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Notice

NOTICE is hereby given that the **FIFTEENTH ANNUAL GENERAL MEETING** of **ARCHIDPLY INDUSTRIES LIMITED** will be held on Wednesday, 29th September, 2010 at 10.00 a.m at Ramanashree California Resort, Anathpura Gate, Doddabalpur Road, Yelhanka, Bangalore- 560 064 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mohammed Shahid Aftab, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration and for the purpose, to pass the following resolution, which will be proposed as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions if any, of the Companies Act, 1956 Messrs GRV & PK Chartered Accountants, Bangalore, the retiring auditors, be and are hereby re - appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses as may be incurred in the performance of their duties.”

By Order of the Board of Directors
For Archidply Industries Limited

Bangalore
29th May, 2010

Rajneesh Sharma
Company Secretary

Registered Office:

29/2 G.K. Manor,
1st Floor, Nehru Circle,
Sheshadripuram,
Bangalore 560 020.

Notice (Contd.)

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. The Register of Members and Share Transfer Books of the Company will remain closed from, 23rd September, 2010 to 29th September, 2010 (both days inclusive) in connection with the Annual General Meeting
2. Members may please bring the Admission Slip duly filed in and may hand over the same at the entrance to the Meeting Hall.
3. Members / Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available as a measure of austerity.
4. Member's attention is being drawn that pursuant to the provisions of Section 205A of the Companies Act, 1956, Dividend & Refund Orders which remain unpaid or unclaimed for a period of seven years will be transferred to the Investors Education & Protection Fund (IEPF) of the Central Government.
5. Members who have not encashed their dividend / Refund Orders for the year 2008 - 09 are requested to write to the Company share Department at its Registered Office or to the Registrar or share Transfer Agent of the Company at M/s. Karvy Computer Share Private Limited, Plot no. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad - 500 086, India; email inward.ris@karvy.com. It may be kindly noted that once the amount in the unpaid dividend accounts are transferred to the Investors Education & Protection Fund (I E P F) of the Central Government, no claim shall lie against the fund of the Company in respect thereof and members would lose their right to claim such dividend.
6. The shareholders seeking information on accounts published herein are requested to furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote
8. The relevant documents referred to in the Notice are open for inspection at the Registered Office of the company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the meeting.
9. Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited Unit : Archidply Industries Limited, Plot no. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 086.
10. As per the requirement of clause 49 of the listing agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Director is given below:

Notice (Contd.)

Name of Director	Mr. Mohammed Shahid Aftab
Date of Birth	22.03.1946
Date of Appointment	07.09.2007
Qualification	M.Com., CAIIB
Expertise in specified functional area	Having 36 years experience in the field of Banking & Finance
Shareholding in Archidply Industries Limited	NIL
List of outside Directorship held excluding Alternate Directorship and Private Companies.	Gujarat Pathugan Energy Corporation P Ltd. Ramsarup Industries Limited PNB Gilts Limited Asset Care Enterprise Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	<u>Member</u> Remuneration Committee Audit Committee Shareholders Committee
Chairman/ Member of the Committee of the Board of Directors of other Companies in which he or she is a Director	NIL
a. Audit Committee	NIL
b. Investor Grievance committee	NIL
c. Remuneration Committee	NIL

By Order of the Board of Directors
For Archidply Industries Limited

Bangalore
29th May, 2010

Rajneesh Sharma
Company Secretary

Registered Office:
29/2 G.K. Manor,
1st Floor, Nehru Circle,
Sheshadripuram,
Bangalore 560 020.

Director's Report

TO THE MEMBERS OF ARCHIDPLY INDUSTRIES LIMITED

Your Directors are pleased to present the Fifteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

The financial results of the Company during the year under review are summarized as under:

(Amount in Rs.)

Particulars	Year ended 31.03.10	Year ended 31.03.09
Net sales	15,132.46	15,040.95
Profit before interest & Depreciation	2349.54	2778.09
Depreciation	432.86	345.20
Interest	975.00	778.52
Profit before tax	941.68	1,654.37
Taxation	143.82	229.63
Profit after tax	797.86	1424.73

PERFORMANCE REVIEW

During the year of operation, your Company has earned a profit after tax for current year of Rs.797.86 lacs. Your Company's Net turnover during the year ended 31.03.2010 was Rs. 15,132.46 lacs as against the previous year turnover of Rs. 15040.95 lacs

Due to the labour issues at the Mysore Factory, the production has been affected during the last quarter coupled with the slow recovery in the industry has resulted in the flat sales and reduction of overall profits of the Company during the current financial year.

DIVIDEND

Your Company continued to target growth in its business areas while simultaneously investing in improving capacity utilization activities during the year to cater to the future. In order to meet its growing fund requirement and to conserve its resources for future expansions, the directors have decided not to recommend the dividend for the current year.

TRANSFER TO RESERVE

The Board of Directors proposes to Transfer Rs.790.29 lacs to the General Reserve.

NEW EXPANSION PROJECTS

The second phase of the Chintamani Project for the construction of new Factory Shed and the New Veneer Slicing unit for backward integration of the Decorative Plywood is in the final stage of completion. The commercial production for the second phase of the project is expected to start in the month of October'10.

SHIFTING OF THE MYSORE UNIT

Mysore unit of the Company was established in 1966 in the outskirts of the Mysore, which has now after development of the city limits was functioning in a Residential area where the operations were mostly of residential activities and no manufacturing was done by anyone except this company. Thus, during the financial year, the decision was taken to shift the Mysore unit to Chintamani, which has resulted in the labour issues & standstill of the production operations at the Mysore Unit. The management is in negotiation with the labour and is hopeful of amicably reaching the settlement with the labour.

INDIAN GREEN BUILDING COUNCIL – IGBC

The Company has got IGBC membership which shall help the Company to play an active role in the advocacy of green buildings and make its products eligible for the Green Building projects.

SUBSIDIARIES OF THE COMPANY

The Company does not have any subsidiary Company.

Director's Report (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed,

(i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(ii) That the Directors 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 profit or loss of the company for the year under review.

(iii) That the Directors 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; and

(iv) That the Directors have prepared the accounts for the financial year ended March 31, 2010 on a going concern basis.

CORPORATE GOVERNANCE

The Corporate Governance & MDA report forms an integral part of the report and is set out as separate annexure to this report. The certificate from the Statutory Auditor of the Company certifying compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement is annexed to the report on Corporate Governance.

AUDIT COMMITTEE / INVESTOR GRIEVANCE COMMITTEE/ REMUNERATION & COMPENSATION COMMITTEE

The Board of Directors has constituted three committees i.e. Audit Committee, Investor Grievance committee and Remuneration /Compensation Committee as per the requirement of Corporate Governance under the Listing Agreement. The majority of the members of these committees are independent & non executives.

FIXED DEPOSITS

The Company has neither accepted nor renewed any Fixed Deposits from the public during the year under review.

DIRECTORS

Mr. Mohammad Shahid Aftab, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting. He is eligible for appointment and offers himself for re-appointment.

A brief resume of the Director being re-appointed is attached to the Notice for the ensuing Annual General meeting.

None of the Directors of your Company is disqualified as per provisions of Section 274 (1) (g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures as required under various provisions of the Companies Act and clause 49 of the Listing Agreement.

EMPLOYEES STOCK OPTION SCHEME

The in principle approval for the Employee stock Option scheme – "Archidply Industries Limited ESOS- 2009" exercisable into not more than 2,00,000 options has been obtained by the Company. The options are vested to the eligible employees as per the scheme with effect from 01.04.2010.

The Company implemented the Employee Stock option Scheme in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Option Purchase Scheme) Guidelines, 1999. The Compensation Committee constituted in accordance with the SEBI guidelines administers and monitors the ESOS. The applicable disclosures as stipulated under the SEBI Guidelines as at 31st March, 2010 are given below:

- (i) Options Granted : 93000 on 01.04.2009
- (ii) Exercise Price : Rs. 10 per option
- (iii) Options Vested : Nil
- (iv) Options exercised: Nil
- (v) Options lapsed : Nil
- (vi) Employees wise details of options granted :

a. Senior Managerial Person (6000 options each)

Mr. K.K. Somani

Mr. A. Ananthachar

Mr. G.R. Sureka

Mr. A.K. Thirani

Mr. Sundeep Kejriwal

Director's Report (Contd.)

b. Any other employee who received a grant in any one year of Options amounting to 5% or more of options granted during the one year : Nil

c. Identified employees, who were granted Options, during one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant : Nil

The Company has received a certificate from the Auditors of the Company that the ESOS has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The Certificate would be available at the Annual General Meeting for inspection by members.

LISTING FEES

The Equity shares of the Company are listed with Bombay Stock Exchange Ltd. (BSE) & National Stock exchange of India Limited (NSE). The annual listing fee for the year 2010-11 was paid within the scheduled time to BSE & NSE.

AUDITORS

M/s GRV & PK, Chartered Accountants, who are statutory auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their appointment / reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment / reappointment within the meaning of Section 226 of the said Act.

For the observations made by the Auditors in their report are self explanatory and do not require any explanations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The statement containing the necessary information as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed hereto and forms an integral part of this report.

EMPLOYEE PARTICULARS

The Statement of employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not annexed, as there are no employees drawing salary exceeding the present limits as provided under the Act.

The relations between the management and employees remain normal and cordial during the year under review.

ACKNOWLEDGMENTS

Your Directors wish to place on record their deep sense of appreciation for the dedication, commitment and contribution made by the employees at all levels during this year. Their unstinted support has been and continues to be integral part to your Company's ongoing growth.

Your Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Company's Bankers, Central and State Governments, Local Govt. agencies, Company Customers, Suppliers, Business Associates and also our esteemed Shareholders, for their continued co-operation and Support.

For and on Behalf of the Board

Place : Bangalore
Date : 29th May, 2010

Shyam Daga
Managing Director

N.S. Adkoli
Director

Annexure to the Director's Report

Under The Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988

A. Conservation of Energy

Whenever we save energy, we not only save money, we also reduce the demand for such fossil fuels as coal, oil, and natural gas. Less burning of fossil fuels also means lower emissions of carbon dioxide (CO₂), the primary contributor to global warming, and other pollutants.

The Company through continuously improving its manufacturing process and efficiency at its all plants and offices continues its endeavour to improve energy conservation and utilization.

Energy conservation programs adopted by the Company are:

- (i) Minimizing the use of belts in factory which lost energy.
- (ii) Timely replacing the damaged bearings / bushing which lost energy.
- (iii) Using appropriate capacity for machine
- (iv) Using ISI certified motors and minimizing cable length
- (v) Using required capacity capacitors to correct power factor.
- (vi) Strict watch is kept on idle running of machine and to work the machine at full capacity
- (vii) Machineries are frequently overhauled to work smoothly;
- (viii) Monitoring of power factor is frequently done and we have installed automatic power control systems in the circuit.
- (ix) Energy consumption versus production is monitored at regular intervals to check over usage of energy.
- (x) Continuous monitoring of energy consumption.

B. Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company.

R&D carried on by the Company is to develop environmental friendly products & processes. The research also includes the way of product improvement and process optimization with a view to reduce cost & increase efficiency.

2. Benefit derived as a result of the above R & D:

The Company has derived the benefit of reduction in the cost of production & development of eco-friendly processes result in less quantity of effluent and emission.

3. Future Plan of action:

R&D will focus on products leading to further cost reduction and reduced load on environment.

4. Expenditure on R & D

No capital expenditure is done towards the R&D. The Company continuously incurs expenses for improving the processes, product quality, etc they cannot be specifically identified as research & development expenses. Thus, the same has not been shown separately.

Technology, absorption, adaptation and innovation.

1. Efforts in brief, made towards technology absorption, adaptation and innovation.

The Company absorbs the knowledge of technology from various sources, such as know - how from its associate Companies, their own data bank, published literature etc. and thereafter adopts the same to the Company infrastructure, effects improvement to the products and processes of the Company including containment of pollution and control of effluents.

2. Benefits derived as a result of the above efforts.

Benefits derived from these efforts include process rationalisation, product quality improvement, and environmental friendly product.

3. Imported technology

The Company has imported the Wide Belt Sanding from Bottcher & Renardy during the previous financial year 2008 - 2009. The technology received by the Company is being absorbed and adapted to the manufacturing process of the Company.

C. Foreign Exchange Earning & Outgo

Earnings: Rs.24,31,942/-
Outgo : Rs.18,55,862/-

For and on Behalf of the Board

Report on Corporate Governance

Company's Philosophy on Code of Governance

The Company believes in transparency, accountability and equity is an integral part to our functioning. The Company try to blend growth and efficiency with good governance and ethics.

Board Composition

1. Size and Composition of the Board

The Board of Directors of the Company consists of an optimum combination of executive and non-executive directors. The Board of directors comprises 8 Directors out of which 4 Directors are Non - executive Directors. The Company has an Executive Chairman and not less than half of the total strength of the Board comprises of independent directors. The Company has four Independent Directors. None of the Directors on the Company's Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them in other Companies.

There is no pecuniary relationship or transaction of the non-executive directors with the Company.

During the year under review, 7 Board Meetings were held during the financial year ended 31st March, 2010. The dates of the Board meeting were 30.05.2009, 01.06.2009, 31.07.2009, 14.08.2009, 29.10.2009, 24.12.2009, 30.01.2010, There has not been a time gap in excess of four months between any two meetings of the Board of Directors. The requisite information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board Meetings. The composition of the Board, attendance at Board Meetings (BM) held during the financial year (FY) under review and at last Annual General Meeting (AGM) and number of directorships and Memberships / Chairmanships in other Public Companies are given below :

Name of the Director (Designation)	Category	FY 2009-10 Attendance at		No. Of Other Director- ships held ^	No. of Committee Positions held	
		BM	Last AGM		This Company	Other Company
Mr.Deendayal Daga (Chairman)	Promoter	4	YES	1	Nil	Nil
Mr.Shyam Daga (Managing Director)	Promoter	6	YES	1	1	Nil
Mr.Rajiv Daga (Joint Managing Director)	Promoter	6	YES	1	1	Nil
Mr.K.K.Somani (Director Technical)	Executive & Non Independent	3	YES	1	Nil	Nil
Mr. K.K. Taparia (Director)	Independent	3	NO	1	1	2
Mr. B.H. Rathi (Director)	Independent	4	NO	Nil	3	Nil
Mr. M.S. Aftab (Director)	Independent	2	NO	3	3	Nil
Mr.N.S.Adkoli (Director)	Independent	4	NO	1	3	Nil

^ Excludes directorships held in Private Companies and Companies incorporated under Section 25 of the Companies Act, 1956.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, one - third Directors of the Company, liable to retire by rotation retires at every Annual General Meeting. Accordingly, Mr. M.S. Aftab would retire by rotation at the ensuing Annual General Meeting of the company and being eligible they offer themselves for reappointment. Information as required under Clause 49 (VI) of the Listing Agreement on director's appointed / reappointed at this Annual General Meeting is annexed to the Notice of the Annual General Meeting.

Report on Corporate Governance (Contd.)

Audit Committee

Composition & Terms of Reference:

(i) Brief description of terms of reference:

The terms of reference of the Audit Committee, includes all matters as specified for Audit Committee under the Listing Agreement.

(ii) Meeting, Composition, designation, Category and Attendance thereof:

During the year 2009 - 10, 4 meeting of Audit Committee were held on 30.05.2009, 31.07.2009 and 29.10.2009 and 31.01.2010.

The Composition and other details of Audit Committee of the Company is as follows:

Sl.No:	Name of Director	Name of Director	Category	No. of meetings attended
1	Mr. N. S. Adkoli	Chairman	Non Executive, Independent	4
2	Mr. B. H. Rathi	Member	Non Executive, Independent	4
3	Mr. M. S. Aftab	Member	Non Executive, Independent	2
4	Mr. Shyam Daga	Member	Executive, Promoter	4
5	Mr. Rajneesh Sharma	Secretary to the Committee	Company Secretary	4

Mr. Rajneesh Sharma, Company Secretary acts as the Compliance Officer of the Company.

Remuneration Committee/Compensation Committee:

(i) Brief description of terms of reference:

The Board has constituted a remuneration / Compensation Committee of the Company. The terms of reference of the Committee are to make recommendation to the Board for induction of any new Director on the Board and also help to ensure that the non Executive Director decides on appointment / re - appointment, remuneration, assessment and progression of Whole-time Directors. The Committee also review the ESOP scheme as drawn form time to time.

(ii) Meeting, Composition, designation, Category and Attendance thereof:

During the year 2009 - 2010, One meeting of Remuneration Committee was held on 30th May 2009. The Composition and other details of Remuneration.

/Compensation Committee of the Company is as follows:

Sl.No:	Name of Director	Name of Director	Category	No. of meetings attended
1	Mr. N. S. Adkoli	Chairman	Non Executive, Independent	1
2	Mr. B. H. Rathi	Member	Non Executive, Independent	1
3	Mr. M. S. Aftab	Member	Non Executive, Independent	NIL
4	Mr. K. K. Taparia	Member	Non Executive, Independent	1