

## HOTAHOTI WOOD PRODUCTS LIMITED

### REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in submitting their Annual Report together with Audited Statements of Account of the company for the year ended 31<sup>st</sup> March, 2012.

#### 1. FINANCIAL RESULTS

	<u>AMOUNT</u> Rs.
Profit/(Loss) for the year	(249,026)
Provision for Taxation:	
Current Tax	-
Taxation for earlier years	(45,563)
Profit after Tax	(203,463)
Balance brought forward from earlier years	(1,723,658)
Balance (Debit) carried to Balance Sheet	(1,927,121)

#### 2. DIVIDEND

Your Directors regret to recommend declaration of any dividend for the year in view of carry forward of losses.

#### 3. DIRECTORS

Mr. Chand Ratan Modi, Director retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

#### 4. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b) That they have 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 loss of the Company for that period.
- c) That they have 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.
- d) That they have prepared the annual accounts on a going concern basis.

**CERTIFIED TO BE TRUE COPY**

HOTAHOTI WOOD PRODUCTS LTD.



Director



## 5. CORPORATE GOVERNANCE

The Company has put in place an adequate system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance Clause of the Listing Agreement is annexed to the report on Corporate Governance.

## 6. AUDITOR'S REPORT

The Auditors Report on the Accounts is self-explanatory and requires no comments.

## 7. PARTICULARS OF EMPLOYEES

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Statement of Particulars of Employees) Rules, 1975.

## 8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

Particulars required to be furnished by the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules 1988, under the heads are not applicable to the Company.

## 9. AUDITORS

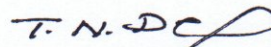
The Auditors of your Company M/s S. Mandal & Co, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re- appointment.

## 10. ACKNOWLEDGEMENT


Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all officers and staff at all level.

On behalf of the Board



TARAK NATH DEY  
MANAGING DIRECTOR



CHAND RATAN MODI  
DIRECTOR

Place: Kolkata  
Date: 30<sup>th</sup> May, 2012

CERTIFIED TO BE TRUE COPY

HOTAHOTI WOOD PRODUCTS LTD.



Director



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Industry Structure & Development**

In the last 10-15 years, there have been many development in Non-Banking Financial Sector. Non- Banking Financial Companies (NBFC) have rapidly emerged as an important segment of the Indian financial system. With the increasing service sector activity in India, NBFC have been playing a critical role in providing credit. NBFC is a heterogeneous group of financial institutions, performing a wide range of activities like hire-purchase finance, vehicle financing, equipment lease finance, personal loans, working capital loans, consumer loans, housing loans, loans against shares and investments, etc. The role on NBFC as effective financial intermediaries have been well recognised as they have inherent ability to take quicker decisions, assume greater risks, and customize their services and charges more according to the needs of the clients.

The segment has witnessed considerable growth in the last few years and is now being recognised as complementary to the banking sector due to implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc.

### **Opportunities, Threats, Risks and Concerns**

In spite of the strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers, and personalized attention to each client are catering to the needs of small and medium enterprises in the rural and semi-urban areas. NBFCs are playing significant role in financing the road transport and infrastructure and have reached the grass root level through micro finance.

As an NBFC, your company is subjected to both external risk and internal risk. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risks associated with your company's business which includes deployment of funds in specific projects, diversifications into other business operations, retention of talented personnel, managing effective growth rate, volatility in interest rate, NPAs in portfolio, changes in compliance norms and regulations, contingent liabilities, and other legal proceedings. Your company recognizes the importance of risk management, and has invested in people, process and technologies to effectively mitigate the above risks.



## **Segment-Wise Performance - Finance & Investment**

Your Company's operations continue to be mainly focused in the area of Financing & Investment.

### **Financial Performance**

As you know, Your Company is one of the small sized Non-Banking Finance Company (NBFC). It can be seen from the Company's Statement of Accounts that the margins have continuously been squeezed and the Company has incurred loss during the year.

### **Internal Control System**

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. The control systems set on place are checked and duties and responsibilities are explicitly allocated among the staff for ensuring that policies and procedures are managed effectively and that there is full commitment and compliance.

### **Human Resources**

Your company always regards human resources as its most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance. Employee relations continue to be cordial throughout the year.



**ANNEXURE TO DIRECTOR'S REPORT.  
REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and in all its interaction with its shareholders, the government, and the society. The Company has implemented and is improving the Corporate Governance with the objective of fulfilling shareholder's expectation in so far as it caters to all interests. As an integral part of business ethics your Company continues to follow the practices in line with the code of Corporate Governance enshrined in the listing agreement.

**2. BOARD OF DIRECTORS**

**a. Composition of Board of Directors and category of individual directors**

<b>Name of the Director</b>	<b>Category</b>
Mr. Chand Ratan Modi	Promoter and Non-Executive Director
Mr. Ram Ratan Modi	Promoter and Non-Executive Director
Mr. Champa Lal Pareek	Independent Director
Mr. Tarak Nath Dey	Managing Director
Mr. Rakesh Agarwala	Independent Director
Mr. Nazir Ahmed	Independent Director

**b. Board Meetings:**

During the financial year 2011-2012, the Board met 9 times on 14<sup>th</sup> April, 2011, 27<sup>th</sup> June, 2011, 19<sup>th</sup> July, 2011, 3<sup>rd</sup> August, 2011, 26<sup>th</sup> August, 2011, 29<sup>th</sup> October, 2011, 8<sup>th</sup> November, 2011, 24<sup>th</sup> November, 2011 and 24<sup>th</sup> January, 2012.

No Extra Ordinary General Meeting of the Company was held during the year.

The attendance of each director at Board Meetings and last Annual General Meeting is as follows:

<b>Name of the Directors</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at the last Annual General Meeting</b>
Mr. Chand Ratan Modi	9	Present
Mr. Ram Ratan Modi	9	Present
Mr. Champa Lal Pareek	9	Present
Mr. Tarak Nath Dey	9	Present
Mr. Rakesh Agarwala	9	Present
Mr. Nazir Ahmed	9	Present



c. Membership/Chairmanship of other boards and committees thereof

Name of the Director	* Number of directorship held in other companies	Other committees	
		Member	Chairman
Mr. Chand Ratan Modi	11	4	NIL
Mr. Ram Ratan Modi	13	5	2
Mr. Champa Lal Pareek	13	2	3
Mr. Tarak Nath Dey	7	2	1
Mr. Rakesh Agarwala	3	NIL	2
Mr. Nazir Ahmed	5	5	NIL

\* The above listing excludes private companies which are not subsidiaries of a public company, foreign companies and companies under Section 25 of the Companies, Act, 1956.

d. Details of shareholding of non-executive directors in the Company

Name of the Director	No. of shares
Mr. Chand Ratan Modi	NIL
Mr. Ram Ratan Modi	NIL
Mr. Champa Lal Pareek	NIL
Mr. Rakesh Agarwala	NIL
Mr. Nazir Ahmed	NIL

e. The Company does not have any pecuniary relationship or transaction with Non-Executive Directors during the period under review.

f. Notes on directors seeking reappointment

1. Mr. Chand Ratan Modi

Mr. Chand Ratan Modi is a non-executive director of the Company. He is a B.Com Graduate and possesses experience of over 32 years in the field of Finance, Administration & Management. His vast experience and knowledge will immensely benefit the Company to grow further. He is the Managing director of Kamini Finance & Investments Limited and Purbanchal Prestressed Limited. He is holding directorship in 9 other Public Limited Companies and 2 Private Companies which are subsidiaries of a Public Company. He is also a member in 4 other committees. The name of the Companies in which he is a director are as follows:

1. Cosmic Financial Services Limited
2. Sangrahalaya Timber & Crafts Limited
3. Loreto Trading & Finance Company Limited
4. Manoj Constructions Limited
5. Maurya Trading Company Limited
6. Hotahoti Wood Products Limited



7. North Eastern Publishing & Advertising Company Limited
8. Calcutta Infrastructure Infotech Projects Limited
9. Doyans wood Products Limited
10. Citystar Agro Industries Private Limited
11. Citystar Foods Private Limited

He is member of the following committees

1. Shareholders/ Investors Grievance Redressal Committee of Purbanchal Prestressed Limited
2. Shareholders/ Investors Grievance Redressal Committee of North Eastern Publishing & Advertising Company Limited
3. Shareholders/ Investors Grievance Redressal Committee of Sangrahalaya Timber & Crafts Limited
4. Shareholders/ Investors Grievance Redressal Committee of Kamini Finance & Investment Company Limited.

He is brother of Mr. Ram Ratan Modi, Director of the Company.

### 3. AUDIT COMMITTEE

The Company complies with the requirements of listing agreement with Stock Exchange and the provision of Section 292A of the Companies Act, 1956 pertaining to the Audit Committee and its functioning.

The Audit committee comprises of 3 directors. The committee continue to function under the Chairmanship of Mr. Champa Lal Pareek, a non-executive independent Director. The other members of the Committee are Mr. Nazir Ahmed, non-executive independent director and Mr. Rakesh Agarwala, a non-executive independent Director.

The committee met 4 times during the year on 27<sup>th</sup> June, 2011, 3<sup>rd</sup> August, 2011, 4<sup>th</sup> November, 2011, , and 24<sup>th</sup> January, 2012.

The attendance of the members of the Committee is given below:

Name of the members	Status	No. of. Meetings attended
Mr.Champa Lal Pareek	Chairman	4
Mr. Nazir Ahmed	Member	4
Mr. Rakesh Agarwala	Member	4



- b. There were no special resolutions required to be passed through postal ballot at any of the above AGMs. None of the resolutions proposed for the ensuing AGM need to be passed by postal ballot.

## **7. DISCLOSURES**

- a. There was no material/significant transaction with the directors or the Management, their subsidiaries or relatives etc. that has any potential conflict with interests of the company at large.
- b. There was no significant instance of non-compliance on any matter in respect of which penalties or structure was imposed by the Stock Exchange or SEBI or any other statutory authority during the last three years.
- c. Non-mandatory requirements of corporate governance have not been adopted.

## **8. MEANS OF COMMUNICATION**

The Company communicates with the shareholders at large through its Annual Reports and by filing of quarterly results with the Statutory Bodies.

## **9. GENERAL SHAREHOLDER INFORMATION.**

- a. **Date of AGM :** 27<sup>th</sup> August, 2012

- b. **Financial Calendar (tentative)**

Particulars	Date
Unaudited Financial results for the quarter ending June 30, 2012	On or before 15 <sup>th</sup> August, 2012
Unaudited Financial results for the quarter ending September 30, 2012	On or before 15 <sup>th</sup> November, 2012
Unaudited Financial results for the quarter ending December 31, 2012	On or before 15 <sup>th</sup> February, 2013
Audited Financial results for the year ending March 31, 2013	Last Week of May 2013

- c. **Book Closure :** 22<sup>nd</sup> August, 2012 to 27<sup>th</sup> August, 2012

- d. **Dividend payment date:** Not applicable since no dividend proposed/declared.

- e. **Name of the Stock Exchange where listed:** The Gauhati Stock Exchange Ltd.  
2<sup>nd</sup> Floor, Shine Tower,  
Sati Jaymati Road,  
Arya Chowk, Rehabari,  
Guwahati - 781008



#### 4. REMUNERATION TO DIRECTORS

Details of the remuneration paid to the Directors during the year under review are as follows:

Name of the Director	Salary
Mr. Chand Ratan Modi	NIL
Mr. Ram Ratan Modi	NIL
Mr. Champa Lal Pareek	NIL
Mr. Tarak Nath Dey	NIL
Mr. Rakesh Agarwala	NIL
Mr. Nazir Ahmed	NIL

#### 5. SHAREHOLDERS/ INVESTORS GRIEVANCE REDRESSAL COMMITTEE

##### a. Composition of the Committee

The Shareholder / Investor Grievance Redressal Committee of the Company look into the redressal of investors complaints on various issues. The Committee functions under the Chairmanship of Mr. Ram Ratan Modi, a non-executive director. The other members of the Committee are Mr. Chand Ratan Modi and Mr. Champa Lal Pareek. Though the powers to approve share transfers / share transmission are delegated to the Registrars and Share Transfer Agents, all the share transfer/ transmission cases approved by the Registrar are reported to the committee which also keeps a close watch on disposal status of all complaints / grievances of shareholders. During the period under review, no complaints were received by the Company / Registrars and Share Transfer Agents.

##### b. Name and designation of the Compliance Officer

Mr. Chand Ratan Modi  
Director

#### 6. GENERAL BODY MEETING

a. Details of last three Annual General Meetings are as follows:

Financial Year	Location	Date	Time	No.of Special resolutions passed
2010-2011	P.O. Naginimara Dist:- MON, Nagaland	29 <sup>th</sup> September, 2011	11.30 A.M.	NIL
2009-2010	P.O. Naginimara Dist:- MON, Nagaland	29 <sup>th</sup> September, 2010	11.30 A.M.	NIL
2008-2009	P.O. Naginimara Dist:- MON, Nagaland	21 <sup>st</sup> August, 2009	11.30 A.M.	NIL



**f. Stock Market Data**

In absence of regular trading, stock market data are not available on regular basis.

- g. Registrar & Share Transfer Agent :** M/s Niche Technologies Pvt. Ltd  
D-511, Bagree Market,  
71 B.R.B. Basu Road,  
Kolkata - 700 001

**h. Share Transfer Systems**

Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if documents are complete in all respects. The Authorized Officers of the Registrar and Share Transfer Agent meet as often as required.

**i. Distribution of shareholding as on March 31, 2012**

Particulars	Shareholders		Equity shares	
	Number	% of total	Number	% of total
Upto 500	980	98.20	97,840	0.49
501 to 1,000	0	0.00	0	0.00
1,001 to 5,000	0	0.00	0	0.00
5,001 to 10,000	0	0.00	0	0.00
10,001 to 50,000	0	0.00	0	0.00
50,001 to 1,00,000	2	0.20	1,53,500	0.77
1,00,001 & above	16	1.60	1,97,48,620	98.74
<b>Total</b>	<b>998</b>	<b>100</b>	<b>1,99,99,960</b>	<b>100</b>

**j. Dematerialisation of shares and liquidity**

As on March, 31, 2012, 1,19,94,500 shares of Rs.10/- each are held by the shareholders in dematerialized form with NSDL.

**k. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

**l. Plant Locations**

The Company is a Non- Banking Financial Company and hence does not have any plant.

**m. Address for Correspondance**

The shareholders may address their correspondence to the secretarial department of the Company at its head office at 5, Gorky Terrace, 2<sup>nd</sup> Floor, Kolkata – 700017.



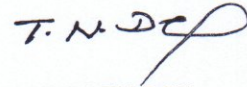
n. Code of Business Conduct and Ethics for Directors and Senior Management.

All the Board members and the senior management personnel of the Company have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March, 2012.

For and on behalf of the Board of Directors

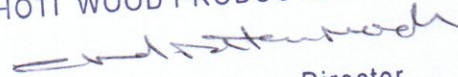
Place: Kolkata

Date: 30<sup>th</sup> May, 2012



TARAK NATH DEY  
MANAGING DIRECTOR

**CERTIFIED TO BE TRUE COPY**  
HOTAHOTI WOOD PRODUCTS LTD.



Director



---

AUDITORS' REPORT

TO THE MEMBERS OF  
HOTAHOTI WOOD PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of **HOTAHOTI WOOD PRODUCTS LIMITED** as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 amount 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 presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion, these financial statements have been prepared in compliance with the applicable Accounting Standards referred to in Section 211(3c) of the Act.
  - e) On the basis of the representation received from directors as at 31<sup>st</sup> March, 2012 and taken on records by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

**CERTIFIED TO BE TRUE COPY**  
HOTAHOTI WOOD PRODUCTS LTD.



*[Signature]*

Director

Contd...2



---

AUDITORS' REPORT

---

:2:


f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the Notes thereon and attached thereto, 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 March 31, 2012 and

(ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

F. Reg. No. - 314188E

For **S. MANDAL & CO.**  
(Chartered Accountants)

  
(H. C. DEY)  
Partner.

M. No: 050190

Dated: May 30, 2012



**CERTIFIED TO BE TRUE COPY**

HOTAHOTI WOOD PRODUCTS LTD.



Director



# HOTAHOTI WOOD PRODUCTS LIMITED

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

(Figures in Rs.)


Sl. No.	Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(1)	Revenue from operations	2.18	41,655,066	1,311,616
(2)	Other Income	2.19	-	9,756
(3)	Total Revenue (1+2)		41,655,066	1,321,372
(4)	Expenses:			
	Purchases of Stock in Trade		738,575	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.20	40,623,848	400,000
	Employee Benefit Expense	2.21	138,000	138,000
	Other Expenses	2.22	156,925	149,322
	Provisions	2.23	246,744	162,407
	Total Expenses		41,904,092	849,729
(5)	Profit before exceptional and extraordinary items and tax (3 - 4)		(249,026)	471,643
(6)	Exceptional Items		-	-
(7)	Profit before extraordinary items and tax (5 - 6)		(249,026)	471,643
(8)	Extraordinary Items		-	-
(9)	Profit before tax (7 - 8)		(249,026)	471,643
(10)	Tax expense:			
	(1) Current tax		-	79,731
	(2) Taxation for earlier years		(45,563)	-
(11)	Profit from operations (9 - 10)		(203,463)	391,912
(12)	Earning per equity share:			
	(1) Basic		(0.01)	0.02
	(2) Diluted		(0.01)	0.02

Significant accounting Policies and Notes on Accounts.

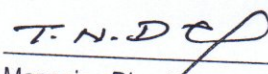
1 & 2

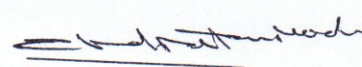
As per our report of even date

For **S. MANDAL & CO.**  
(Chartered Accountants)

  
(H. C. DEY)  
Partner.

For and on behalf of the Board of Directors

  
Managing Director

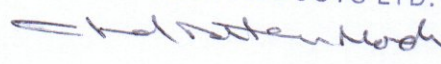
  
Director

Dated : May 30, 2012



**CERTIFIED TO BE TRUE COPY**

HOTAHOTI WOOD PRODUCTS LTD.

  
Director



**HOTAHOTI WOOD PRODUCTS LIMITED**

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

Sl. No.	Particulars	Note No.	(Figures in Rs.)	
			As at 31st March, 2012	As at 31st March, 2011
I.	<b>EQUITY AND LIABILITIES</b>			
(1)	<u>Shareholder's Funds</u>			
	(a) Share Capital	2.7	199,999,600	199,999,600
	(b) Reserves and Surplus	2.8	(1,927,121)	(1,723,658)
(2)	<u>Non - Current Liabilities</u>			
	(a) Long Term Provisions	2.9	1,621,811	1,540,907
(3)	<u>Current Liabilities</u>			
	(a) Trade Payables	2.10	282,925	124,031
	(b) Other Current Liabilities	2.11	1,763,000	2,325,000
	(c) Short-Term Provisions	2.12	3,841	168,902
	<b>Total Equity &amp; Liabilities</b>		<b>201,744,055</b>	<b>202,434,782</b>
II.	<b>ASSETS</b>			
(1)	<u>Non-Current Assets</u>			
	(a) Non-Current Investments	2.13	2,925,000	2,925,000
	(b) Long Term Loans and Advances	2.14	52,826,330	16,937,992
(2)	<u>Current Assets</u>			
	(a) Inventories	2.15	141,455,162	182,079,010
	(b) Cash and Bank Balances	2.16	861,191	139,304
	(c) Short - Term Loans and Advances	2.17	3,676,371	353,476
	<b>Total Assets</b>		<b>201,744,055</b>	<b>202,434,782</b>

Significant accounting Policies and Notes on Accounts.

1 & 2

As per our report of even date

**For S. MANDAL & CO.**  
(Chartered Accountants)

  
(H. C. DEY)  
Partner.

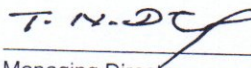
Dated : May 30, 2012

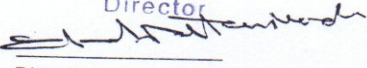


**CERTIFIED TO BE TRUE COPY**

For and on behalf of the Board of Directors

**HOTAHOTI WOOD PRODUCTS LTD.**

  
T. N. DEY  
Managing Director

  
Director



**S.MANDAL & CO.**  
CHARTERED ACCOUNTANTS

29D, SEVEN TANKS LANE,  
DUM DUM JN.  
KOLKATA - 700 030  
Phone : 2556-6768  
2546 - 3269  
Fax : ( 033 ) 2546 - 3269  
E-Mail : [s\\_mandal\\_co@yahoo.co.in](mailto:s_mandal_co@yahoo.co.in)

**AUDITORS REPORT ON CORPORATE GOVERNANCE**

To the members of  
**HOTAHOTI WOOD PRODUCTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **HOTAHOTI WOOD PRODUCTS LIMITED**, for the year ended 31<sup>st</sup> March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no Investor grievances remaining unattended/ pending for more than 30 days.

We further state that 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.

F. Reg. No. - 314188E

For **S. MANDAL & CO.**  
(Chartered Accountants)

  
(H. C. DEY)  
Partner.

M. No: 050190

Dated: May 30, 2012



**CERTIFIED TO BE TRUE COPY**

**HOTAHOTI WOOD PRODUCTS LTD.**



Director