

Annual Report

2002-03

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ANDAMANS TIMBER INDUSTRIES LTD.



ANDAMANS TIMBER INDUSTRIES LIMITED

Directors

Mr. Harish Khaitan, Chairman & Managing Director
Mr. V. K. Rathi, Whole-time Director
Mr. M. K. Bhalotia

Secretary

Mr. M. K. Bhalotia

Auditors

J. S. Vanzara & Associates

Bankers

United Bank of India

Registered Office

8, A.J.C. Bose Road, 7th Floor
Kolkata - 700 017

Works

Bambooflat, A & N Islands
Tellicherry, Kerala

Branch Offices

Ahmedabad
Bangalore
Chennai
Mumbai
New Delhi
Secunderabad

ANDAMANS TIMBER INDUSTRIES LIMITED**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 44th Annual General Meeting of the Shareholders of the Company will be held on **30th December, 2003 at 11 A.M. at HM Plaza Business Centre at "Circular Court", Ground Floor, 8 A. J. C. Bose Road, Kolkata - 700 017** to transact the following business :

1. To receive and adopt the Profit & Loss A/C for the year ended 31st March 2003, the Balance Sheet as on that date, the Auditors' Report thereon and the Directors' Report.
2. To appoint of director in place of Mr. V. K. Rathi who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors for the year 2003-2004 and to fix their remuneration.

Registered Office :

"Circular court", 7th Floor,
8. A.J.C. Bose Road
Kolkata - 700 017
Dated : 27th September, 2003

On behalf of the Board

M. K. Bhalotia
Secretary

NOTES:

- a. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a poll, on his behalf. Such a Proxy need not be a member of the Company. Proxies in order to be valid and effective must be delivered at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b. The Register of Members and Share Transfer Book of the Company will remain closed from 23rd Dec., 2003 to 30th Dec., 2003 (both days inclusive).
- c. Members are requested to :
 - (a) Address all correspondences and share transfer documents to the Registrars and Share Transfer Agent of the Company, M/s. S. K. Computers, 34/1A, Sudhir Chatterjee Road, Kolkata-700 006, Phone : 2219-6797.
 - (b) intimate to the Company for changes, if any, in their registered address at an early date :
 - (c) quote their Registered Folio No. in all their correspondence with the Company.
 - (d) bring their copy of the annual Report and the Attendance Slip with them at the Annual General Meeting.



ANDAMANS TIMBER INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS OF ANDAMANS TIMBER INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2003.

Your Directors have pleasure in presenting herewith their 44th Annual Report and the Audited Accounts for the year ended 31st March 2003.

FINANCIAL RESULTS

		Rs.
Loss of the Company for the year before providing Depreciation amounts to		(50,28,437)
From which deduction have been made for :		
i) Depreciation for the year	(90,78,127)	
Less : Recouped from Revaluatin Reserve	2,17,969	
	(88,60,158)	
ii) Provision for Taxation	--	(88,60,158)
Loss for the year		(1,38,88,595)

PERFORMANCE, FUTURE OUTLOOK :

As reported earlier operations of the Units located at A & N Islands was suspended since October, 2000 and there is no scope for revival at the said Units.

However the efficiency of the Agrowood Division has been further improved. We are hopeful of positive prospects of the Company in long term.

DIVIDEND

In view of the losses, your directors do not recommend any dividend for the year under review.

DEPOSITS

There was no unclaimed deposit or any deposit due for payment but not paid during the year under review.

PARTICULARS OF EMPLOYEES

There was no employee employed during the year drawing an annual remuneration of Rs. 24,00,000/- or above throughout the year or drawing monthly remuneration of Rs. 2,00,000/- or above in any part of the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 1956, the Board of Directors of the company hereby state and confirm that ;

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- The Directors have selected appropriate accounting policies and applied them consistently, and have made Judgements and estimates that are reasonable and prudent so as to give a true a fair view of the state of affairs of the Company as at March 31, 2003 and of the profit of the Company for the year ended March 31, 2003;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions for the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared in a going concern basis :

**ANDAMANS TIMBER INDUSTRIES LIMITED**

ENERGY, CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE

Necessary information as required by The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for conservation of energy, technology absorption and foreign exchange earnings and outgo are enumerated in "Annexure-A" of this Report.

AUDITORS

M/s. J. S. Vanzara & Associates, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, are recommended for reappointment.

AUDITORS' REPORT

The observation made by the Auditors in their report is self-explanatory and, hence, do not require any further explanation.

SUBSIDIARIES

As required u/s 212 of the Companies Act, 1956 the Audited Accounts, Director's Report and Auditor's Report of M/s. Aspolight Commotrade Private Limited for the year ended 31st March 2003 are annexed.

ACKNOWLEDGEMENT

Your Directors would like to record their sincere gratitude to the Financial Institutions, Bankers and employees for the co-operation extended to the Company during the year under review.

Registered Office :
"Circular Court", 7th floor
8, A. J. C. Bose Road
Kolkata - 700 017

On behalf of the Board of Directors

HARISH KHAITAN

Chairman & Managing Director

27th September, 2003



ANNEXURE - A

Information pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

The Company has taken steps for energy conservation through improved operational and maintenance practices.

2. TECHNOLOGY ABSORPTION**A) Research & Development :**

The Company is focused to improve the quality of existing products and develop new products.

B) Technology Absorption, Adoption & Innovation :

The Company has taken effective steps to improve in Process, Productivity and Cost Control.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earnings and outgo are as follows :

a) Foreign Exchange Earnings

- Export on FOB Basis	..	Rs.	Nil
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b) Foreign Exchange Outgo

I) - Traveling	..	Rs.	6,56,000/-
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II) - Import on CIF Basis	..	Rs.	6,36,289/-
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Registered Office :

"Circular Court", 7th Floor
8, A. J. C. Bose Road,
Kolkata-700 017

On behalf of the Board of Directors

27th September, 2003

HARISH KHAITAN

Chairman & Managing Director

ANDAMANS TIMBER INDUSTRIES LIMITED**REPORT ON CORPORATE GOVERNANCE**

The Stock Exchange Listing Agreement in clause 49 has laid down a code of Corporate Governance which the Company has complied with as follows : –

1. Board of Directors :

Details of Composition, status, attendance at the Board meetings, and the last Annual General Meeting (AGM), outside Directorships and other Board Committees : –

NAME OF DIRECTORS	Number of Board Meetings		Number of membership In other Boards or Other committees as a member or Chairman (other than Pvt. Ltd. Co.)		Whether Attended A.G.M.
	Held during The year	Attend during the year	Board	Committee	
Mr. Harish Khaitan Chairman & Managing Director)	4	4	2	—	No.
Mr. V. K. Rathi (Wholetime Director)	4	4	1	—	Yes
Mr. M. K. Bhalotia	4	4	—	—	Yes

Number of Board Meeting held and the dates on which held : 4 Board Meetings has been held during the year 2002-2003 on 29th June, 2002, 19th August, 2002, 30th October, 2002. & 24th February, 2003

2. Remuneration of Directors :

The details of remuneration paid to Directors for the year ended March 31, 2002 is as follows :

Name of Director	Sitting Fees (Rs.)	Salaries & Perquisites (Rs)	Commission (Rs.)	Total (Rs.)
Mr. HARISH KHAITAN	Nil	Nil	Nil	Nil
Mr. V. K. RATHI	Nil	1,03,500/-	Nil	1,03,500/-
Mr. M. K. BHALOTIA	Nil	1,06,000/-	Nil	1,06,000/-

3. Audit Committee :

The committee comprises of Sri V. K. Rathi, & Sri M. K. Bhalotia, Sri V. K. Rathi an executive director is the Chairman of the Committee. Sri M. K. Bhalotia, Company Secretary, acts as the secretary of the Committee. The role and terms of reference at the Audit Committee covers the areas mentioned under clause 49 at the listing Agreement. The audit committee met two times during the year on 19th September, 2002 and 12th day of March, 2003 & 24th September, 2003.



ANDAMANS TIMBER INDUSTRIES LIMITED

4. General Body Meetings :

The location and time of the Annual General Meeting held during the last three years is as follows :

AGM/EGM	Date	Venue	Time	No. of special Resolutions passed
AGM	29.11.2002	H. M. Plaza, Business Centre 8, A.J.C. Bose Road Kolkata - 700 017	11.00 A.M.	1
AGM	30.12.2001	— Do —	11.00 A.M.	1
AGM	30.12.2000	— Do —	11.00 A.M.	2

5. Notes on Directors Seeking Appointment/ Re-Appointment

Mr. V. K. Rathi

Mr. V. K. Rathi (45) graduated from University of Rajasthan.

He is also holding the office of Director in S. G. S. Investments Ltd.

6. Means of Communication :

- Half yearly report sent to each household of shareholders : No
- Quarterly Results : No
- Any Website, where displayed : No
- Whether Management discussion and analysis report is a part of annual report or not : No

Shareholder information

1. A.G.M. : Date : 30.12.2003
: Time : 11.00 A.M.
Venue : H. M. Plaza Business Centre, Circular Court,
Ground Floor, 8, A.J.C. Bose Road, Kolkata-17
2. Financial Calender : 1st April to 31st March
3. Date of Book Closure : 23/12/03 to 30/12/03 (Both days inclusive)
4. Listing on stock exchange : Kolkata, Delhi & Ahmedabad
5. Stock Code :
The Stock Exchange, Kolkata : 10011054
The Stock Exchange, Delhi : 9410
The Stock Exchange, Ahmedabad : 04300
Demat ISIN No. for NSDL and CDS : INS 35IC01015
6. Stock Market Data :
Monthly High & Low for the period April 2002 to March 2003.

	The Stock Exchange, Calcutta (CSE)	
	High (Rs)	Low (Rs)
APRIL-2002	8	7
MAY-2002	10	8
JUNE -2002	8	7.50
JULY - 2002	12	11.50
AUG - 2002	11	10
SEP - 2002	10	9.50



ANDAMANS TIMBER INDUSTRIES LIMITED

	The Stock Exchange, Calcutta (CSE)	
	High (Rs)	Low (Rs)
OCT - 2002	16	14
NOV - 2002	14	12
DEC - 2002	10	8
JAN - 2003	11	9
FEB - 2003	10	8.50
MAR - 2003	10	8

7. Registrar & Share Transfer Agent : S. K. Computers,
34/1A, Sudhir Chatterjee Street,
Kolkata - 700 0106

8. Distribution and Shareholding Pattern as on 31.03.2002

No. of equity shares held	No. of folios	%	No. of shares	%
Upto 500	1049	74.92	225359	3.07
501 – 1000	196	14.00	160232	2.18
1001 – 2000	68	4.86	104183	1.42
2001 – 3000	21	1.50	54549	0.75
3001 – 4000	7	0.50	25180	0.35
4001 – 5000	11	0.78	52300	0.72
5001 – 10000	10	0.72	78922	1.07
10001 and above	38	2.72	6629283	90.44
Total	1400	100	7330008	100

9. Shareholding pattern as on 31.03.03 is as follows :

Category	No. of shares	%
Promoters		
— Indian Promoters	282488	3.85
— Foreign Promoters	—	—
Persons acting in concert	NIL	NIL
Sub-total		
Non-promoters holding Institutional Investors		
Mutual funds of UTI Bank, Financial	3,36,750	4.59
Institutions, Insurance Companies		
(Central/ State Govt. Non.-Govt. Institution)		
FIS	4,98,700	6.80
Sub Total	8,35,450	11.39
Others Private Corporation Bodies	44,67,588	60.96
Indian Public	17,18,982	23.45
NRI/OCB	25,500	.035
Sub-Total	62,12,070	84.76
Grand Total	73,30,008	100


ANDAMANS TIMBER INDUSTRIES LIMITED

10. Address for Correspondence : Andamans Timber Industries Limited
 8, A.J.C. Bose Road, 7th Floor, Kolkata - 700 017
 Telephone : 2247-5704/05, Fax : 2240-0833
 E-mail : atikolkata@andamans.com

Place : Kolkata
 Dated : 27th September, 2003

On behalf of Board of Directors
Harish Khaitan
 Chairman & Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF ANDAMANS TIMBER INDUSTRIES LTD.

We have examined the compliance of conditions of Corporate Governance by Andamans Timber Industries Ltd. for the year ended 31st March, 2003, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For J.S. Vanzara & Associates
 Chartered Accountants

Place : Kolkata
 Dated : 27th September, 2003

(Jinesh S Vanzara)
 Proprietor