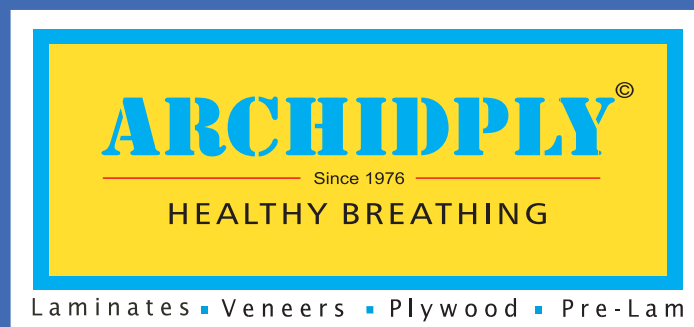


# Archidply Industries Limited

## ANNUAL REPORT 2010-11



## CORPORATE INFORMATION

### Board of Directors

**Mr. Deen Dayal Daga**

*Executive Chairman*

**Mr. Shyam Daga**

*Managing Director*

**Mr. Rajiv Daga**

*Joint Managing Director*

**Mr. Mohammed Shahid Aftab**

*Director*

**Mr. Kamal Kishore Taparia**

*Director*

**Mr. Bharathkumar Hukumchand Rathi**

*Director*

### Shareholder / Investor Grievances Committee

Mr. Rajiv Daga

Mr. B.H. Rathi

Mr. M.S. Aftab

Mr. K. K. Taparia

### Audit Committee

Mr. Shyam Daga

Mr. B.H. Rathi

Mr. M.S. Aftab

Mr. K. K. Taparia

### 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 - 560 009.

### Company Secretary & Compliance Officer

Mr. Rajneesh Sharma

### Bankers

**State Bank of India**

Specialised Commercial Branch

1st Floor, Krishi Bhavan, Hudson Circle

Bangalore - 560 001.

**Vijaya Bank**

Corporate Bank Branch

42/1, M.G. Road

Bangalore - 560 001.

**Bank of India**

Corporate Banking Branch

1st floor, Bank of India Building,

11, K.G. Road,

Bangalore - 560 009

### Registered Office

29/2, G.K. Manor,

1st Floor, Nehru Nagar Circle

Seshadripuram

Bangalore - 560 020.

Ph. : 23445607 / 0258 / 43420000

Fax : 2334 8463

Email : info@archidply.com

### Plant Locations

**Rudrapur Plant**

Plot No. 6A, Sector 9

Pant Nagar Industrial Area

Khasra No. 210, Pool Bagh

Kichha, Udham Singh Nagar

Rudrapur, Uttarakhand - 263 153.

**Chintamani Plant**

Survey No. 19,

KSSIDC Industrial Area,

Kathamachanahalli, Chintamani,

Chikballapur, Karnataka - 563 125.

### Registrar & Transfer Agent

**Karvy Computershare Private Limited**

Plot No. 17 to 24, Vithalrao Nagar,

Madhapur, Hyderabad - 500 086.

Tel. : 1-800-3454001

Fax : 040 23420814

E-mail : einward.ris@karvy.com

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## **Notice**

NOTICE is hereby given that the **SIXTEENTH ANNUAL GENERAL MEETING** of **ARCHIDPLY INDUSTRIES LIMITED** will be held on Thursday, 29<sup>th</sup> September, 2011 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 31<sup>st</sup> March, 2011 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. Kamal Kishore Taparia, 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  
25<sup>th</sup> May, 2011

**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, 23<sup>rd</sup> September, 2011 to 29<sup>th</sup> September, 2011 (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 in 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 [einward.ris@karvy.com](mailto:einward.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, Madhavpur, 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.)**

<b>Name of Director</b>	<b>Mr. Kamal Kishore Taparia</b>
<b>Date of Birth</b>	27.06. 1951
<b>Date of Appointment</b>	03.09.2007
<b>Qualification</b>	B.E. (Mech) from MBM Engg. College (University of Jodhpur in 1972, Chartered Engineer from Institute of Engineers, Calcutta.
<b>Expertise in specified functional area</b>	Having 28 years experience in the field of Marketing & Cement Industry.
<b>Shareholding in Archidply Industries Limited</b>	NIL
<b>List of outside Directorship held excluding Alternate Directorship and Private Companies.</b>	<b>Director</b>  1. D.S Kulkarni Developers Ltd 2. HNG Float Glass Ltd 3. HNG Cement Ltd <b>Deputy Managing Director</b> 4. Universal Construction Ltd
<b>Chairman/ Member of the Committee of the Board of Directors of the Company</b>	<b>Member</b>  Remuneration Committee
<b>Chairman/ Member of the Committee of the Board of Directors of other Companies in which he or she is a Director</b>	
<b>a. Audit Committee</b>	D.S Kulkarni Developers Ltd - Member
<b>b. Investor Grievance committee</b>	NIL
<b>c. Remuneration Committee</b>	HNG Float Glass Ltd
<b>d. Project Planning Committee</b>	D.S Kulkarni Developers Ltd - Chairman

By Order of the Board of Directors  
For Archidply Industries Limited

Bangalore  
25<sup>th</sup> May, 2011

**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 Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2011.

### **FINANCIAL RESULTS**

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

( Rs. in lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net sales	15,385.65	15,132.46
Profit before interest & Depreciation	1592.19	2349.54
Depreciation	485.22	432.86
Interest	1072.20	975.00
Profit before tax	34.76	941.68
Taxation	32.50	143.82
Profit after tax	2.26	797.86

### **PERFORMANCE REVIEW**

During the year of operation, your Company has earned a profit after tax for current year of Rs. 2.26 lakhs. Your Company's Net turnover during the year ended 31.03.2011 was Rs.15385.65 lacs as against the previous year turnover of Rs. 15132.46 lacs. Due to the closure of the Mysore Unit of the Company, there is the flat sales and reduction in overall profits of the Company during the current financial year.

### **DIVIDEND**

Your Company is improving capacity utilization and consolidating its existing facilities during the year to cater to the future. In order to meet its growing fund requirement and to conserve its resources for future consolidation, the directors have decided not to recommend the dividend for the current year.

### **TRANSFER TO RESERVE**

The Board of Directors proposes to Transfer Rs. 26,664/- to the General Reserve.

### **INCREASE IN SHARE CAPITAL**

During the year, we issued 51500 shares on exercise of stock options under the "Archidply Industries Limited ESOS- 2009", as a result of this, the issued, subscribed & paid-up equity shares increased from 2,20,00,000 to 2,20,51,500 equity shares. The issued, subscribed & paid-up share capital as on 31.03.2011 is Rs. 220,515,000.

### **SALE OF MYSORE UNIT**

The Mysore Unit's manufacturing facilities of the decorative veneer & pre-laminated Particle Board have been shifted to the Chintamani Unit. Further the Plywood Machineries will be shifted during the year to Chintamani Unit. The Board of Directors has decided to sale of the remaining old machinery and land at the Mysore unit so as to improve the further liquidity in the company and reduce overall the interest burden on the Company. The approval of the shareholders through postal ballot for disposal of undertaking is sought by the Company.

### **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 31<sup>st</sup> March, 2011, 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, 2011 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**

Sudden demise of Shri. N.S. Adkoli IFS (Retd) One of our First Directors, who was also Chairman, Treelands Development Services, Founder Director Bamboo Society of India, Promoter Agro - Forestry Association, Consultant in Forestry, Wildlife, Environment, Bio-diversity etc, on 5th of April 2011 has created a huge void in our company and also amongst foresters, friends and family members.

He was brilliant, sincere, hard working, honest, kind hearted, helpful, punctual, open minded, disciplined, straight forward and has kept his dignity high throughout his life.

He was "Born Free Ever Green Forester", and practiced forestry and stood for the values of forestry and environment until his last breath. In short he was a simple and truly a great man.

He is survived by his wife Smt. Leela, daughter Smt. Lola, son Sri. Anand, four grandsons, sister, brother and a host of friends to mourn his loss. We pray to Almighty to rest his soul in peace and give strength to his family members, friends and fraternity to bear the grief of the departed soul. May His Soul rest in Eternal Peace. The Board of Directors place on record the appreciation for the services rendered by him.

Mr. Krishna Kant Somani has resigned from the directorship due to health grounds w.e.f. 01.05.2011. He was working as a Director( Technical). The Board of Directors place on record the appreciation for the services rendered by him.

Mr. Kamal Kishore Taparia, 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.



## Director's Report (Contd.)

### **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, 2011 are given below:

- (i) Options Granted : 93000 on 01.04.2009
- (ii) Exercise Price : Rs. 10 per option
- (iii) Options Vested : 72500
- (iv) Options exercised : 51500
- (v) Total no. of shares arising as a result of exercise of option: 51500
- (vi) Options lapsed : Nil
- (vii) Money realized by exercise of options : Rs. 515000
- viii) Total number of options in force: 21,000
- ix) Employees wise details of options vested :

a. Senior Managerial Person (4500 options each)

Mr. K.K. Somani  
Mr. A. Ananthachar  
Mr. G.R. Sureka  
Mr. A.K. Thirani  
Mr. Sundeep Kejriwal

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

(x) Diluted EPS as per AS 20 : .0012

ixi) Impact on Profit : Loss - (84,966) EPS - (0.0039)

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 2011-12 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.

## **Director's Report (*Contd.*)**

### **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 : 25<sup>th</sup> May, 2011

**Deendayal Daga**  
Chairman