

**ARCHIDPLY INDUSTRIES LIMITED**  
**ANNUAL REPORT 2011-12**



## 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. K.K. Taparia  
Mr. B.H. Rathi  
Mr. M.S. Aftab

### Auditors

**M/s. GRV & P K**  
Chartered Accountants  
# 205, 2<sup>nd</sup> Floor, Jala Shambhavi Complex,  
# 22 & 23, 1<sup>st</sup> Main Road,  
Gandhinagar, Bangalore - 560 009.

### Company Secretary & Compliance Officer

Mr. Rajneesh Sharma

### Bankers

**State Bank of India**  
Specialised Commercial Branch,  
1<sup>st</sup> Floor, Krishi Bhavan, Hudson Circle,  
Bangalore - 560 001.

**Vijaya Bank**  
Corporate Bank Branch,  
# 42/1, M.G. Road,  
Bangalore - 560 001.

### Registered Office

# 29/2, G.K. Manor,  
1<sup>st</sup> Floor, Nehru Nagar Circle,  
Seshadripuram,  
Bangalore - 560 020.  
Tel: 080-2344 5607 / 0258 / 4342 0000  
Fax: 080-2334 8463  
E-mail: info@archidply.com

### Plant Locations

**Rudrapur Plant**  
Plot # 6A, Sector - 9,  
Pant Nagar Industrial Area,  
Khasra # 210, Pool Bagh,  
Kichha, Udham Singh Nagar,  
Rudrapur, Uttarakhand - 263 153.

**Chintamani Plant**  
Survey # 19,  
KSSIDC Industrial Area,  
Kathamachanahalli, Chintamani,  
Chickaballapur - 563 125. Karnataka

### Registrar & Transfer Agent

**Karvy Computershare Private Limited**  
Plot # 17 to 24, Vithalrao Nagar,  
Madhapur, Hyderabad - 500 086.  
Tel: 1-800-3454001  
Fax: 040-2342 0814  
E-mail: einward.ris@karvy.com

## CONTENTS

♣	Corporate Information	2
♣	Notice for Annual General Meeting	4
♣	Directors' Report	12
♣	Report on Corporate Governance	16
♣	Management Discussion and Analysis Report	23
♣	Auditors' Report	25
♣	Balance Sheet	28
♣	Profit and Loss Account	29
♣	Cash Flow Statement	30
♣	Notes on Financial Statement	31
♣	Significant Accounting Policies	46
♣	Attendance Slip & Proxy Form	50
♣	Our Marketing / Representative Offices	51

## NOTICE

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of **ARCHIDPLY INDUSTRIES LIMITED** will be held on Saturday, 29<sup>th</sup> September, 2012 at 10:00 a.m. at Ramanashree California Resort, Ananthpura Gate, Doddaballapur Road, Yelahanka, 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, 2012 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. Bharath Kumar Hukumchand Rathi 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 are 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."

### SPECIAL BUSINESS :

4. **To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person, authorized by the Board in this behalf), consent of

the Members be and is hereby accorded to the appointment of Mr. Deen Dayal Daga as the Chairman of the Company, on the terms and conditions as set out below :

### PERIOD OF APPOINTMENT :

3 (Three) years with effect from 30<sup>th</sup> May, 2012 to 29<sup>th</sup> May, 2015 with liberty to either party to terminate the appointment by three months' notice in writing to the other.

### REMUNERATION :

- a) **SALARY** : ₹ 1,35,000/- (Rupees One lakh thirty five Thousand only) per month with such annual increment(s) as the Board may decide from time to time, subject however, to a ceiling of ₹ 2,00,000/- (Rupees Two Lakhs only) per month.
- b) **PERQUISITES** :
  - i) **Housing** :
    - A) Residential accommodation or house rent allowance @ 60% of the salary.
    - B) Expenses pertaining to electricity, water charges, telephone bills and all other expenses for the upkeep and maintenance thereof and the expenditure incurred thereon will be borne / reimbursed by the Company.
    - C) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.
  - ii) **Leave / Holiday Travel Expenses** : Reimbursement of leave / holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated up to next two years.
  - iii) **Medical Expenses** : Reimbursement of medical expenses (including insurance premium for medical and hospitalization policy, if any) for self and family, which shall include spouse, children and dependent parents, at actual.
  - iv) **Club Fees** : Reimbursement of membership fees for one club in India including admission and life membership fees.
  - v) **Leave and encashment of leave** : Leave with full pay or encashment thereof as per the rules of the Company.
  - vi) **Personal Accident Policy** : Personal Accident Insurance Policy of such amount as may be decided by the Board of Directors (which includes any committee thereof) the premium of which shall not exceed ₹ 10,000/- per annum.



- vii) **Contribution to Provident Fund, Superannuation or Annuity Fund** : The company's contribution to Provident Fund and Superannuation and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, Act, 1961.
- viii) **Gratuity and / or contribution to Gratuity Fund of the Company** : Gratuity at the rate of half month's salary for each completed year of service.
- ix) **Cars** : Company maintained one car, as per the Rules of the Company.
- x) **Reimbursement** of entertainment, traveling and all other expenses incurred for the business of the Company as per the rules applicable to the Company. Traveling expenses of spouse accompanying the Chairman on any official overseas or inland trip will be governed as per the Rules applicable to the Company.
- xi) **Other Allowance / benefits / perquisites** : Any other allowances, benefits and perquisites as per the Rules applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.
- xii) **Sitting Fees** : The Chairman shall not be entitled to any sitting fees for attending meetings of the Board or any committee thereof.

#### EXPLANATION :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Act read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, or otherwise as may be permissible at law. So long as Mr. Deen Dayal Daga functions as the Chairman of the Company, he shall not be subject to retirement by rotation.

For the purposes of Gratuity, provident fund, Superannuation and other like benefits, if any, the service of Mr. Deen Dayal Daga, Chairman will be considered as continuous service with the Company from the date of his joining as Chairman and Managing Director i.e. 1<sup>st</sup> July, 2007.

RESOLVED FURTHER THAT the Board be and is hereby authorized to revise the remuneration and perquisites from time to time so as to be in conformity with the Law, for the time being in force.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and perquisites shall be paid to Mr. Deen Dayal Daga subject to the applicable provisions of Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

#### 5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the appointment of Mr. Shyam Daga as the Managing Director of the Company, on the terms and conditions as set out below :

#### PERIOD OF APPOINTMENT :

3 (Three) years with effect from 30<sup>th</sup> May, 2012 to 29<sup>th</sup> May, 2015 with liberty to either party to terminate the appointment by three months' notice in writing to the other.

#### REMUNERATION :

- a) **SALARY** : ₹ 1,12,500/- (Rupees One lakh Twelve Thousand five Hundred only) per month with such annual increment(s) as the Board may decide from time to time, subject however, to a ceiling of ₹ 1,70,000/- (Rupees One Lakh Seventy thousand only) per month.
- b) **PERQUISITES** :
  - i) **Housing** :
    - A) Residential accommodation or house rent allowance @60% of the salary.
    - B) Expenses pertaining to electricity, water charges, telephone bills and all other expenses for the upkeep and maintenance thereof and the expenditure incurred thereon will be borne / reimbursed by the Company.
    - C) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.
  - ii) **Leave / Holiday Travel Expenses** : Reimbursement of leave / holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated up to next two years.

- iii) **Medical Expenses** : Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) for self and family, which shall include spouse, children and dependent parents, at actual.
- iv) **Club Fees** : Reimbursement of membership fees for one club in India including admission and life membership fees.
- v) **Leave and encashment of leave** : Leave with full pay or encashment thereof as per the rules of the Company.
- vi) **Personal Accident Policy** : Personal Accident Insurance Policy of such amount as may be decided by the Board of Directors (which includes any committee thereof) the premium of which shall not exceed ₹ 10,000/- per annum.
- vii) **Contribution to Provident Fund, Superannuation or Annuity Fund** : The company's contribution to Provident Fund and Superannuation and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, Act, 1961.
- viii) **Gratuity and / or contribution to Gratuity Fund of the Company** : Gratuity at the rate of half month's salary for each completed year of service.
- ix) **Cars** : Company maintained one car, as per the Rules of the Company.
- x) **Reimbursement** of entertainment, traveling and all other expenses incurred for the business of the Company as per the rules applicable to the Company. Traveling expenses of spouse accompanying the Managing Director on any official overseas or inland trip will be governed as per the Rules applicable to the Company.
- xi) **Other Allowance / benefits / perquisites** : Any other allowances, benefits and perquisites as per the Rules applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.
- xii) **Sitting Fees** : The Managing Director shall not be entitled to any sitting fees for attending meetings of the Board or any committee thereof.

## EXPLANATION :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Act read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, or otherwise as may be permissible at law. So long as Mr. Shyam Daga functions as the Managing Director of the Company, he shall not be subject to retirement by rotation.

For the purposes of Gratuity, provident fund, Superannuation and other like benefits, if any, the service of Mr. Shyam Daga, Managing Director will be considered as continuous service with the Company from the date of his joining as Joint Managing Director the 18<sup>th</sup> January, 2007.

RESOLVED FURTHER THAT the Board be and is hereby authorized to revise the remuneration and perquisites from time to time so as to be in conformity with the Law, for the time being in force.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and perquisites shall be paid to Mr. Shyam Daga as minimum remuneration subject to the applicable provisions of Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the appointment of Mr. Rajiv Daga as the Joint Managing Director of the Company, on the terms and conditions as set out below :

## PERIOD OF APPOINTMENT :

3 (Three) years with effect from 30<sup>th</sup> May, 2012 to 29<sup>th</sup> May, 2015 with liberty to either party to terminate the appointment by three months' notice in writing to the other.

## REMUNERATION :

- a) **SALARY** : ₹ 90,000/- (Rupees Ninety Thousand only) per month with such annual increment(s) as the Board may decide from time to time, subject however, to a ceiling of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month.
- b) **PERQUISITES** :
  - i) **Housing** :
    - A) Residential accommodation or house rent allowance @60% of the salary.
    - B) Expenses pertaining to electricity, water charges, telephone bills and all other expenses

for the upkeep and maintenance thereof and the expenditure incurred thereon will be borne / reimbursed by the Company.

- C) Company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors (which includes any committee thereof) of the Company from time to time.
- ii) **Leave / Holiday Travel Expenses** : Reimbursement of leave / holiday Travel expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that reimbursement shall not exceed one month's basic salary per annum. The entitlement for any one year to the extent not availed shall be allowed to be accumulated up to next two years.
- iii) **Medical Expenses** : Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) for self and family, which shall include spouse, children and dependent parents, at actual.
- iv) **Club Fees** : Reimbursement of membership fees for one club in India including admission and life membership fees.
- v) **Leave and encashment of leave** : Leave with full pay or encashment thereof as per the rules of the Company.
- vi) **Personal Accident Policy** : Personal Accident Insurance Policy of such amount as may be decided by the Board of Directors (which includes any committee thereof) the premium of which shall not exceed ₹ 10,000/- per annum.
- vii) **Contribution to Provident Fund, Superannuation or Annuity Fund** : The company's contribution to Provident Fund and Superannuation and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, Act, 1961.
- viii) **Gratuity and / or contribution to Gratuity Fund of the Company** : Gratuity at the rate of half month's salary for each completed year of service.
- ix) **Cars** : Company maintained one car, as per the Rules of the Company.
- x) **Reimbursement** of entertainment, traveling and all other expenses incurred for the business of the

Company as per the rules applicable to the Company. Traveling expenses of spouse accompanying the Joint Managing Director on any official overseas or inland trip will be governed as per the Rules applicable to the Company.

- xi) **Other Allowance / benefits / perquisites** : Any other allowances, benefits and perquisites as per the Rules applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.
- xii) **Sitting Fees** : The Joint Managing Director shall not be entitled to any sitting fees for attending meetings of the Board or any committee thereof.

#### EXPLANATION :

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Act read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, or otherwise as may be permissible at law. So long as Mr. Rajiv Daga functions as the Joint Managing Director of the Company, he shall not be subject to retirement by rotation.

For the purposes of Gratuity, provident fund, Superannuation and other like benefits, if any, the service of Mr. Rajiv Daga, Joint Managing Director will be considered as continuous service with the Company from the date of his joining as Executive Director i.e. 18<sup>th</sup> January, 2007.

RESOLVED FURTHER THAT the Board be and is hereby authorized to revise the remuneration and perquisites from time to time so as to be in conformity with the Law, for the time being in force.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and perquisites shall be paid to Mr. Rajiv Daga subject to the applicable provisions of Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

By Order of the Board of Directors  
For ARCHIDPLY INDUSTRIES LIMITED

**Rajneesh Sharma**  
Company Secretary

Place : Bangalore  
Date : 29<sup>th</sup> May, 2012

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

## 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 THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive) in connection with the Annual General Meeting.
3. Members may please bring the Admission Slip duly filed in and may hand over the same at the entrance to the Meeting Hall.
4. 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.
5. 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.
6. 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; E-mail: 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 (IEPF) 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.
7. 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.
8. 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.
9. 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.
10. 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.



11. 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 Directors is given below :

Name of Director	Mr. Deen Dayal Daga	Mr. Shyam Daga	Mr. Rajiv Daga	Mr. Bharath Kumar Hukumchand Rathii
<b>Date of Birth</b>	06-12-1942	13-02-1975	26-04-1978	15-08-1947
<b>Date of Appointment</b>	24-12-2004	18-01-2007	22-12-2004	03-09-2007
<b>Qualification</b>	BA, LL.B	B.Com.	B.E. (Industrial)	B.Arch, A.I.I.A
<b>Expertise in specified functional area</b>	Industrialist having 40 years of expertise in establishing and successfully running the plywood & tea industry.	Having 15 years of experience in managing the overall administration, operations Finance & Accounts in the plywood industry	Having 13 years experience in the marketing, advertisement and production in the plywood industry	Having 40 years experience in the field of Architecture and interior designing
<b>Shareholding in Archidply Industries Limited</b>	1303320	1244260	812500	NIL
<b>List of outside Directorship held excluding Alternate Directorship and Private Companies.</b>	The Mysore Chipboards Limited	The Mysore Chipboards Limited	NIL	Prashad Infrastructure Private Limited
<b>Chairman / Member of the Committee of the Board of Directors of the Company</b>	NIL	<b>Member</b> Audit Committee	<b>Member</b> Investors Grievances Committee	<b>Member</b> Audit Committee Investors Grievances Committee Remuneration / Compensation Committee
<b>Chairman / Member of the Committee of the Board of Directors of other Companies in which he or she is a Director</b>	NIL	NIL	NIL	NIL
<b>a. Audit Committee</b>	NIL	NIL	NIL	NIL
<b>b. Investor Grievance Committee</b>	NIL	NIL	NIL	NIL
<b>c. Remuneration Committee</b>	NIL	NIL	NIL	NIL



## ***Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 :***

### **ITEM No. 4**

The Board of Directors & Remuneration Committee at its meeting held on 29<sup>th</sup> May, 2012, subject to approval of members, appointed Mr. Deen Dayal Daga as an Executive Chairman of the Company for a period of three (3) years. The remuneration and other terms and conditions of his appointment as Executive Chairman are set out in the resolution and subject to your approval.

Members' approval is sought for the appointment of Mr. Deen Dayal Daga as an Executive Chairman of the Company for a period of three years with effect from 30<sup>th</sup> May, 2012 and for the payment of salary and other perquisites.

Considering his rich and varied experience spanning a period of over three decades and the rich contribution he has been making to the growth of the group, it would be in the best interest of the Company to appoint Mr. Deen Dayal Daga as an Executive Chairman.

The remuneration of the Chairman will be so fixed by the Board of Directors from time to time that the Salary and the aggregate value of all the perquisites and allowances shall not exceed the overall ceiling on remuneration approved by the Members in the General Meeting.

The copy of Agreement executed with the Executive Chairman is available for inspection on all working days except Saturday between 11.00 a.m. to 1.00 p.m. at the registered office of the Company, up to the date of meeting.

The notice along with the explanatory statement is to be regarded as an abstract of the terms and conditions of the appointment of Mr. Deen Dayal Daga as Executive Chairman, under Section 302 of the Companies Act, 1956.

Mr. Deen Dayal Daga is concerned or interested in this resolution. Mr. Shyam Daga, Managing Director and Mr. Rajiv Daga, Joint Managing Director of the company are related to Mr. Deen Dayal Daga and accordingly may be deemed, concerned or interested in the Resolution.

Save, as aforesaid, none of the other Directors is, in any way, concerned or interested in the said resolution.

The Board of Directors recommend passing of resolutions at Item No. 4.

### **ITEM No. 5**

Mr. Shyam Daga is associated with the group for more than 15 years. Mr. Shyam Daga possesses rich experience in managing plywood, veneer plain and pre laminated particle board, timber and its relatable industries. He was involved in turning around the sick company i.e. the Mysore chip Boards Limited into a profit making company. Further he was also involved in setting up the Uttaranchal unit in record time and also involved in setting up of the Chintamani Unit. He looks after the day to day operations of the Company and overall finance & corporate affairs of the Company.

Mr. Shyam Daga was appointed as the Managing Director of the Company with effect from 30<sup>th</sup> May, 2012 for a period of three years i.e. upto 29<sup>th</sup> May, 2015.

The Board of Directors & Remuneration Committee at its meeting held on 29<sup>th</sup> May 2012 subject to approval of members, appointed Mr. Shyam Daga as Managing Director of the Company for a period of three (3) years from 30<sup>th</sup> May, 2012 to 29<sup>th</sup> May, 2015.

The remuneration and other terms and conditions of his appointment as Managing Director are set out in the resolution and subject to your approval.

Considering his experience spanning a period of over one decade and the rich contribution he has been making to the growth of the Company, it would be in the best interest of the Company to appoint Mr. Shyam Daga as Managing Director.

The remuneration of the Managing Director will be so fixed by the Board of Directors from time to time that the Salary and the aggregate value of all the perquisites and allowances shall not exceed the overall ceiling on remuneration approved by the Members in the General Meeting.

The copy of Agreement executed with the Managing Director available for inspection on all working days except Saturday between 11.00 a.m. to 1.00 p.m. at the registered office of the Company, up to the date of meeting.

The notice along with the explanatory statement is to be regarded as an abstract of the terms and conditions of the appointment of Mr. Shyam Daga as Managing Director, under Section 302 of the Companies Act, 1956.

The proposed business at item no. 5 of the Notice of this meeting are intended to seek your approval.