

NOCTE TIMBER COMPANY LIMITED
P.O.DEOMALI-786629, DIST.TIRAP
ARUNACHAL PRADESH
BALANCE SHEET AS AT 31ST MARCH,2007

PREV. YEAR	LIABILITIES	AMOUNT	AMOUNT	PREV. YEAR	A S S E T S	AMOUNT	AMOUNT
	<u>SHARE CAPITAL:</u>				<u>FIXED ASSETS:</u>		
4,600,000.00	Authorised -			7,656,337.00	As per Schedule 'A'		7,534,358.00
400,000.00	460000 Equity Shares of Rs.10/= each		4,600,000.00	-			-
	40000 13.5% Cumulative Preference		400,000.00		<u>INVESTMENTS</u>		
	Shares of Rs.10/- each				<u>CURRENT ASSETS,LOANS AND</u>		
5,000,000.00			5,000,000.00		<u>ADVANCES:</u>		
	Issued,Subscribed & Paid Up-				A- CURRENT ASSETS		
2,832,660.00	283266 Equity Shares of Rs.10/= each		2,832,660.00		Inventories(as valued and		
				19,195.00	certified by the management)		
					Stores,Spare Parts etc.	17,879.00	
95,827.00	<u>RESERVE & SURPLUS</u>				Sundry Debtors		
826,660.00	Capital Reserve	95,827.00			Debts outstanding for a		
42,059,560.00	Capital Subsidy Reserve	826,660.00		3,971,650.00	period exceeding six months-		
	General Reserve :				Considered good	3,971,650.00	
	As per last year	4,20,59,560					
	Less: Profit & Loss A/c.-				Other Debts		3,989,529.00
	Balance at Debit t	95,820					

		41,963,740.00	42,886,227.00		Cash and Bank Balances		
	<u>LOANS :</u>				(As certified and verified by the		
					management)		
	<u>CURRENT LIABILITIES & PROVISIONS:</u>				With Scheduled Banks on		
	A- CURRENT LIABILITIES				Current Account	28,864.00	
291,749.00	Sundry Creditors for goods,expenses			204,133.00	On Short Term Deposit	35,835,658.00	
2,469,383.00	etc.	278,166.00		35,154,980.00	Cash in Hand	11,693.00	35,876,215.00
	Other Liabilities	2,524,873.00		15,276.00			
			2,803,039.00		B- LOANS AND ADVANCES		
	B- PROVISIONS				(Unsecured,considered good)		
	For Fringe Benefit Tax	15,738.00			Advances recoverable in cash or		
52,329.00	For Taxation U/s.115JB	52,329.00		2,268,039.00	in kind or for value to be received		1,848,024.00
161,923.00	For Dferred Taxation	161,923.00					
499,519.00	For Gratuity	496,210.00	726,200.00				
49,289,610.00			49,248,126.00	49,289,610.00			49,248,126.00

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - AS PER ANNEXURE 'B' FORM AN INTEGRAL PART OF THE BALANCE SHEET.

AS PER OUR ANNEXED REPORT OF EVEN DATE.

FOR, NOCTE TIMBER COMPANY LIMITED

For K. LAL & COMPANY
Chartered Accountants.

(K. L. THARD)
Proprietor.

Sd/-
ARUN MOY DUTTA CHOUDHURY
(DIRECTOR)

Sd/-
WANGPHA LOWANG
(DIRECTOR)

PLACE : TINSUKIA
DATED : 29-08-2007

NOCTE TIMBER COMPANY LIMITED
 DEOMALI - 786629 , DIST.TIRAP
 ARUNACHAL PRADESH

SCHEDULE : A

SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH.2007

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2006	ADDITIONS	DEDUCTIONS DURING THE YEAR	TOTAL	UP TO 31.03.2006	FOR THE YEAR	DEDUCTIONS DURING THE YEAR	TOTAL	AS AT 31.03.2007	AS AT 31.03.2006
BUILDING	13,673,319.00	34,000.00	-	13,707,319.00	6,525,281.00	542,336.00	-	7,067,617.00	6,639,702.00	7,148,038.00
PLANT & MACHINERY	20,941,687.00	-	-	20,941,687.00	20,440,512.00	62,566.00	-	20,503,078.00	438,609.00	501,175.00
MOTOR VEHICLES,TRACTOR TRAILORS, MOBILE CRANE, BICYCLES ETC.	914,294.00	530,575.00	-	1,444,869.00	911,469.00	80,874.00	-	992,343.00	452,526.00	2,825.00
FURNITURE & FIXTURES	98,374.00	-	-	98,374.00	94,075.00	778.00	-	94,853.00	3,521.00	4,299.00
TOTAL ::	35,627,674.00	564,575.00	-	36,192,249.00	27,971,337.00	686,554.00	-	28,657,891.00	7,534,358.00	7,656,337.00
PREVIOUS YEAR	35,627,673.00	-	-	35,627,673.00	27,303,133.00	668,204.00	-	27,971,337.00	7,656,337.00	-

Sd/-
 ARUN MOY DUTTA CHOUDHURY
 (DIRECTOR)

Sd/-
 WANGPHA LOWANG
 (DIRECTOR)

OFFICE OF THE EXECUTIVE DIRECTOR
NOCTE TIMBER COMPANY LIMITED
P.O. DEOMALI-786629 : TIRAP DISTRICT
ARUNACHAL PRADESH

NOTICE

No.5-17/NTC/124-129

Dated : Sept 06,2007

To All Members,

Notice is hereby given that 43rd Annual General Meeting of the members of Nocte Timber Company Limited will be held on 28th September,2007 at 12.00 Hours (IST) at the office chamber of Deputy Commissioner, Tirap District, Khonsa, A.P. Cum Executive Chairman of the Company to transact the following business.

1. To consider, receive and adoption of Balance Sheet as on 31st March,2007 and Profit and Loss Account for the year ended on that date along with statutory auditors report thereon for the financial year 2006-07 ended on 31-03-2007.
2. To consider and receive the report of the Board of Directors on the working of the Company for the financial year ended on 31st March,2007.
3. To appoint auditors for the financial year 2007-08' and to fix their remuneration.
4. To consider the re-appointment of Director's of the Company in place of retiring Directors.
5. To consider any other matter that may be placed for consideration.

By order of the Board of Directors
Nocte Timber Company Limited

Sd/- (A.M. DUTTA CHOUDHURY)
Executive Director

Note :

1. A member to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not to be a member of the Company.
2. The proxy form as annexed here to be deposited at the Registered Office of the Company not less than forty eight hours before the time of the meeting.

Copy :-

1. Shri Telem Tapok, Deputy Commissioner, Tirap District, Khonsa, A.P. Cum Executive Chairman and Member of Nocte Timber Company Ltd. Deomali.
2. Shri M.B. Lal, IFS, Principal Chief Conservator of Forests, Govt. to Arunachal Pradesh, Itanagar and Member of Nocte Timber Company Ltd., Deomali.
3. Shri Wanglin Lowang Dong, Hon'ble M.L.A. and Chief of Borduria Cum Member and Director of Nocte Timber Company Ltd. Deomali.
4. Shri WANGPHA Lowang, Deomali, Member and Director of Nocte Timber Company Ltd. Deomali.
5. Shri A.M.Dutta Choudhury, Administrative Officer, N.B.F. Office, Khonsa and Executive Director, Nocte Timber Company Ltd. Deomali.
6. M/s. K. Lal & Company, Chartered Accountant, A.T.Road, Tinsukia.

<p style="text-align: center;">NOCTE TIMBER COMPANY LIMITED P.O. DEOMALI – 786629 : TRRAP DISTRICT ARUNACHAL PRADESH DIRECTORS REPORT TO THE SHAREHOLDERS</p> <p>Gentlemen,</p> <p>Your Directors have the pleasure in presenting their 43rd Annual Report on the working of your Company together with the Statement of Profit and Loss Account and Balance Sheet and Auditor's report for the financial year 2006-2007 ended on 31st March,2007.</p> <p>Your Directors would like to apprise you that during the financial year under report the factory was not in operation. There was no production and hence no sale was carried out.</p> <p style="text-align: center;">NOCTE TIMBER COMPANY LIMITED P.O. DEOMALI – 786629 : TRRAP DISTRICT ARUNACHAL PRADESH DIRECTORS REPORT TO THE SHAREHOLDERS</p> <p>Gentlemen,</p>	<p>Your Directors have the pleasure in presenting their 43rd Annual Report on the working of your Company together with the Statement of Profit and Loss Account and Balance Sheet and Auditor's report for the financial year 2006-2007 ended on 31st March,2007.</p> <p>Your Directors would like to apprise you that during the financial year under report the factory was not in operation. There was no production and hence no sale was carried out.</p> <p>Your Directors had already reported in their 43rd Annual Report that the Money Suit Case No.58/89 against Sri Bhagwati Prasad Agarwalla & M/s. Ashoka Enterprises, Tinsukia for an amount of Rs.35.30 lacs was partially decreed for an amount of Rs.23,53,472.28 with cost but the execution of the same could not be done due to the reason that Sri Bhagwati Prasad Agarwalla has been absconding and the whereabouts of the accused is not known. As a result the said case has been dismissed by the Learned Court vide Order dated 07-02-2006 with an instruction that fresh execution case can be filed against the accused provided the address of the of the judgment debtor is to be made available for service of Notice towards execution of decree against the accused. Considering above facts the Board resolved to pursue the criminal case vigorously which is pending in the Fast Track Court of Additional Session Judge, Namsai and to get issued arrest warrant to trace out the judgment debtor with the help of police for realization of decreed amount of Rs.23,53,472.28 with cost. But no arrest warrant has been received from the Learned Court against the accused till-to-date . Therefore as and when it will be received or when the accused will be traced out by the Police, the matter will be brought to the notice of the Members immediately.</p> <p>Your Director would like to apprise you that in last Annual report it was stated that the penalty amount for Rs.5,04,952/- which was imposed by Special Investigation Team, New Delhi on Nocte Timber Company Limited for the confiscated timber and use of expired T.P, when the factory was taken on hire basis by Arunachal Pradesh Forest Corporation Ltd., Deomali, has been paid by our Company with the decision of the Board that the said penalty amount will be realized from A.P.F.C. Ltd., since they are actually responsible for the payment of the said penalty. Accordingly two letter have been issued in the name of Managing Director, A.P.F.C. Ltd. , Itanagar for re-imburement of the penalty amount immediately to Nocte Timber Co. Ltd. But no action had been initiated by the Managing Director, A.P.F.C. Ltd. As a result Board of N.T.C. Ltd. Decided to serve legal notice against Managing Director, A.P.F.C. Ltd. Itanagar for realization of the said amount, the necessary follow up action will be initiated shortly.</p> <p>Your Directors would also like to apprise you that it was reported in last Annual report a Bakjiai Case had been filed by the Divisional Forest Officer, Nampung Forest Division, Jaitampur against our Company in the Court of Hon'ble Magistrate, Bakjiai Court, Jaitampur for non-payment of old outstanding dues payable to them to the tune of Rs.2,97,479/- against supply of timber. Against which our Company submitted a brief note highlighting the entire issue to the Hon'ble Magistrate, Bakjiai Court, Jaitampur with a request to dismiss the Case since as per our record there is no outstanding dues payable to D.F.O., Nampung Forest Division, Jaitampur. The matter is still under consideration of the Hon'ble Magistrate of the Court. Also Divisional Manager, Nampnai Saw Mill, Nampnai submitted a requisition for a Certificate for an amount of Rs.5,08,796,.27p with 18% interest p.a. to the Bakjiai Officer, Maio, towards supply of veneer to our Company vide Memo No.NPS/Bakjiai-1/2005/114-15 dtd. 05-09-2005, accordingly certificate officer, Maio, A.P. sent a Notice to our Company vide No.MIAO/CERT/39/2006/64-65 dt.04-04-2006 informing us that if we deny the said liability of Rs.5,08,796,27p/ then we may file a petition to his office denying the liability in whole or in part. In reply there is no outstanding dues payable by our Company to the Divisional Manager, Nampnai, Saw Mill, Nampnai and requested the bakjiai Officer, Maio, to instruct the Divisional Manager, Nampnai Saw Mill, Nampnai to send us bill wise details of outstanding dues i.e. copies of related bills, receipted challans etc. for our verification and further necessary action in this regard . But till to date neither we have received the bill copies, challans etc. nor any reply from the Bakjiai Court, Maio. Apart from above, the Divisional Forest Officer, Deomali Forest Division, Deomali also showed outstanding against our Company for an amount of Rs.5,47,108/- vide their letter No.DD/55/203/2955-36 dtd. 14-06-2005 against supply of timber to our Company long back, but as aper our record there is no outstanding dues payable to them. In this regard we already from our end and requested them to finalize the dispute, if any, at their end after giving proper adjustment entries in their books of accounts.</p>
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wise details of outstanding dues i.e. copies of related bills, receipted challans etc. for our verification and further necessary action in this regard . But till to date neither we have received the bill copies, challans etc. nor any reply from the Bakijai Court, Malo. Apart from above, the Divisional Forest Officer, Deomali Forest Division, Deomali also showed outstanding against our Company for an amount of Rs.5,47,108/- vide their letter No DD/5/203/295-36 dtd. 14-06-2005 against supply of timber to our Company long back, but as aper our record there is no outstanding dues payable to them. In this regard we already from our end and requested them to finalize the dispute, if any, at their end after giving proper adjustment entries in their books of accounts.

2. CAPITAL STRUCTURE :

There has been no change in share holding position of your Company during the year under report.

3. PROFIT AND LOSS ACCOUNT : (2)

It is seen from the statement of Accounts for the year under report that after meeting all expenses and providing Rs.6,86,554/- for depreciation of fixed assets, the Company shows a loss of Rs. 95,820/-. Detained working result for the year compared to that of earlier years is given below :-

A.	INCOME	2004-2005	2005-06	2006-07	% OF INCREASE DECREASE
(i)	Sales, Banks Interest and Misc.earnings	22,43,753	20,52,764	20,85,570	1.598%
(ii)	Quarter rent	2,39,000	1,97,350	1,74,650	(-) 11.502%
(iii)	Interest received				
	From I.T.Dept.	1,50,950	4,433		
(iv)	Income from adj. Ustment relating to Previous year				
		<u>26,33,703</u>	<u>22,54,547</u>	<u>22,60,220</u>	--
B.	EXPENDITURE:				
i)	Establishment expenditure(Salary, Wages, Gratuity,provision and Contribution to Provident Fund)	13,27,015	11,22,530	11,02,124	(-) 1.818%
(ii)	Administrative charges(Repairs to Building Plants & Machineries, Rates & Taxes, Insurance, Vehicle maintenance and petrol and lubricant consumption etc.	78,318	79,698	1,37,438	72.448%
(iii)	Depreciation	7,36,485	6,68,204	6,86,554	(-) 2.746%
(iv)	Misc.Expenditure,Staff & worker Welfare expenses,legal and Professional charges, Directors Travelling expenses etc.	2,36,821	1,45,594	2,19,940	(-) 51.064%
(v)	Power & Fuel,stores consumption	2,07,708	2,02,732	1,94,246	(-) 4.186%
(vi)	Penalty imposed by S.I.T.New Delhi	5,04,952-	--	--	--
(vii)	V.R.S. Payment	--	7,38,813	--	--
(viii)	Expenses relating to Prev.year	1,14,150	--	--	--
		<u>32,05,449</u>	<u>29,57,571</u>	<u>23,40,302</u>	

C.	APPROPRIATION OF PROFIT AND LOSS	2004-05	2005-06	2006-07
i)	Profit/Loss before taxable	(-)5,71,746	(-)7,03,024	(-)80,082
ii)	Provision for taxable	60,681	60,681	--
iii)	Prov. For deferred taxation	--	--	15,738
iv)	Net Profit/Loss after taxation	(-)6,32,427	(-)7,03,024	(-)95,820
v)	Transfer from Investment allowance reserve	--	--	--
vi)	Doubtful debts written back	--	--	--
vii)	Dividend on Equity Shares	--	--	--
viii)	Dividend Tax	--	--	--
ix)	Profit & Loss Appropriation A/c.	(-)6,32,427	(-)7,03,024	(-)95,820

4. RESERVE & DIVIDEND :

Your Director proposed to transfer a sum of Rs.95,820/- from General Reserve to Profit & Loss Account to cover the loss sustained during this financial year and did not recommend any dividend on Equity Shares since the Company was

(vi)	Doubtful debts written back	--	--	--
(vii)	Dividend on Equity Shares	--	--	--
(viii)	Dividend Tax	--	--	--
(ix)	Profit & Loss Appropriation A/c.	(-)6,32,427	(-)7,03,024	(-)95,820

4. RESERVE & DIVIDEND :

Your Director proposed to transfer a sum of Rs.95,820/- from General Reserve to Profit & Loss Account to cover the loss sustained during this financial year and did not recommend any dividend on Equity Shares since the Company was not transacting any business during the financial year 2006-07 ended on 31-03-2007.

(3)

5. AUDITORS :
M/s. K. Lal & Company, Chartered Accountant , Tinsukia were appointed as Statutory Auditors of the Company for the financial year 2006-2007.

6. DIRECTORS :

In accordance with the provision of the clause No.95(1)(2) of Articles of Association of the Company Shri A.M. Dutta Choudhury and Shri Waingin Lowang Dong were to retire by rotation. Shri A. M. Dutta Choudhury and Shri Eanglin Lowang Dong being eligible offered themselves for re-appointment. Accordingly the Board resolved that Shri A. M. Dutta Choudhury and Shri Waingin Lowang Dong be and are hereby re-appointed as Director as Directors of the Company.

7. INFORMATION U/S.217(2A) OF THE COMPANIES ACT,1956 :

The details of Executives of the Company drawing remuneration in excess of rs.1,00,000/- per month as per requirement of U/s.217(2A) of the Companies Act,1956 are given below :-

8. EMPLOYMENT

Your company had been able to generate 12,000 man days during the year under report.

9. COMPLIANCE CERTIFICATE UNDER COMPANIES ACT,1956

A certificate issued by Shri Kailash Prasad Gupta, Company Secretary in terms of Provision of section 383A of the Companies Act,1956 to be effect that the Company has complied with the applicable provisions of the said Act, is attached to this report.

10. RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956 your Director state that :-

- In the preparation of Annual Accounts under review the applicable accounting standards have been followed.
- Appropriate accounting policies were selected and applied consistently, reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the Profit and Loss account of the Company for that period.
- Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual accounts are prepared on a going concern basis, the required disclosures and the significant accounting policies followed are appearing in Schedule 'B' to the Annual Accounts.

11. ACKNOWLEDGEMENT

Your Directors take the opportunity to thank the statutory Auditors M/s. K. Lal & Company, Chartered Accountants, Tinsukia for their advice and co-operation in finalizing the accounts of the Company.

The Directors would also like to place on records the co-operation extended to your Company by the Govt. Department of Arunachal Pradesh, State Bank of India, Deonali and Vijaya Bank, Itanagar.

The Directors also take the opportunity to place on records their appreciation for the Officer, staff and worker of the company for their devotion to work and efficiency shown by the staff and workers of the Company in discharging their duties during the year under report.

For and on behalf of the Directors,

Sd/-
(TALEM TALOK)
EXECUTIVE CHAIRMAN
NOCTE TIMBER COMPANY LIMITED

NOCTE TIMBER COMPANY LIMITED: DEOMALI: DIST. TIRAP
ARUNACHAL PRADESH

**NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT
31-3-2007 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2007.**

SCHEDULE : B

I- SIGNIFICANT ACCOUNTING POLICIES

- 1- Basis of Accounting
Financial statement are prepared under historical cost convention and in accordance with the applicable accounting standard provisions of the Companies Act, 1956 as adopted consistently by the Company.
- 2- Fixed Assets
Fixed assets are stated at cost less accumulated Depreciation
- 3- Depreciation
Depreciation has been charged for full year on written down value method as per Schedule XIV to the Companies Act, 1956
- 4- Interest on Term Deposit Income
Interest income is accounted for on accrual basis.
- 5- Retirement Benefit
Gratuity liabilities is calculated on the assumption that all the employees would have retired on the last day of the accounting year.
- 6- Transactions in Foreign currencies
NIL
- 7- **(a) CURRENT TAX**
The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.
(b) DEFERRED TAX
Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty or realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Contd..P/2.

II- NOTES ON ACCOUNTS

[2]

1- 22 Hectares of land, on which, building was constructed, has been allotted by the Govt. of Arunachal Pradesh at a rent @ Rs.25/- per hectare per annum.

The land rent for the period from 27-01-1998 to 31-3-2007 amounting to Rs.5,046/- is payable by the Company and will be accounted for on payment basis.

2- The provisions for gratuity payable during the year amounting to Rs. 1,61,507/= has been made.

Total gratuity payable upto 31-3-2007 is Rs.4,96,210/- after adjustment of provision Rs. 1,64,816/- made during the year.

3- Employees of the Company who are in receipt of or are entitled to received remuneration aggregating not less than Rs.12,00,000/- for the year or not less than Rs.1,00,000/= per month - NIL (Previous year - NIL).

4- Licensed Capacity

2006-2007

2005-2006

Commercial Plywood including Tea Chest Plywood	13,00,000 Sq.Mtr.	13,00,000 Sq.Mtr.
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5- Installed Capacity

a) Plywood, Tea Chest Plywood etc.	18,00,000 Sq.Mtr. (4mm basis)	18,00,000 Sq.Mtr. (4mm basis)
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b) Sawn Timber	2000 Cum.	2000 Cum.
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6- Actual Production NIL(NIL) NIL(NIL)

7- Remuneration to Directors

<u>Name</u>	<u>Sitting fees</u>	<u>Out of Pocket exp.</u>	<u>Travelling Expenses</u>	<u>Total</u>
Sri. Talem Tapok,	2,000.00	6,000.00	5,243.00	13,243.00
Sri. Wanglin Lowang Dong	1,500.00	4,500.00	58,832.00	64,832.00
Sri. Wangpha Lowang	1,000.00	3,000.00	6,000.00	10,000.00
Sri. A.M. Dutta Choudhury	2,000.00	6,000.00	20,260.00	28,260.00
	<u>6,500.00</u>	<u>19,500.00</u>	<u>90,335.00</u>	<u>116,335.00</u>

Contd..P/3.

- 8- Miscellaneous expenses includes Director's sumptuary allowance of Rs. 12,000/- paid to Shri. A.M. Dutta Choudhury, Executive director. [3]

9- Deferred Taxation:

The net deferred tax assets in respect of timing differences as at 31st March, 2006 of Rs.57,19,148/- has not been recognized in the account. In the opinion of the management, the Company will not have sufficient taxable profits to recoup unabsorbed losses and depreciation in subsequent periods. Hence deferred tax assets on 1-4-2006 are not recognized.

The Components of deferred tax asset and liability as at 31st March, 2006 arising out of timing difference are as under :

<u>Deferred Tax Liabilities</u>	
(a) Depreciation	(26,060.00)
(b) Adj. Relating to prior period	<u>(26,060.00)</u>

Deferred Tax Assets

- (a) Provision for Gratuity &
Other provisions

53,297.00

NET DEFERRED TAX LIABILITY :

NIL

- 10- Previous year figures have been re-grouped and/or re-arranged wherever necessary. Figures have been rounded off to the nearest rupee.

- 11- Earning per Share in terms of AS-20 Earnings per share issued by the Institute of Chartered Accountants of India -

(a) No. of Equity Shares	:	2,83,266
(b) Face value of equity shares	:	10
(c) Profit after tax	:	(95,738)
(d) Earning per share (Rs.)	:	(0.28)

- 12- During the year the Company had earnings mainly from interest income. Main activities of wood based products remained suspended during the year. The company has no conclusive immediate plan which may help in resuming wood based activities in near future. In view of the above factors there is a substantial doubt on the Company's ability to continue as a going concern in the foreseeable future.

- 13- Payment against supplies from Small Scale Industrial undertaking are made in accordance with agreed credit terms and to the extent ascertained from available information, there are no outstanding dues of SSI undertaking.

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For K. LAL & COMPANY
Chartered Accountants

(K. L. THARD)

Proprietor.

PLACE : TINSUKIA

DIRECTORS

DATED : 29.08.2007

NOCTE TIMBER COMPANY LIMITED: DEOMALI: DIST. TIRAP
ARUNACHAL PRADESH

ADDITIONAL INFORMATION PURSUANT TO PART (IV) OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration

Registration No.	:	001199
State Code	:	23
Balance Sheet date	:	31/03/2007

II. Capital Raised during the year (Amount in thousand)

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III. Position of Mobilisation and Deployment of Funds:

Total Liabilities	Rs.	492.48
Total Assets	Rs.	492.00

Sources of Funds (Amount in thousand)

Paid Up Capital	Rs.	28.33
Reserve & Surplus	Rs.	428.86
Secured Loans		NIL
Unsecured Loans		NIL

Application of Funds(Amount in thousand)

Net Fixed Assets	Rs.	75.34
Investments		NIL
Net Current Assets	Rs.	381.85
Miscellaneous Expenditure		NIL
Accumulated Losses		NIL

IV. Performance of the Company

Total Income	Rs.	22.60
Total Expenditure	Rs.	23.40
(+) Profit/(-)Loss after Tax	Rs.	(0.80)
Earnings per share	Rs.	(0.28)
Dividend Rate		NIL

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

Item Code No. (ITC Code)	:	Not avialable
Product Description	:	Plywood, Block Board and Sawn Timber.

For **K. LAL & COMPANY**
Chartered Accountants

(K. L. THARD)

PLACE : TINSUKIA

Proprietor.

DATED : 29-08-2007

DIRECTORS.

AUDITORS' REPORT

TO THE MEMBERS OF NOCTE TIMBER COMPANY LIMITED

- 1- We have audited the attached Balance Sheet of NOCTE TIMBER COMPANY LIMITED as at 31st March, 2007 and the annexed Profit and Loss Account for the year ended on that date 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.
- 2- We conducted our audit in accordance with the auditing standards generally accepted in India. Those 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 the 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 Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement of the matters specified in paragraphs 4 and 5 of the said Order.
- 4- Further to our comments in the Annexure referred to in paragraph 1 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 purposes of our audit ;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books ;
 - (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, the Balance Sheet and Profit & Loss account dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of our review of the confirmation received from the Company and the information and explanations given to us, we report that none of the directors of the Company are, prima facie, disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) *Without qualifying our opinion, we draw attention to Note No. 13 in the financial statements. According to the information and explanation received by us, the company has not so far made any concrete plan to resume wood based activities. These facts together with other matters disclosed in Note No.13 raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future.*

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- (g) *In our opinion and according to the information and explanations given to us, a large number of debtors, advances receivable and creditors are found to be overdue, and subject to confirmations, reconciliations and consequent adjustments/provisions, reconciliations and consequent adjustments/provisions, if any, which are presently not ascertainable.*
- (h)
- in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and also give, a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007; and
- (b) in the case of Profit and Loss Account, of the loss for the year ended on that date.

For K. LAL & COMPANY
Chartered Accountants

PLACE : TINSUKIA
DATED : 29-08-2007

(K. L. THARD)
Proprietor.
Membership No.16666

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT TO THE
MEMBERS OF NOCTE TIMBER COMPANY LIMITED ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH,2007.**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed asses have been physically verified by the management at periodic intervals which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.
 - (c) Substantial part of the Fixed assets have not been disposed off during the year .
- (ii) (a) The Inventory of the Company i.e. stock of stores and spare parts, have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the company has not taken/ granted any loans, secured or unsecured from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the paragraphs 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable to the company.
 - (iv) In our opinion and according to the information and explanations given to us, the internal control procedures are adequate and commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components plant & machinery, equipment and other assets and with regard to the sale of goods.
 - (v) On the basis of our examination of the books of account, we are of the opinion that there is no such transactions that need to be entered in the register in pursuance of Section 301 of the Act,1956. Accordingly, clause 4(v) of the Order is not applicable to the company.
 - (vi) As the Company has not accepted any deposits from the public,paragraph 4(vi) of the Order is not applicable.
 - (vii) The Company's Internal audit system is, in our opinion,commensurate with the size and nature of its business.

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- (viii) Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
- (ix) According to the information and explanations given to us in respect of statutory and other dues :
 - (a) The company has been regular in depositing undisputed statutory dues with the appropriate authorities and no undisputed amounts payable in respect of above referred statutory dues dues were outstanding, at the the year end for a period of more than six months from the date they became payable.
 - (b) There is no statutory dues in respect of sales tax/income-tax/wealth tax etc. that have been deposited on account of any dispute.
- (x) As per the books of accounts,the Company has no accumulated losses as at 31st March, The Company has incurred cash loss during the financial year covered by our audit and also cash loss in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to any financial institutions or bank during the year.
- (xii) Since the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the company is not a chit fund or a nidhi/mutual benefit fund / society,paragraph 4(xiii) of the Order is not applicable.
- (xiv) Since the company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) 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.
- (xvi) Since the company has not obtained any term loans, paragraph 4(xvi) of the Order is not applicable.
- (xvii) According to the information and explanation given to us and the records examined by us, no funds were raised by the company during the year.

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- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) Since the company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
- (xx) Since the company has not raised any money during the year by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such instance by the management.
- (xxii) All the other provisions of the Companies (Auditors Report) order 2003 have been found not applicable to the company.

For K. LAL & COMPANY
Chartered Accountants

PLACE : TINSUKIA
DATED : 29-08-2007

(K. L. THARD)
Proprietor,
Membership No. 16666