

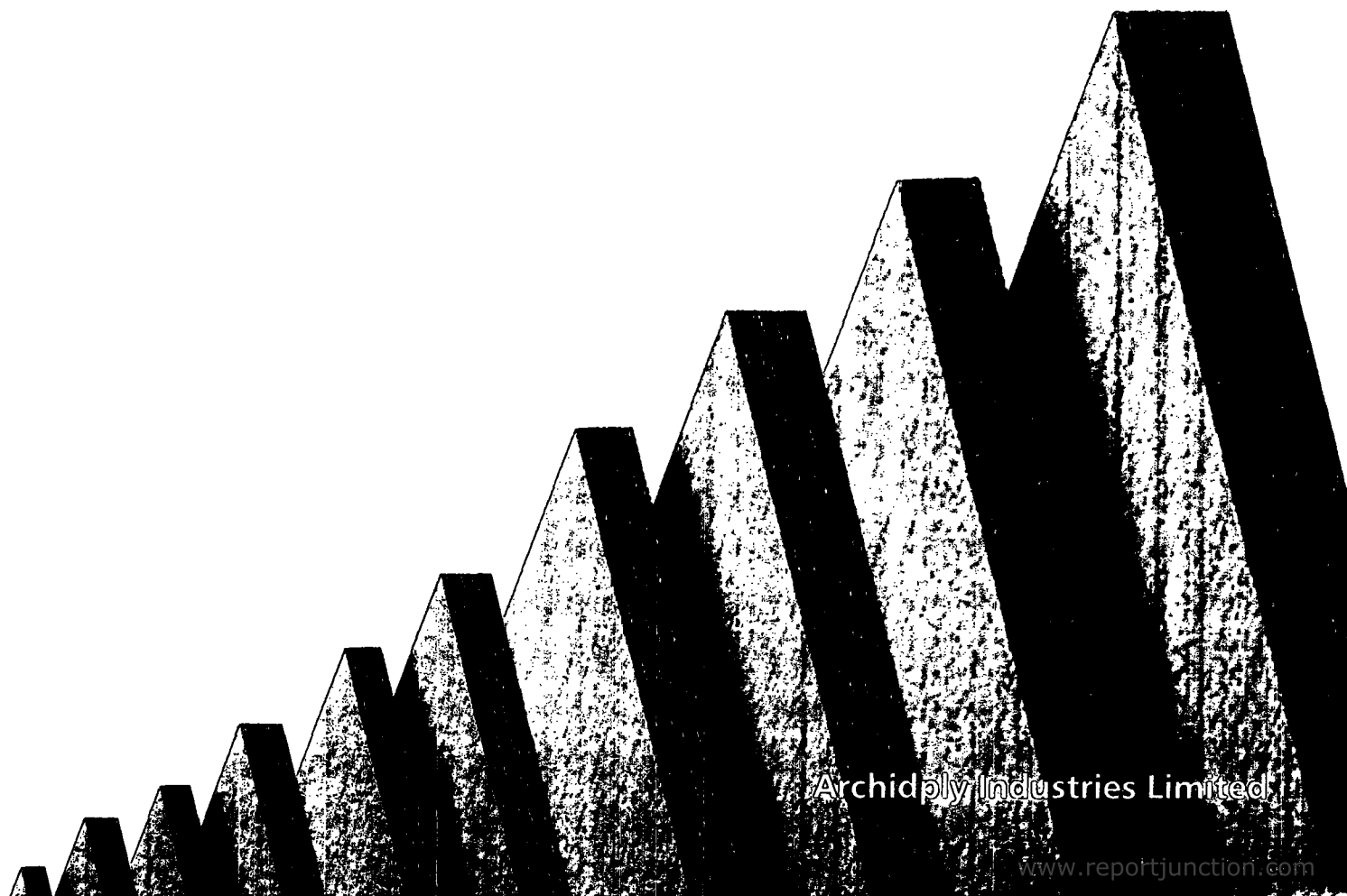


Annual Report 2008



Not just quality ply

GROWTH PLY



Archidply Industries Limited

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Corporate Information

Board of Directors

Mr. Deen Dayal Daga, Chairman & Managing Director
Mr. Shyam Daga, Joint Managing Director
Mr. Rajiv Daga, Executive Director
Mr. Krishna Kant Somani, Director (Technical - Mysore Unit)
Mr. Narayan Subrao Adkoli, Director
Mr. Mohammed Shahid Aftab, Director
Mr. Kamal Kishore Taparia, Director
Mr. Bharathkumar Hukumchand Rathi, Director

Shareholder / Investor Grievances Committee

Mr. N.S.Adkoli, Mr.Rajiv Daga, Mr. B.H.Rathi & Mr. M.S. Aftab

Audit Committee

Mr. N.S. Adkoli, Mr. Shyam Daga, Mr.B.H.Rathi & Mr. M.S. Aftab

Remuneration / Compensation Committee

Mr. N.S.Adkoli, Mr.K.K.Taparia, Mr.B.H.Rathi & Mr. M.S. Aftab

Auditors

M/s GRV & PK, Chartered Accountants
No. 205, 2nd Floor, Jala Shambhavi Complex,
No. 22 & 23, 1st Main Road, Gandhinagar, Bangalore 560009

Company Secretary

Mr. Rajneesh Sharma

Bankers

Union Bank of India
Industrial Financial Branch
10/A, Chandrakiran, Kasturba Road, Bangalore 560001

Bank of India
Corporate Banking Branch
25/2, Museum Road, Skip House, 2nd Floor, Bangalore 560025

Vijaya Bank
Corporate Banking Branch
42/1, M.G Road, Bangalore 560001

Registered Office

29/2, G.K.Manor, 1st Floor, Nehru Nagar Circle, Seshadripuram, Bangalore 560020
Ph : 23445607 / 0258 / 23348460 Fax : 2334 8463, Email : info@archidply.com

Units

Rudrapur (Unit I) - Plot No. 6A, Sector 9, pant nagar Industrial Area, khasra No 210, pool Bagh, Kichha, Udham Singh Nagar, Rudrapur, Uttarakhand

Mysore (Unit II) - Mysore hunsur Road, Hinkal, Mysore 570017, Karnataka
Mysore (Unit III) No.277, C-D/1 & C-D/3, Hebbal Industrial Area, Mysore 570018, Karnataka

Registrar & Transfer Agent

Karvy Computershare private Limited
Plot No.17 to 24, Vithalrao nagar, madhapaur, Hyderabad 500086
Tel : 1-800-3454001, Fax : 040 23420814, Email : eidard.risk@karvy.vom

ABOUT US

Archidply, a household name for years now, has been involved in the plywood manufacturing industry for over three decades. The Archidply Group initially set up for the manufacturing of tea-chests and saw-mills in 1976, has flourished into an expansive business. Under the leadership of Mr. Deendayal Daga, the group Chairman and Founding Managing Director, the business which started as a small unit in Rupai, Assam, has spanned across the country with increasing success. In 1995, the Group took over The Mysore Chipboards Ltd., originally founded in 1965. The factory is spread over 32 acres in Mysore. The Group undertook major modernization and expansion of the unit, at a cost of Rs.10 crores. In 2006, Archidply set up its third factory at Pantnagar, Uttarakhand. In 2007 a merger of the Mysore and Uttarakhand units led to the formation of the Archidply Industries Ltd.

Since its initiation, the Archidply product range has greatly diversified. Today, it is associated with woodbased products such as teak plywood, waterproof blockboard, film faced plywood, marine plywood, flush doors, Lamyply, Lamyboard, pre-laminated board a host of laminates and veneers, to name just a few. The group has also branched out into the area of tea plantations.

The Archidply Group's unprecedented success is attributed not just to its innovative products, but also to its innovative production procedures. The organization invests heavily in research and development to develop efficient methods of production and products of the finest quality. Archidply Group also ensures that all its industrial procedures fall in line with environmental needs and the Group does its bit in preserving the environment by planting saplings, distributing seeds at subsidized rates to its plantations and utilizing raw materials efficiently. With these and such other practices, Archidply has earned firm trust for itself.



CHAIRMAN'S STATEMENT

Dear Fellow Stakeholders,

Bigger Opportunities. Better Growth.

At Archidply, every possibility, and every opportunity opens to new doors of growth and better performances, year after year. The exhilarating opportunity unleashed for our sector due to infrastructure developments in the country in the form of Airports, Retail Malls, SEZs, Multiplexes, Hotels, expansion of Banking & Financial services sector, Housing units etc and also the desire across the client spectrum for high class interiors has resulted in a huge demand for wood panel products and decorative surfacing material.

Our commitment to using renewable resources for manufacturing wood-panel products from farm grown poplar & eucalyptus plantations in Rudrapur and Kolar, Silver Oak from coffee estates in Coorg, in close proximity to our factory locations, has held us in good stead in the past, and the same is guiding us in realizing a future of growth and competitiveness.

In pursuit of continual growth

In the wood panel products' segment, Archidply has initiated increase in plywood capacity in the Uttarkhand unit and plans to set up a new MDF plant in the same facility. We are now in the process of setting up an ultra modern composite unit of particleboard in Chintamani in Karnataka, close to the enormous eucalyptus plantations in Kolar district.

In our decorative surfacing sector, we are setting up a decorative plywood unit in Chintamani and are also in the process of establishing a 'Designer Doors' and Surface Printing' unit for customized design solutions in Chintamani.

The above plans will be implemented partly in 2008-2009 and completed by 2009-2010. This will set the pace of growth for Archidply in the coming years.

Strengthening the pillars

Even as we grow at a pace comparable to the industry, we are adopting best practices to facilitate the growth sustainable. We have put in place an ERP system across our factory locations and branches. A new HRD policy has been put in place along with reorganizing the organization structure for better clarity and focus. We also intend to issue ESOPs to our employees. Our Boards of Directors have been strengthened and we now have accomplished and eminent experts from Forestry, Architecture and Interior Design, Marketing and Finance, who bring with them vast years of experience in their respective fields.

The Company had filed the offer document with the SEBI for raising capital to part finance the CAPEX for expansion projects of the Company which has been appraised in totality by the financial institutions. We have since received final observations from SEBI and plan to bring out the Public Issue within the statutory time frame.

ICRA, the credit rating agency appointed for the Public issue, has given a grading of 3 out of 5 for the proposed issue.

Committed to a healthier tomorrow

At Archidply we have devoted a significant part of the concluded year in furthering Research, Product Development, Technology Adoption and investing in optimizing our customer satisfaction goals; ensuring homes and offices are healthy and safe places to be.

On the R&D front, our development of unique Low Formaldehyde Emission resins has been extended from BWR Plywoods to Decorative Laminates. We have since developed and introduced fire retardant plywoods and laminates to the consumers. Products with these feature have been well received and are recognized by the Architect and Interior Designer Community in that they contribute to a healthy and safe indoor environment as per Global Standards in place in Europe, Japan and USA. This will set the path for every manufacturer to follow, and ensure customers in India are not deprived of the health and environment standards, set by leading countries across the globe.

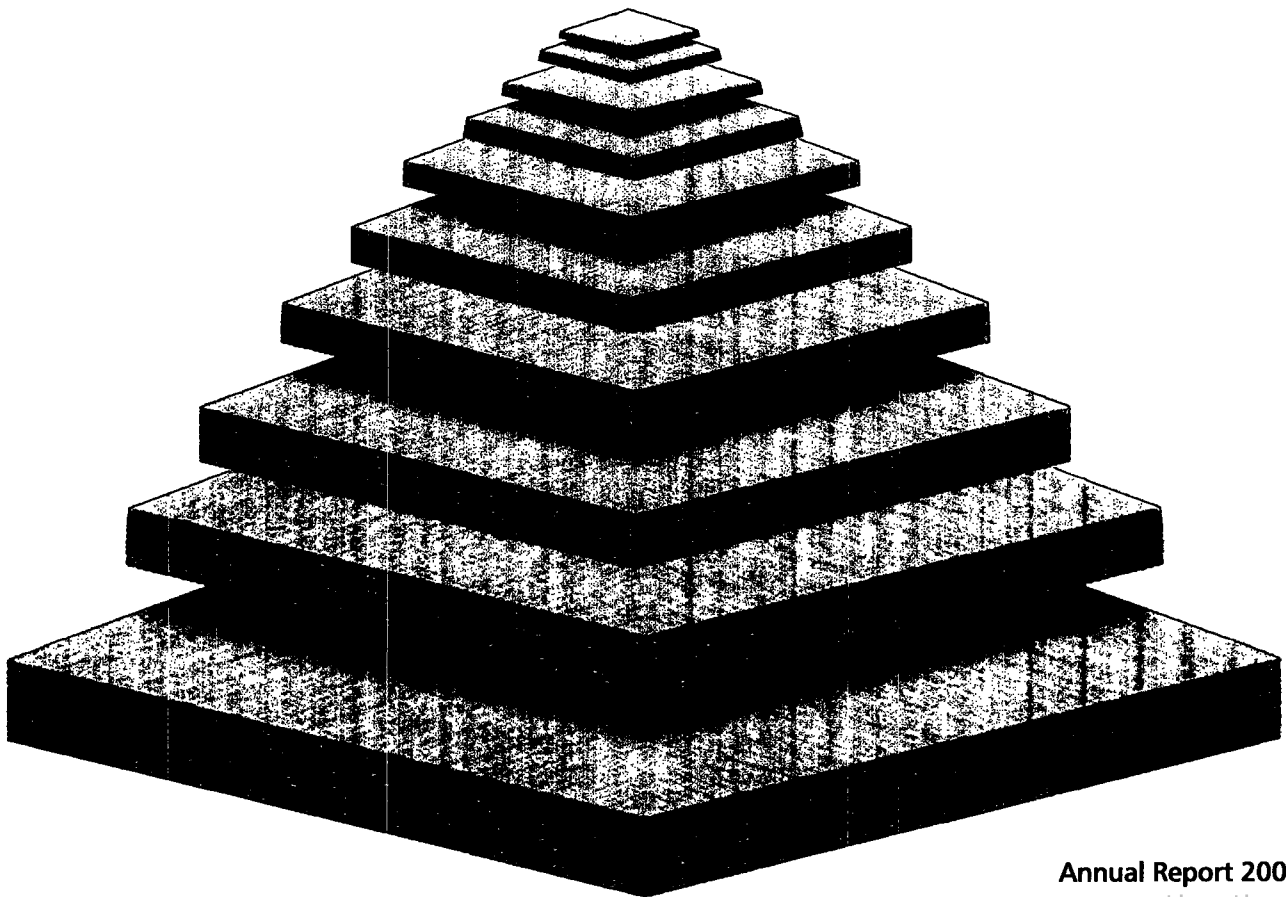
We are pleased to say that our Company has received a certificate from Bureau of Indian Standards (BIS) for ECO Mark for rating our products as eco friendly which will enable the architects/builders to earn points for better environment and friendly rating. Our Company has also received Host Country Approval for its Rudrapur Unit for "Thermal Energy Generation from Renewable Bio-mass" which will make us eligible for CER'S (Certified Emission Reductions).

We at Archidply believe your company is ready to play the role of a leader by consolidating on the strong position since created in the competitive market.

Here is wishing one and all,
a healthier and wealthier 2008

Place : Bangalore
Date : 23.05.2008

Deen Dayal Daga
Chairman & Managing Director



An Explosion: Growth In The Number Of Factories

The business which started in 1976, as a small unit in Rupai, Assam, has proliferated to span the length and breadth of the country with increasing success.

In, 1995, the group took over The Mysore Clipboard Ltd., originally founded in 1965. The factory is spread over 32 acres in Mysore. The group undertook major modernisation and expansion of the unit, at a cost of Rs. 10 crores. This plant undertakes numerous measures for environmental conservation, including planting saplings and distributing subsidized seeds to all its private plantations. Most of the wood from this plant comes from its eucalyptus plantations which are used optimally. The Particle Boards it manufactures uses only 'Lops and Tops', leaving the main tree untouched.

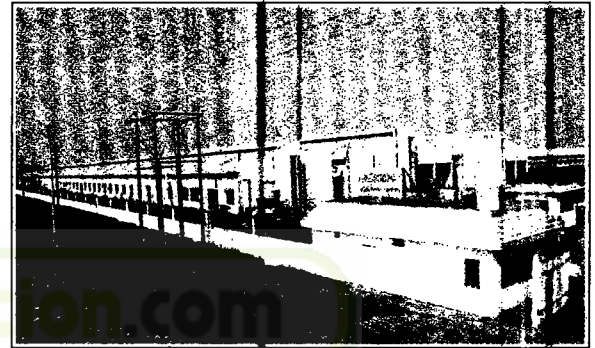
In 2006, Archidply set up its third factory at Pantnagar, Uttarakhand. The products produced by this plant include Plywood, Blockboard, Densified Film Faced Plywood, Pre-laminated Particle Board and Decorative Laminates. Spread across 15 acres, the Company has invested Rs. 50 crores to equip this facility with the latest technology. Its total licensed capacity is 78000 cubic meter per annum.

In 2007, a merger of the Mysore and Uttarakhand units led to the formation of the Archidply Industries Ltd.

Mysore facility spread over 32 acres



Uttarakhand facility spread over 15 acres



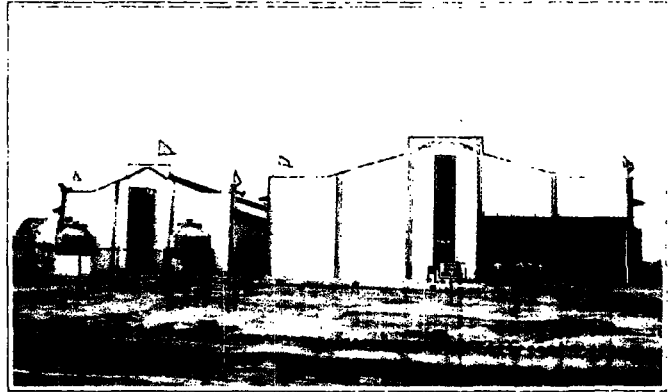
Expansions Plans

A combination of green field and brown field projects has been planned by the company to meet the new demands of the sector.

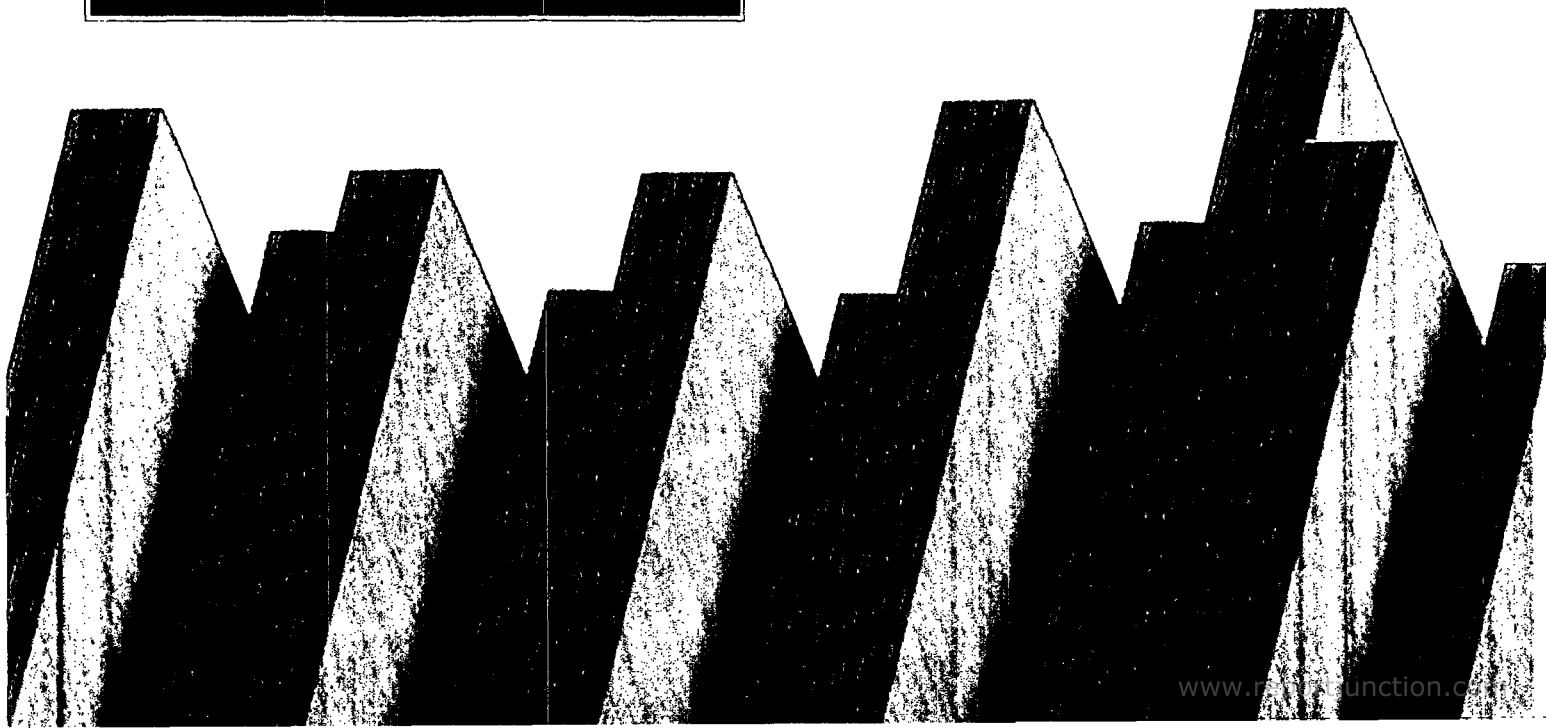
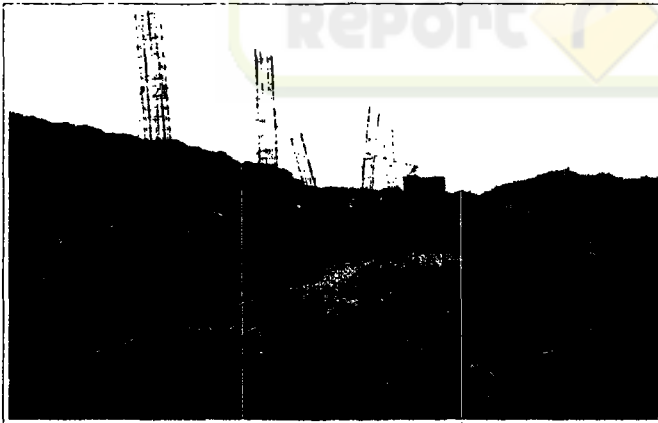
On the wood panel products segment the company has initiated increase in plywood capacity in its Uttarakhand unit and setting up of new modern MDF plant in the same premises at Uttarakhand. The company is also in the process of setting up of a modern composite unit of Particle Board in Chintamani, Karnataka close to the enormous plantations of eucalyptus in Kolar district.

On the decorative surfacing sector the company is setting up a Decorative Plywood unit in Chintamani and is also in the process of setting up designer doors and surface printing unit for customised design solutions in Chintamani.

The above plans will be implemented partly in 2008-2009 and completed by 2009-2010. This will set the pace of growth for our company in the coming years.



Bhoomi Pooja at Chintamani



Plentiful products: Growth in product range

Since our inception, we are dedicated to constantly expanding and updating our product range in order to stay ahead of the market.

Plywood, Decorative Veneers and Particle board were three principal products three years ago.

Last year, we added one more product, Decorative Laminates to our range of products.

Today our wide array of products constitutes: Lamply , Pureply plus, Decorative Laminates, Decorative Veneers, Plywoods and Particle-Boards

