

Annual Report 2006-07



ANDAMANS TIMBER INDUSTRIES LTD.

ATI KITCHENS

Your ultimate choice



100%
SOLID WOOD FURNITURE

FEATURES

- ▶▶ FULLY CUSTOMIZABLE MODULES TO FIT YOUR BUDGET
- ▶▶ TERMITE & BORER RESISTANT
- ▶▶ DURABLE & EASY MAINTENANCE
- ▶▶ ECO-FRIENDLY SOLID WOOD USED
- ▶▶ WORLD CLASS ACCESSORIES
- ▶▶ THE LAST WORD IN PROVING TOTAL KITCHEN SOLUTIONS

ATI brings you solid wood modular kitchen in a variety of designs and modules that suit kitchens of any size and shape. So designing your kitchen is as simple as choosing the right module and you'll have a beautiful kitchen that looks truly international within a matter of days. And what's more, these kitchens are affordable!

ANDAMANS TIMBER INDUSTRIES LTD.



Andamans Timber Industries Limited

Directors

Mr. Harish Khaitan, Chairman & Managing Director

Mr. V.K.Rathi, Whole-time Director

Mr. Sunil Parekh

Mr. Pawan Kumar Lohia

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

Bangalore

Chennai

Mumbai

New Delhi



ANDAMANS TIMBER INDUSTRIES LTD.

DIRECTORS' REPORT

TO THE SHAREHOLDERS OF ANDAMANS TIMBER INDUSTRIES LIMITED FOR THE YEAR ENDED 31st March, 2007.

Your Directors are pleased to present herewith their 48th Annual Report and the Audited Accounts for the year ended 31st March 2007

FINANCIAL RESULTS

Rs.

Profit of the Company for the year before providing Depreciation amounts to	1,10,09,150
---	-------------

From which deduction have been made for:

i)	Depreciation for the year	76,59,565	
	Less: Recouped from Revaluation Reserve	<u>1,61,595</u>	
		74,97,970	
ii)	Provision for Taxation – FBT	<u>3,50,000</u>	<u>78,47,970</u>
	Profit for the year		<u>31,61,180</u>

PERFORMANCE, FUTURE OUTLOOK:

During the year under review turnover of your Company was Rs.880.97 Lakhs compared to Rs.783.38 Lakhs of the Previous Year. Profit after tax for the year amounted to Rs.31.61 Lakhs. The performance of the Company is expected to improve in the coming years.

However as reported earlier the operation of the Unit located at A & N Islands remains suspended.

DIVIDEND

Your Directors do not recommend any Dividend for the year under review.

DEPOSITS

As on March 31, 2007, there is no outstanding /unclaimed public deposits. The Company has not accepted / renewed any fixed deposits during the year under review.

PARTICULAR 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

Mr. Harish Khaitan and Mr. V.K. Rathi retire from the Board by rotation and being eligible have offered themselves for reappointment.

Appropriate resolution seeking members' approval are placed at the Forthcoming Annual General Meeting.

ANDAMANS TIMBER INDUSTRIES LTD.**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected appropriate accounting policies and applied them consistently, and have 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 as at March 31, 2007 and of the profit of the Company for the year ended on that date.
- c) 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.
- d) The annual accounts have been prepared on a 'going concern' basis.

CORPORATE GOVERNANCE

A report of Management discussion and Analysis and Corporate Governance is annexed hereto and forms part of this report.

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 the 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 observations made by the Auditors in their report are self-explanatory discussed in Notes on Accounts and, hence, do not require any further explanation.

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.

Dated: 30th June, 2007



ANDAMANS TIMBER INDUSTRIES LTD.

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 lays emphasis on conservation of energy and has taken various steps like timely maintenance of machinery, maximum utilization of available resources for optimal use of resources & conservation of energy

2. **TECHNOLOGY ABSORPTION**

A) Research & Development

The Company gives utmost importance to R & D and the main focus is on development of new products to meet the need of customers.

B) Technology Absorption, Adoption & Innovation:

The Company is continuously taking steps to improve the product and process technology in an effort to provide better values to customers.

3. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The total foreign exchange earnings and outgo are as follows:

Foreign Exchange Earnings

- Export on FOB Basis	..	Nil
Foreign Exchange Outgo		
- Travelling	..	Rs. 1,93,081
- Import on CIF Basis	:	Rs.20,91,571

On behalf of the Board of Directors

Registered Office:

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

HARISH KHAITAN
Chairman & Managing Director

Dated: 30th June, 2007

**Management Discussion and Analysis Report.****1. Industry Structure and Development.**

There has been a strong demand for rubberwood products during the year under review as the construction sector continues to experience robust growth. The Company is well poised to benefit from the overall growth in the Indian economy.

2. Opportunities and threats.

Consistent high GDP growth rate projected for India augurs well for growth in consumption of rubberwood products.

The Company is exposed to external risks such as increased competition as well as internal risks such as variations in operational efficiency and cost structure.

3. Financial Performance

There was improvement in performance during the year under review and the management looks the future with confidence and optimism.

4. Outlook

Demand for agrowood products is likely to remain strong in future as the Real Estate sector continues to attract more and more investments.

5. Internal Control System:

The Company maintains an adequate system of internal control commensurate with its size, to ensure that all assets are safeguarded & protected against losses, from unauthorized use & all transactions are authorized, recorded and reported correctly.

6. Human Resources:

The Company continued its efforts towards development of its human resources in the areas of knowledge, skills, behavioral and management competencies.

7. Caution Statement:

Statements in the Management Discussion and Analysis may be forward looking predictions. However, subsequent factors unknown at the moment and over which the Company does not have any control may cause significant difference to the Company's operations.

On behalf of the Board of Directors

HARISH KHAITAN

Chairman & Managing Director

Kolkata.
30th June, 2007



ANDAMANS TIMBER INDUSTRIES LTD.

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. Company's philosophy on Corporate Governance:

Your Company is committed to good Corporate Governance practices.

2. 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)	6	6	2	1	No.
Mr. V.K.Rathi (Wholetime Director)	6	6	2	-	Yes
Mr. Pawan Kumar Lohia (Non-Executive & Independent)	6	6	-	-	Yes
Mr. Sunil Parekh (Non-Executive & Independent)	6	2	-	-	No

Number of Board Meeting held and the dates on which held: 8 Board Meetings has been held during the year 2006-2007 on 25th April, 2006, 8th July, 2006, 14th August, 2006, 16th October 2006, 10th January 2007, 23rd March, 2007.

3. Remuneration of Directors:

The details of remuneration paid to Directors for the year ended March 31, 2007 as follows:-

Name of Director	Remuneration (Rs.)
Mr. Harish Khaitan	1,20,000/-
Mr. V.K. Rathi	1,18,500/-

ANDAMANS TIMBER INDUSTRIES LTD.**4. Audit Committee/Remuneration Committee/Shareholder Investors Grievance Committee**

The committees comprise of Shri V.K. Rathi, Shri Pawan Kumar Lohia & Shri Sunil Parekh. The role and terms of reference at the Audit Committee covers the areas mentioned under clause 49 of the listing Agreement. The audit committee met Five times during the year on 26th April, 2006, 14th August, 2006, 4th October, 2006, 12th January, 2007 & 13th March, 2007.

5. 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	30.12.2006	H.M.Plaza Business Centre 8, A.J.C. Bose Road Kolkata - 700 017	11.00 A.M	None
AGM	30.09.2005	-DO-	11.00 A.M	None
AGM	21.1.2004	-DO-	11.00 A.M	None

6. Means of Communication:

- Important intimation are sent to Stock Exchange - Yes
- Half yearly report sent to each household of shareholders : No
- Whether Management discussion and analysis report is a part of Annual report or not. : Yes.

7. Other Disclosures:

The Company is not strictly complying with the Non-Mandatory requirements.

8. Shareholder information

- a) A.G.M. : Date : 28th September, 2007
: Time: 11.00 A.M.

Venue : Circular Court,
Basement, 8, A.J.C. Bose Road,
Kolkata – 700 017.



ANDAMANS TIMBER INDUSTRIES LTD.

- b) Financial Calendar : 1st April to 31st March
- c) Date of Book Closure : 21.09.2007 to 28.09.2007 (both days inclusive)
- d) Listing on stock exchange : Kolkata, Delhi & Ahmedabad

e) Stock Code:

The Stock Exchange, Kolkata : 10011054
 The Stock Exchange, Delhi : 9410
 The Stock Exchange, Ahmedabad : 04300
 Demat ISIN No. for NSDL and CDSL : INS 351C01015

9. Stock Market Data : Monthly High & Low for the period
 April 2006 to March 2007.

The Company's shares were not traded through the Stock Exchanges during the year and therefore no quotation for the same is available.

10.Registrar & Share Transfer Agent : S.K. Computers
 34/1A, Sudhir Chatterjee Street
 Kolkata – 700006.

11.Distribution and Shareholding Pattern as on 31.03.2007:-

No. of equity shares held	No. of folios	%	No. of shares	%
Upto 500	1067	74.62	212243	2.90
501-1000	203	14.20	164178	2.24
1001-2000	74	5.17	113033	1.54
2001-3000	17	1.18	44049	0.60
3001-4000	8	0.56	27880	0.39
4001-5000	11	0.77	51320	0.70
5001-10000	11	0.77	85822	1.17
10001 to 50000	18	1.26	443666	6.05
50001 to 100000	8	0.56	460622	6.28
100001 and above	13	0.91	5727195	78.13
Total	1430	100	7330008	100

12. Shareholding pattern as on 31.03.07 is as follows:-

Sl. No.	Category	No. of Folios	No. of Shares	%
1	Resident Indian	1371	998476	13.62
2	Domestic Companies	41	4574437	62.41
3	N.R.I	5	5600	.08
4	Financial Institutions	2	336750	4.59
5	Director's and their Relatives	11	1414745	19.30
	Total	1430	7330008	100.00