
For Operational Use	16.88	17.31
Working Capital Facilities from Banks		
Cash Credit	79.95	78.15
FCNRB Demand Loans	29.20	—
Hire Purchase Finance		
From Banks	2.86	2.65
From Bodies Corporate	1.09	0.79
Interest Accrued and due on Secured Loans	0.08	—
	270.83	258.11

Notes :

- Term Loan of Rs. 10.00 Crores from Banks are secured/ to be secured against first charge on the fixed assets of the company's Laminate Unit and second charge on current assets of the company's Plywood and Laminate Unit at Bishnupur, West Bengal
- Term Loan of Rs. 6.60 Crores from Banks and Rs. 10.25 Crores from a financial Institution are secured/to be secured against first charge on fixed assets and second charge on current assets of the Company's Ferro Alloy Unit at Byrnihat, Meghalaya
- Term Loan of Rs. 0.83 Crores from a Bank is secured/ to be secured against first charge on the fixed assets and second charge on current assets of the company's Plywood Unit at Chinnappolapuram, Gummidipoondi, Chennai.
- Term Loan of Rs. 0.72 Crores from a Bank is secured/ to be secured against first charge on fixed assets and second charge on current assets of the company's Plywood Unit at Ramba Road, Tarraori, Karnal, Haryana.
- Working Capital facilities of Rs. 65.48 Crores from Banks and Letters of Credit for Buyers' Credit of Rs. 17.86 Crores are secured/ to be secured on current assets of the company's Plywood and Laminate Unit at Bishnupur, West Bengal
- Working Capital facilities of Rs. 12.31 Crores from a Bank is secured/ to be secured against first charge on current assets of the company's Ferro Alloy Unit.
- Working Capital facilities of Rs. 2.29 Crores from a Bank is secured/ to be secured against first charge on current assets of the Company's Plywood Unit at Chinnappolapuram, Gummindipoondi, Chennai.
- Working Capital facilities of Rs. 0.91 Crores from a Bank is secured/ to be secured against first charge on current assets of the company's plywood unit at Ramba Road, Tarraori, Karnal, Haryana.
- Term Loans of Rs. 108.76 Crores from Banks and a Financial Institution are secured/ to be secured by first charge on fixed assets of Subsidiaries' cement plants at Lumshnong, Meghalaya on pari passu basis.
- Term Loan of Rs. 2.00 Crores from a Bank is secured/ to be secured by first charge on fixed assets of the power plant of a subsidiary at Lumshnong, Meghalaya.
- Term Loan of Rs. 0.63 Crores from a Bank is secured/ to be secured by first charge on fixed assets of the Plywood Unit of a subsidiary at Uttarakhand
- Working Capital facilities of Rs. 25.93 Crores from Banks are secured/ to be secured by way of first charge on current assets of subsidiaries and second charge on fixed assets of the cement plants of the subsidiaries at Lumshnong, Meghalaya on pari passu basis.
- Working Capital facilities of Rs. 2.24 Crores from Banks is secured/ to be secured by way of first charge on current assets and second charge on fixed assets of the Plywood Unit of a subsidiary at Uttarakhand.
- Term Loans and Working Capital facilities from Banks/Financial Institutions are also guaranteed by some of the Directors of the Company and Subsidiary Companies.
- Hire Purchase finance is secured against hypothecation of assets procured from such finance
- Secured Term Loans due within one year Rs. 46.60 Crores (Previous Year 28.74 Crores)

Schedules to Consolidated Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'D'		
UNSECURED LOANS		
From Bodies Corporate	6.84	4.39
From Banks	12.00	8.58
Security Deposits	7.59	5.23
	26.43	18.20

SCHEDULE - 'E'

FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	As at 01.04.2007	Added on Amalga- mation*	Additions during the year	Sales/Adj during the year	As at 31.03.2008	Up to 31.03.2007	Added on Amalga- mation*	For the year	Adjustments during the year	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007
A. TANGIBLE ASSETS												
Land & Site Development	9.78	1.53	1.53	—	12.84	—	—	—	—	—	12.84	9.78
Mines & Mines Development	3.29	—	1.09	—	4.38	—	—	—	—	—	4.38	3.29
Factory Building	45.53	4.40	24.54	—	74.47	10.54	2.37	4.92	—	17.83	56.64	34.99
Non-Factory Building	12.41	0.09	11.59	—	24.09	0.63	0.02	0.85	—	1.50	22.59	11.78
Leasehold Property	0.22	—	1.55	—	1.77	0.20	—	0.10	—	0.30	1.47	0.02
Plant & Machinery	139.06	10.82	59.11	0.62	208.37	44.44	6.03	22.88	0.18	73.17	135.20	94.62
Electrical Installation	21.22	0.80	2.48	0.01	24.49	6.44	0.53	2.41	0.01	9.37	15.12	14.78
Furniture & Fixtures	3.62	0.19	1.48	0.02	5.27	1.41	0.09	0.55	0.01	2.04	3.23	2.21
Office Equipment	1.44	1.22	0.61	0.03	3.24	0.46	0.27	0.34	0.01	1.06	2.18	0.98
Computers	3.73	0.21	2.88	0.02	6.80	2.25	0.25	1.21	0.02	3.69	3.11	1.48
Vehicles	7.58	1.38	3.10	0.37	11.69	2.93	0.53	2.17	0.24	5.39	6.30	4.65
Sub Total (A)	247.88	20.64	109.96	1.07	377.41	69.30	10.09	35.43	0.47	114.35	263.06	178.58
B. INTANGIBLE ASSETS												
Computer Softwares	0.43	—	1.90	—	2.33	0.17	—	0.50	—	0.67	1.66	0.26
Trade Marks and Patent Rights	0.01	—	—	—	0.01	0.01	—	—	—	0.01	—	—
Sub Total (B)	0.44	—	1.90	—	2.34	0.18	—	0.50	—	0.68	1.66	0.26
TOTAL ALL ASSETS (A+B)	248.32	20.64	111.86	1.07	379.75	69.48	10.09	35.93	0.47	115.03	264.72	178.84
PREVIOUS YEAR	217.92	—	30.93	0.53	248.32	43.91	—	25.82	0.25	69.48	178.84	174.01
Capital Work-in-Progress											25.16	76.62

* Refer Note 1 Schedule 'U'

Other Notes :

1. Preoperative Expenditure capitalized during the year Rs. 8.90 Crores (Previous Year Rs. Nil)
2. Depreciation for the year includes Rs. 0.08 Crores towards depreciation provided on amount added to Gross Block as a result of revaluation of assets.
3. Depreciation for the year on some of the assets includes Rs. 0.62 crores relating to earlier year due to the change in the method of charging depreciation from SLM to WDV.
4. Depreciation for the year includes Rs. 0.10 Crores capitalised during the year.
5. During the year Company has discarded Plant & Machinery amounting to Rs. 0.20 crores.

Schedules to Consolidated Balance Sheet as at 31st March, 2008

(Rs. in Lacs)

				As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'F'					
INVESTMENTS					
	Face Value in Rs.	Nos as at 31.03.2008	Nos as at 31.03.2007		
A LONG TERM - AT COST					
(a) Quoted Equity Shares (Non-trade)					
Bharat Commerce & Industries Ltd	10	19000	19000	0.73	0.73
Century Textiles Ltd	10	—	350	—	1.67
Corporation Bank	10	600	—	0.48	—
Emami Ltd	2	—	5000	—	13.28
Greenply Industries Ltd	5	100	100	0.09	0.09
Hindalco Industries Ltd	1	5000	5000	9.47	9.47
IDBI Bank Ltd	10	—	5000	—	4.90
IVRCL Infrastrucure & Projects Ltd	2	—	1000	—	2.89
Kitply Industries Ltd	10	100	100	0.02	0.02
Konark Commerce Industries Ltd	10	—	29300	—	11.04
Nagarjuna Fertilisers & Chemicals Ltd	10	—	12400	—	1.71
Oriental Bank of Commerce	10	—	2000	—	5.00
Pidilite Industries Ltd	1	1000	1000	0.27	0.27
Reliance Industries Ltd	10	—	4500	—	63.41
Relince Power Ltd	10	5453	—	24.54	—
Sesa Goa Ltd	10	—	100	—	1.94
Tata Iron & Steel Co. Ltd	10	410	10000	2.20	49.38
Uco Bank Ltd	10	54500	86244	7.95	11.76
Sub Total				45.75	177.56
(b) Quoted Preference Shares					
Tata Iron & Steel Co. Ltd	100	45	—	0.05	—
Total Quoted Investments (a+b)				45.80	177.56
(c) Unquoted Equity Shares (Non-trade)					
Century Star Shipping Ltd.	10	710766	710766	71.08	71.08
Changlang Plywood Pvt. Ltd.	100	2000	2000	2.00	2.00
Manmao Plywood Pvt. Ltd.	100	1000	1000	1.00	1.00
Transcend Infrastructure Ltd	10	20000	—	2.00	—
Sub Total				76.08	74.08
B Current Investments					
Reliance Equity Fund (Dividend Plan)	10	—	2000000	—	200.00
D Investment in Government Securities					
National Savings Certificate (VII Issue)				0.08	0.08
TOTAL (Rs. Lacs)				121.96	451.72
TOTAL (Rs. Crores)				1.22	4.52
Aggregate Market value of Quoted Investments				0.42	1.60

Note : Following Investments were purchased and sold during the year

Praj Industries Ltd 4000 shares of face value Rs. 10

Tata Iron & Steels Ltd 9800 shares of face value Rs. 10

Schedules to Consolidated Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'G'		
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	78.20	38.31
Work in Progress	4.31	10.43
Finished Goods/ Stock in Trade	45.71	32.26
Consumable Stores & Spares (including coal, fuel & packing materials)	34.87	30.57
	163.09	111.57
SCHEDULE - 'H'		
SUNDRY DEBTORS		
Secured Considered Good		
Sale of Product		
Over Six months	0.06	0.03
Other Debts	1.61	2.26
	1.67	2.29
Unsecured		
Over Six Months		
I Sale of product - Considered Good	7.51	3.41
Sale of product - Considered Doubtful	0.08	0.07
Less: Provision for Bad & Doubtful debts	(0.08)	(0.07)
	7.51	3.41
II Claims due from Central Government - Considered Good	63.07	39.71
Other Debts		
I Sale of Products - Considered Good	113.15	65.62
II Claims due from Central Government - Considered Good	15.02	12.13
	128.17	77.75
	200.42	123.16
SCHEDULE - 'I'		
CASH AND BANK BALANCES		
Cash in hand (As certified by the Management)	0.69	0.62
Cheques/DDs in hand	4.76	3.65
Balance with Scheduled Banks		
— In Current Accounts	8.84	11.33
— In Fixed Deposit Accounts	3.05	4.01
Balance with a Non Scheduled Bank		
— In Current Account	0.06	0.06
Meghalaya Rural Bank (Maximum amount due during the year Rs. 0.68 Crores, P.Y. Rs. 0.53 Crores)	17.40	19.67

Schedules to Consolidated Balance Sheet as at 31st March, 2008

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 'J'		
LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	67.09	41.37
Subsidies Receivable from Central/State Governments	69.35	29.43
Advance Income Tax including MAT Credit Entitlement Rs.10.73 Crores (Net of Provisions)	10.89	0.98
Deposits	9.14	3.20
Balance with Excise Department	10.92	7.08
	167.39	82.06
SCHEDULE - 'K'		
CURRENT LIABILITIES		
Sundry Creditors -Micro, Small and Medium Enterprises*	—	—
Sundry Creditors - Others	84.43	50.54
Interest accrued but not due	0.01	0.11
Unclaimed Dividend	0.07	0.17
Advance from Customers	4.94	2.95
Other Liabilities	33.99	27.90
	123.44	81.67
* The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and, hence disclosure relating to amounts unpaid at the year end interest paid/payable under this Act have not been given		
SCHEDULE - 'L'		
PROVISIONS		
Proposed Dividend	21.64	—
Corporate Tax on Dividend	1.78	—
For Retirement Benefits	1.49	0.60
	24.91	0.60
SCHEDULE - 'M'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off/adjusted)		
Project Development and Feasibility Report Expenses, etc	0.22	—
Preliminary Expenses	0.34	0.29
Share Issue Expenses	0.05	0.08
Amalgamation Expenses	0.04	0.05
Others	0.10	—
	0.75	0.42

Schedules to Consolidated Profit & Loss Account for the year ended 31st March, 2008

(Rs. in Crores)

	2007-08	2006-07
SCHEDULE - 'N'		
GROSS INCOME FROM SALES & SERVICES		
Income from Sale of Products	995.42	710.21
Add: Captive consumption of Cement	2.19	1.80
	997.61	712.01
Income from Services (Gross) TDS Rs.0.03 Crores (P.Y,Rs.0.02 Crores)	2.26	1.31
Govt Incentives/Export Benefits/ Other Entitlements	1.58	2.43
	1001.45	715.75
SCHEDULE - 'O'		
OTHER INCOME		
Dividend {including Rs.0.02 Crores, (P.Y. 0.01 Crores) on long term investments}	0.02	0.01
Interest {Gross, TDS Rs. 0.14 Crores, (P.Y. Rs. 0.06 Crores)}	0.77	0.53
Profit on Sale of Investments {including Rs. 0.40 Crores (P.Y. Rs. 0.13 Crores) on long term investments}	0.78	0.13
Profit on Sale of Fixed Assets	0.04	0.01
Exchange Difference (Net)	3.94	0.60
Miscellaneous Income	2.92	1.22
	8.47	2.50
SCHEDULE - 'P'		
INCREASE/(DECREASE) IN STOCK		
Opening Stock		
Finished Goods	32.26	33.27
Work in Progress	10.43	7.04
	42.69	40.31
Add: Acquired on amalgamation (Refer Note 1 in Schedule U)		
Finished Goods	1.89	—
Work in Progress	0.69	—
	45.27	40.31
Closing Stock		
Finished Goods	45.27	32.26
Work in Progress	5.25	10.43
	50.52	42.69
Increase/(Decrease) in Stock	5.25	2.38
SCHEDULE - 'Q'		
COST OF MATERIALS		
Raw Materials Consumed	316.21	161.78
Purchases	37.94	108.06
	354.15	269.84

Schedules to Consolidated Profit & Loss Account for the year ended 31st March, 2008

(Rs. in Crores)

	2007-08	2006-07
SCHEDULE - 'R'		
OPERATING & ADMINISTRATIVE EXPENSES		
Stores & Spare parts consumed including packing materials	24.37	15.77
Power & Fuel	73.28	53.41
Insurance Charges	1.45	1.04
Jetty Expenses	0.78	0.24
Repairs & Maintenance	12.26	10.00
Transport & Freight	64.35	47.43
Equipment Hire Charges	2.58	1.49
Commission	1.96	1.16
Rebates & Discounts	16.67	11.88
Advertisement, Publicity and Sales Promotion	26.77	20.33
Communication Expenses	2.99	1.96
Miscellaneous Expenses	16.69	11.20
Bank Charges	2.31	2.20
Directors' Remuneration	1.03	0.85
Auditors' Remuneration	0.20	0.13
Royalty	5.09	4.78
Research & Development Exp.	0.26	0.12
Preliminary Expenses Written off	0.20	0.09
Excise Duty on Stock*	0.20	(0.32)
Octroi	2.52	1.54
Rent	2.29	1.19
Rates & Taxes	2.50	0.82
	260.75	187.31
* Represents the aggregate of excise duty difference between excise on opening and closing stock of finished goods		
SCHEDULE - 'S'		
PERSONNEL COST		
Salaries, Wages and Bonus	41.76	22.76
Contribution to Provident and other Funds	3.09	1.70
Staff and Labour Welfare	1.54	1.03
	46.39	25.49
SCHEDULE - 'T'		
INTEREST AND FINANCE CHARGES		
On Term Loans	12.24	9.24
On Others	11.44	6.33
	23.68	15.57

Schedules forming part of the Consolidated Account

SCHEDULE – ‘U’

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(Annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2008 & Consolidated Profit & Loss Account for the year ended on that date)

A. CONSOLIDATION

- (a) The subsidiaries (which along with Century Plyboards (India) Ltd, the parent) considered in preparation of these Consolidated Financial Statements (CFS) are :

Name of the Subsidiary	Country of Incorporation	Percentage of ownership interest as at 31.03.2008	Subsidiary with effect from	Main Business of Subsidiary
Cement Manufacturing Co. Ltd (CMCL)	India	70.48%	1st October, 2005	Manufacturing of Cement and Clinker
Megha Technical & Engineers Private Limited (MTEPL)	India	99.96%	23rd March, 2006	Generation of Power, Manufacturing of Cement and providing equipments/ vehicles on hire
Star Cement Meghalaya Limited (SCML)	India	100%	2nd June, 2007	Yet to commence commercial operation
Auro Sundaram Ply & Door Pvt. Ltd. (ASPDPL)	India	51.00%	20th December, 2006	Manufacturing of Plywood allied products

- (b) In accordance with Accounting Standard 21 on “Consolidated Financial Statement” issued by the Institute of Chartered Accountants of India, the CFS have been prepared on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the un-realized profits / losses on intra group transactions, to the extent possible. CFS are presented to the extent possible, in the same manner as the Company’s separate financial statements.
- (c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (d) Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (e) Significant Accounting policies and notes to the consolidated Financial Statements are intended to show as means of informative disclosure and guide for better understanding of the consolidated position of the Company. Recognising this purpose, the Company has disclosed such policies and notes from individual financial statements which fairly present the needed disclosure. Lack of homogeneity and other similar conditions made it desirable to exclude some of them which in the opinion of the Management could be better viewed when referred from Individual Financial Statements.
- (f) The parent, CMCL, MTEPL and ASPDPL provides depreciation on written down value method except Power Division of MTEPL provides depreciation on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. The parent writes off preliminary expenses over a period of 10 and 5 years and all subsidiaries write off the same over a period of 5 years. Except these, the parent and subsidiary have adopted uniform accounting policies.
- (g) Reserves shown in the Consolidated Balance Sheet represents the Group’s share in the respective reserves of the Group Companies. Retained earnings comprise general reserve and profit and loss account.

Schedules forming part of the Consolidated Account

B. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Concepts :

The financial statements are prepared under the historical cost convention (except for certain fixed assets which are revalued) on accrual basis and in accordance with the applicable mandatory Accounting Standards issued by The Institute of Chartered Accountants of India.

b. Fixed Assets :

Fixed Assets are stated at their cost of acquisition or construction or revalued amount (net of cenvat, wherever applicable) less accumulated depreciation/amortisation and impairment loss, if any, except that of a subsidiary(MTEPL) whereas Fixed Assets are stated at cost of acquisition or construction (including excise duty, wherever applicable) less accumulated depreciation. Cost comprises the purchase price, installation and attributable cost of bringing the asset to its working condition for its intended use.

c. Capital Work In Progress :

Capital work in progress is carried at cost comprising direct cost and pre-operatives expense during construction period to be allocated to the fixed assets on the completion of construction.

d. Intangible Assets :

Intangible Assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The amortisable amount of an intangible asset is allocated over its estimated useful life.

e. Leased Assets :

Operating lease rentals are expensed with reference to lease terms and other considerations. Rentals pertaining to the period upto the date of commissioning of the assets are capitalized.

f. Depreciation/ Amortisation :

Depreciation on Fixed Assets is charged on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Continuous process plants are identified based on a technical assessment and depreciated at the specified rate as per schedule XIV to the Companies Act,1956. Depreciation on fixed assets of Power Division of the Subsidiary, Megha Technical & Engineers Private Limited, is provided on straight-line method at the rates and the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of put to use, and in the case of a new project, the same is provided on a pro-rata basis from the date of commencement of commercial production. Deprecation on assets sold, discarded, demolished or scrapped, is provided up to the date on which the said asset is sold, discarded, demolished or scrapped. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Leasehold assets are amortized on the basis of their useful life or remaining lease period, whichever is lower.

g. Impairment

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

h. Investments :

Current Investments are stated at lower of cost and market/fair value. Long-term investments are stated at cost after deducting provision made for permanent diminution in value.

i. Inventories :

Inventories are valued at lower of cost and net realizable value except scrap which is valued at estimated

Schedules forming part of the Consolidated Account

realizable value. The cost is computed on weighted average/FIFO basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

j. Retirement Benefits :

(i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are immediately recognized in the Profit & Loss Account.

k. Borrowing Costs :

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

l. Foreign Currency Transactions :

Foreign currency transactions are recorded at the rate prevailing on the dates of the transactions and exchange differences are dealt with in the profit & loss account.

All exchange differences other than those relating to acquisition of fixed assets, arising from foreign currency transaction (including booking of forward contracts) remaining unsettled at the year end are translated at closing exchange rate prevailing at the end of the year and dealt with in the profit & loss account.

Profit/Loss arising out of cancellation of forward contracts are taken to revenue in the year of cancellation.

m. Research and development expenditure

Revenue expenditure is charged to the profit and loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

n. Miscellaneous Expenditure

Preliminary Expenses/Share Issue Expenses are written off over a period of five years.

o. Taxes on Income

Provision for current tax including Fringe Benefit Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of The Income Tax Act, 1961. Disputed outstanding demands are examined on the basis of the decisions of the appellate authorities and the interpretations of relevant provisions. No provision is made for demands which are likely to be either deleted or substantially reduced and are shown as contingent liabilities.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year, and quantified using the tax rates and laws substantially enacted on the Balance Sheet Date. The deferred tax in respect of timing difference which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act' 1961. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized/adjusted in future.

Schedules forming part of the Consolidated Account

p. Revenue Recognition

Sales revenue is recognized on dispatch of goods to the buyer and stated at net of returns and trade discounts/rebates but includes excise duty and sales tax/VAT. Income from services is recognized as the services are rendered to the parties. Dividend income is accounted for when the right to receive the payment is established. Interest income is recognized on time proportion basis. Certain insurance and other claims and incentives, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

q. Government Grants / Subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the Profit and Loss Account either as income or deducted from related expenses. Capital grants / subsidies are credited to respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.

r. Provision and Contingent Liabilities

Provisions are recognized in respect of present obligation arising out of past events where there are reliable estimate of probable outflows of resource. Contingent liabilities are the possible obligation of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

C. NOTES ON ACCOUNTS

1. Amalgamation of Century Panels Private Limited , Sharon Veneers Private Limited and Sharon Wood Industries Private Limited with the Company

- a) Pursuant to the Scheme of Amalgamation (the scheme) erstwhile Century Panels Private Limited (hereinafter referred to as CPPL), erstwhile Sharon Veneers Private Limited (hereinafter referred as SVPL) and erstwhile Sharon Wood Industries Private Limited (hereinafter referred as SWIPL) have amalgamated with the Company, as approved by the members of the Company at court convened meeting held on 8th October, 2007 and subsequently sanctioned by the Honourable High Courts of Judicature at Delhi and Kolkata vide their orders dated 27th February, 2008 and 5th March, 2008 respectively and pursuant to filing of certified copies of the said orders with Ministry of Corporate Affairs on 1st April, 2008, the undertakings of CPPL, SVPL and SWIPL being all their assets and properties, both moveable and immovable, industrial and other licences, all other interests, rights and powers of every kind, etc and all debts, liabilities including contingent liabilities, duties and obligations, have been transferred to and vested in the company retrospectively with effect from 1st April,2007 (the Appointed Date). The Scheme has accordingly been given effect to in these accounts.
- b) CPPL, SVPL and SWIPL were engaged in manufacturing of Plywood and allied products.
- c) In accordance with the scheme following fully paid shares are to be issued, to the respective shareholders of CPPL, SVPL and SWIPL :
 - 14,51,622 equity shares of Rs. 10/- each of the company in the ratio of 100 equity shares of Rs. 10/- each for every 320 equity shares of Rs. 10/- each held in CPPL
 - 7,37,212 equity shares of Rs. 10/- each of the company in the ratio of 100 equity shares of Rs. 10/- each for every 61 equity shares of Rs. 10/- each held in SVPL
 - 2,63,052 equity shares of Rs. 10/- each of the company in the ratio of 100 equity shares of Rs. 10/- each for every 19 equity shares of Rs. 100/- each held in SWIPL
 - 5,00,000 9% redeemable preference shares of Rs. 10/- each of the company in the ratio of ten preference share of Rs. 10/- each for every one 9% redeemable preference share of Rs. 100/- each held in SWIPL. These shares would be redeemable at par at the end of 10th year from the date of allotment i.e; 18th September, 2002. These shares would carry a fixed cumulative dividend of 9% per annum.

Schedules forming part of the Consolidated Account

The above equity shares shall rank pari-passu with the existing equity shares of the company.

All above shares had been allotted to respective shareholders of CPPL, SVPL and SWIPL on 16th April, 2008 and are shown under the Share Capital Suspense Account as at 31st March, 2008 (Schedule AA)

- d) The amalgamation has been accounted for under the “Pooling of Interest” method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India. Accordingly, the assets and Liabilities of CPPL, SVPL and SWIPL as at 1st April, 2007 have been taken over at their respective book values. The balances in General Reserve (Rs. 0.18 Crores) , Securities Premium (Rs. 1.02 Crores), Capital Reserve (Rs.0.01 crores) , Revaluation Reserve (Rs. 1.15 crores) and Profit & Loss Account (Rs. 4.78 crores) have been added to the Company’s respective heads under Reserves & Surplus. The difference of Rs. 3.14 crores between paid up Share Capital of CPPL, SVPL and SWIPL and aggregate face value of shares issued by the Company has been added to General Reserve.
- e) The income accruing and expenses incurred by CPPL, SVPL and SWIPL during the period from 1st April, 2007 to 31st March, 2008 have also been incorporated in these accounts. During this period CPPL, SVPL and SWIPL carried on existing business in “trust” and on behalf of the company and all vouchers, documents etc. for the said period are in the respective names of CPPL, SVPL and SWIPL. The title deeds for freehold land, buildings, licences, agreements, loan documents etc. are being transferred in the name of the company.
- f) In view of aforesaid amalgamation with effect from 1st April, 2007, the figures for the current year are not comparable to those of previous year.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided (Net of advances) Rs. 45.89 Crores (Previous year Rs. 3.51Crores)

3. Contingent Liabilities :

	31.03.2008	31.03.2007
a Guarantees issued by Banks	1.49	2.91
b Bills Discounted by Banks	5.64	0.94
c Letters of Credit issued by Banks	22.52	11.95
d Export Obligations against EPCG License Scheme	2.71	17.33
e Claims against the company not acknowledged as debts :		
Excise Matters	0.28	0.28
Sales Tax/VAT	1.25	1.28
Income Tax	2.96	1.32
f Borrowing cost capitalized	2.08	2.75
g Guarantee provided to a Corporate body on behalf of Contractor	0.16	0.16

4. Payment made to Auditors during the year

	2007-08	2006-07
A Statutory Audit Fee	0.15	0.11
B Tax Audit Fee	0.03	0.01
C Certification Work	0.02	0.01
Total	0.20	0.13

(Rs. in Crores)

Schedules forming part of the Consolidated Account

5. Break up of Repairs & Maintenance

	(Rs. in Crores)	
	2007-08	2006-07
A Plant & Machinery	8.24	7.14
B Buildings	2.57	1.32
C Others	1.45	1.54
Total	12.26	10.00

6. In the opinion of the Management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
7. Based on information/documents available with the company there was no amount due and outstanding as on 31st March, 2008 to be transferred to Investors Education and Protection Fund under section 205C of the Companies Act, 1956.
8. (a) General Description of Lease Terms:
- Lease rentals are charged on the basis of agreed terms.
 - Assets are taken on lease over a period of 10 to 15 years.
- (b) The Company has taken properties on operating lease basis and lease rent amounting to Rs. 0.70 Crores (P.Y. Rs. 0.11 Crores) has been charged to profit and loss account. The future minimum lease payments are as under :

	(Rs. in Crores)	
	2007-08	2006-07
Not later than one year	0.51	0.03
Later than one year and not later than five years	2.27	0.09
Later than five years	7.08	—

9. In view of uncertainty in acceptability and realization, State Capital Investment Subsidy claim of Rs. 0.86 Crores has been written off by parent Company and debited to Capital Reserve.
10. **Disclosure in respect of transacting related parties pursuant to Accounting Standard 18 “Related Party Disclosures”**

Other Related Parties with whom transactions have taken place during the year :

Associates	
	Brijdham Merchants (P) Limited
	Sriram Merchants Private Limited
	Sriram Vanijya Private Limited
	Sumangal Business Private Limited
	Sumangal International Private Limited
	Bansal Cylinders & Tubes Limited
	Shyam Sel Limited
	Shyam Ferro Alloys Limited
	Shyam DRI Power Limited
	Riangdo Veneers Pvt. Ltd.
	Century Star Shipping Limited

Schedules forming part of the Consolidated Account

	Meghalaya Power Limited
	Ara Suppliers Pvt Ltd
	Apnapan Viniyog Pvt Ltd.
	Adonis Vyaper Pvt. Ltd.
	Arham Sales Pvt. Ltd.
	Cent Ply Pvt Ltd
	Puri Ports Ltd
Key Management Personnel	Holding Company :
	Mr. Sajjan Bhajanka (Managing Director)
	Mr. Sanjay Agarwal (Deputy Managing Director)
	Mr. Ajay Baldawa (Executive Director)
	Mr. Nag Raj Tater (Executive Director)
	Mr. Arun Kr. Julasaria (Company Secretary cum Chief Financial Officer)
	Subsidiary Companies :
	Mr. Pankaj Kejriwal (Executive Director)
	Ms. Payal Bhajanka (Executive Director)
	Mr. S. B. Roongta (Managing Director)
	Mr. Shambu Nath Choudhary (Executive Director)
	Mr. Anil Kumar Choudhary (Executive Director)
	Mr. Ashok Kumar Choudhary (Executive Director)
	Mr. Sanjay Kumar Gupta (Chief Financial Officer)

a) Details of transactions and the status of outstanding balance as at year end :

Sl. No.	Type of Transactions	Associates		Key Management Personnel	
		2007-08	2006-07	2007-08	2006-07
1.	Purchases	2.65	1.88	—	—
2.	Sales	1.35	0.02	—	—
3.	Purchase of Capital Assets	0.04	—	—	—
4.	Sale of Capital Assets	0.05	—	—	—
5.	Loans taken	15.45	23.08	—	—
6.	Loans Repaid	13.20	21.02	—	—
7.	Share Application	21.34	7.02	—	—
8.	Purchase of Shares	—	—	0.02	—
9.	Investments	0.02	—	—	—
10.	Interest Paid	0.53	0.32	—	—
11.	Remuneration Paid	—	—	1.13	0.92
12.	Balances as at year ended				
	- Current Assets	0.04	—	—	—
	- Current Liabilities	—	0.01	—	—
	- Loans	2.25	2.25	—	—

Schedules forming part of the Consolidated Account

11. Directors' Remuneration /Sitting Fees :

(Rs. in Crores)

	2007-08	2006-07
Remuneration	1.03	0.85
Sitting fees	0.01	0.02
Total	1.04	0.87

The Remuneration so paid is within limits prescribed U/s 198 and 309 of the Companies Act,1956 read with Schedule XIII part II Section I.

12. Depreciation on some of the fixed assets of a subsidiary (MTEPL) has been charged on written down value method which were hitherto charged to Straight Line Method. Due to this change in accounting policy depreciation for the year is higher by Rs. 0.62 Crores, profit for the year is lower by Rs. 0.62 Crores and fixed assets as at the year end are understated to the extent of Rs. 0.62 Crores.
13. Sundry Debtors includes Rs. 0.02 Crores (As at 31.03.07 – Rs. Nil) due from Shyam Energy Limited in which a director is interested as director. Maximum amount outstanding during the year Rs. 0.16 Crores (Previous Year Rs. 0.02 Crores).
14. Subsequent to the Balance Sheet date, the Subsidiary Company Cement Manufacturing Company Limited has received Rs. 63.09 Crores out of claims/subsidies due from Central Government as at 31.03.2008.
15. Loans and advances includes Rs. 18.82 Crores towards share application money to Meghalaya Power Limited, a Company in which directors are interested as directors.
16. Deferred Tax Liability / (Asset) as at 31st March, 2008 comprises as under :

(Rs. in Crores)

	As at 31.03.2008	As at 31.03.2007
A Deferred Tax Liability on account of Timing difference on account of Depreciation	5.04	4.18
B Deferred Tax Assets on account of Gratuity & Leave Encashment & Others	0.84	0.72
C Net Deferred Tax Liability (A – B)	4.20	3.46

17. Segment Reporting

a. Primary Segment Reporting (by business segment)

Segment have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organizational structure as well as the differential risk and returns of these segments. Details of products included in each of the segments are as under:-

Plywood	-	Plywood, Block-Board, Veneer & Timber
Laminate	-	Decorative Laminates & Prelaminated Boards
Ferro-Alloys	-	Ferro Silicon
Power	-	Generation of power for captive consumption
Cement	-	Cement & Clinker
Others	-	Logistics, Adhesives & Chemicals

Schedules forming part of the Consolidated Account

b. Information about Business Segments

Sl		Plywood	Laminate	Ferro Alloys	Cement	Others	Unallocated	Total
1	Revenue	418.17 (260.39)	106.24 (86.67)	69.16 (54.81)	367.41 268.39	40.47 (45.50)	— —	1001.45 (715.75)
2	Results Profit/Loss(-)	40.36 (20.97)	7.47 (- 3.75)	14.67 (7.26)	111.23 (105.35)	2.48 (2.52)	— —	176.21 (132.35)
3	Interest						23.68 (15.57)	23.68 (15.57)
4	Other un-allocable expenses net of un-allocable income						7.76 (2.50)	7.76 (2.50)
5	Total Profit Before Tax							160.29 (119.28)
6	Other Information							
	Segment Assets	197.53 (94.00)	84.48 (72.22)	73.37 (61.78)	449.33 (308.06)	33.48 (15.95)	1.22 (4.52)	839.41 (556.53)
	Segment Liabilities	85.70 (32.57)	7.17 (5.94)	3.45 (4.82)	37.51 (0.29)	14.52 (15.10)	297.26 (276.31)	445.61 (335.03)
	Capital Expenditure	6.49 (1.09)	1.73 (0.74)	3.36 (3.22)	5.25 (68.76)	8.48 (2.84)		25.31 (76.65)
	Depreciation	3.21 (0.95)	4.01 (4.77)	5.82 (6.48)	20.76 (11.84)	1.34 (0.92)		35.14 (24.95)

Note : Figures in the bracket represent previous year figures.

18. Earning per share (EPS)

	2007-08	2006-07
Profit / (Loss) Attributable to Equity Shareholders (Rs. in Crores)	111.62	77.46
Face Value per Equity Share (Rs.)	10/-	10/-
No. of Equity Shares Outstanding	22217299	19765413
Basic/ Diluted Earning Per Share (Rs.)	50.24	39.19

19. Miscellaneous Expenses includes Rs. 0.60 Lacs (Previous year Rs. 1.00 Lac) paid to Bhartiya Janta Party towards political contribution.

20. Unhedged Foreign Currency Exposure as at 31.03.2008 was Rs. 131.44 Crores (Previous year 64.03 Crores).

21. Previous year's figures have been regrouped / rearranged/ recasted wherever necessary, to make them comparable to current year's figures.

22. Rupee Figures have been rounded to the nearest Crores, unless otherwise stated.

Signature to Schedules 'A' to 'U' forming part of the Consolidated Balance Sheet and Consolidated Profit & Loss Account.

In terms of our report of even date

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner

Membership no. 50510
Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner

Membership no. 57329

Sajjan Bhajanka - Managing Director

Sanjay Agarwal - Dy. Managing Director

A. K. Julasaria - CFO & Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2008

(Rs. in Crores)

	2007-08	2006-07
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	161.00	119.28
Adjustments for :		
Depreciation	35.14	24.95
Interest	23.68	15.57
Share Issue Expenses Written Off	(0.24)	(0.07)
Dividend Income	(0.02)	(0.01)
Sundry Balances/Bad Debts written off	0.05	—
(Profit)/Loss on Sale of Fixed Assets	(0.04)	(0.01)
(Profit)/Loss on Sale of Investments	(0.78)	(0.13)
Interest Received	(0.77)	(0.53)
Provisions	0.50	0.13
Prior period Adjustments	(0.01)	(0.43)
Operating Profit before Working Capital changes	218.51	158.75
Adjustments for :		
Trade and other Receivables	(74.07)	(57.11)
Inventories	(40.00)	(25.38)
Loans & Advances	(73.71)	(28.01)
Trade Payables and other Liabilities	60.97	1.36
Cash Generated from Operations	91.70	49.61
Interest Paid	(23.68)	(15.57)
Direct Taxes Paid (Net of Refunds)	(24.91)	(18.43)
Net Cash from Operating Activities	43.11	15.61
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed Assets (including C.W.I.P.) (Net)	(52.70)	(78.93)
Investments (Net)	3.30	(4.10)
Dividend Income	0.02	0.01
Interest Received	0.77	0.53
Net Cash from Investing Activities	(48.61)	(82.49)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Borrowings(net)	(9.83)	80.86
Proceeds from Share Issue	—	3.67
Amalgamation Expenses	20.27	(0.06)
Proceeds from Issue of Shares	3.07	—
Dividend paid (including Dividend Tax)	(12.87)	(8.51)
Net Cash from Financing Activities	0.64	75.96
Net Increase/(Decrease)in Cash and Cash equivalents	(4.86)	9.08
Cash and Cash equivalents as at 1st April (Opening Balance)	22.26	10.59
Cash and Cash equivalents as at 1st April (Closing Balance)	17.40	19.67

Notes to the Cash Flow Statement for the year ended 31st March 2008

- Cash and Cash equivalents at the beginning of the year includes Rs. 1.19 crores of erstwhile Century Panels Pvt. Ltd., Rs. 1.40 crores of erstwhile Sharon Veneers Pvt. Ltd. and Rs. 0.01 crores of erstwhile Sharon Wood Industries Ltd. taken over on merger.
- The merger of mentioned companies is a non-cash transaction (Refer note C-1 in Schedule 'U').
- In view of the aforesaid amalgamation, the current year figures are not comparable with those of previous year.
- Previous year's figures have been regrouped/rearranged wherever necessary to confirm to this year's classification.

For and on behalf of the Board

For **Ashok Kedia & Co.**
Chartered Accountants

CA. Ashok Kr. Kedia
Partner

Membership no. 50510
Kolkata, 26th June, 2008

For **Kailash B. Goel & Co.**
Chartered Accountants

CA. Arun Kr. Sharma
Partner

Membership no. 57329

Sajjan Bhajanka - Managing Director

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A. K. Julasaria - CFO & Company Secretary