



Annual Report

2016-17

ARCHIDPLY INDUSTRIES LTD.

CORPORATE INFORMATION

Board of Directors

Mr. Deen Dayal Daga
Chairman

Mr. Rajiv Daga
Managing Director & CEO

Mr. Shyam Daga
Executive Director

Mr. Mohammed Shahid Aftab
Director

Mr. Bharathkumar Hukumchand Rathi
Director

Smt. Shanti Varadaraj Mallar
Director

Chief Financial Officer

Mr. Anil Sureka

Company Secretary & Compliance Officer

Mr. Rajneesh Sharma

Registered Office

29/2, G.K. Manor,
1st Floor, Nehru Nagar Circle,
Sheshadripuram,
Bengaluru - 560 020.
Tel: 080-2344 5607 / 0258
E-mail: info@archidply.com Website: www.archidply.com
CIN: L85110KA1995PLC018710

Auditors

M/s GRV & P K
Chartered Accountants,
"GANAPATHI PLAZA", #58
59th A Cross Road, 4th N Block,
Rajajinagar, Bengaluru - 560 010.
PH: 080-23120689

Bankers

Vijaya Bank
Corporate Banking Branch,
Head Office Building,
#42/1, M.G. Road,
Bengaluru - 560 001.

Plant Location

Chintamani Unit
#19, KSSIDC Industrilal Area,
Kathamachanahalli, Chintamani,
Chickaballapur, Karnataka-563125

Rudrapur Unit
Plot-7, Sector-9, IIE, SIDCUL
Pantnagar, Rudrapur Unit
Udham Singh Nagar,
Uttarakhand-263153

Registrar Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium, Tower- B, Plot No 31 &32.,
Financial district, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500032
Tel: +91 04 67161500
Email Id : einward.ris@karvy.com

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NOTICE OF MEETING

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING of ARCHIDPLY INDUSTRIES LIMITED** will be held on Tuesday 12th September, 2017 at 10.30 a.m. at CITRINE HOTEL, No- 211, S C Road, Sheshadripuram, Bengaluru -560 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 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. Shyam Daga (DIN:0056180) who retires by rotation as per Section 152(6) of Companies Act 2013 and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration by passing the following resolution, with or without modification(s), as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions if any, of the Companies Act, 2013 and the allied Rules framed thereunder M/s Priti Jhavar & Co. Chartered Accountant ICAI (Firm Reg. No.328818E), be and is hereby appointed as the Statutory Auditor of the Company to hold office for a term of 5(Five) Consecutive year from the conclusion of this Annual General meeting until the Conclusion of 27th (Twenty Seventh) Annual General Meeting and Subject to ratification of the appointment for the relevant year at the Annual General Meeting in each of the subsequent years during the aforesaid term of their appointment.

RESOLVED FURTHER 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

Place : Bengaluru
Date : 30th May, 2017

Rajneesh Sharma
Company Secretary & Vice President

Registered Office:

29/2 G.K. Manor, 1st Floor, Nehru Circle,
Sheshadripuram, Bengaluru 560 020.
CIN: L85110KA1995PLC018710

Notes

1. 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. A proxy form for the Agm is enclosed.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. In terms of the relevant provision of the Companies Act 2013, it is proposed to appoint Priti Jhavar & Co. Chartered Accountant as Statutory Auditors as per details contained in the resolution relating to Item No. 3 of this Notice in place of M/S GRV & PK Chartered Accountant. The change in the Statutory Auditors is proposed in the recognition of the regulatory changes prescribed under the Companies Act, 2013 and the rules made there under.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 4th September, 2017 to 12th September 2017 (both days inclusive) in connection with the Annual General Meeting.
5. Interm of Section 149 read with Section 152 of the Companies Act 2013 the provisions of retirement by Rotation are not applicable to Independent Directors. Therefore the Director to retire by rotation is been Executive Director, Mr. Shyam Daga who is eligible for Re-appointment
6. Members may please bring the Admission Slip duly filed in and may hand over the same at the entrance to the Meeting Hall.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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, Karvy Selenium, Tower- B, Plot No 31 & 32., Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, 500032.

12. E-voting

(1) PROCEDURE AND INSTRUCTIONS FOR E-VOTING& INSTAPOLL

The procedure and instructions for e-voting & Instapoll are as follows:

1. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email SCRUTINIZER@SCRUTINIZER.COM with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/ Depository Participants (s)]:

- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- ii. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. B. Venkata Kishore (Unit: COMPANY NAME) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040-6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 4th September 2017, he/she may obtain the User ID and Password in the manner as mentioned below :
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS:

MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN30039412345678 (DP-ID + CL-ID)

Example for CDSL:

MYEPWD <SPACE> 1202300012345678 (16 DIGITS NUMERIC)

Example for Physical:

MYEPWD <SPACE> XXXX1234567890 (EVEN NO. + FOLIO NO.)
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- (2) In case of any query pertaining to evoting, please visit Help & FAQ's section of evoting user manual for shareholders available at the download section of <http://evoting.karvy.com> or contact M/s. Karvy Computershare Private Limited at toll free no.1-800-3454-001.
- (3) Member can cast their vote online from 9:00 A.M on 6th September 2017 to 5:00 P.M on 11th September, 2017.
- (4) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut- off date , being Monday, 4th September, 2017.
- (5) The Board of Directors have appointed Mr.Deepak Sadhu, Company Secretary in practice, as a Scrutinizer to scrutinize the e- voting process in a fair and transparent manner
- (6) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting unblock the votes in the presence of at least two (2) witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
- (7) The results on resolutions shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the Resolution (s)
- (8) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, www.archidply.com and Service provider's Website (<https://evoting.karvy.com>) within 2 days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges

AS PER THE REQUIREMENT OF SEBI (LODR) REGULATION 2015 AND SECTION 152 OF COMPANIES ACT 2013 ON CORPORATE GOVERNANCE FOR RE-APPOINTMENT OF THE RETIRING DIRECTOR, A STATEMENT CONTAINING DETAIL OF THE CONCERNED DIRECTOR ARE GIVEN BELOW:

Name Of Director	Mr. Shyam Daga
Director Identification Number(DIN)	00561803
Date of Birth	13.02.1975
Date of Appointment	18.01.2004
Qualification	Commerce Graduate from St.Xavier's Calcutta University.
Expertise in specified functional area	Having 20 years of Experience in managing the overall administration operation Finance & Account in the wood panel industry.
Shareholding in Archidply Industries Limited	766160
List of outside Directorship held excluding Alternate Directorship / Foreign Company and Private Companies.	The Mysore Chipboards Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	Refer to Report on CORPORATE GOVERNANCE

By Order of the Board of Directors
For ARCHIDPLY INDUSTRIES LIMITED

Place : Bengaluru
Date : 30th May, 2017

Rajneesh Sharma
Company Secretary & Vice President

Registered Office:

29/2 G.K. Manor, 1st Floor, Nehru Circle,
Sheshadripuram, Bengaluru 560 020.
CIN: L85110KA1995PLC018710

DIRECTORS REPORT

TO THE MEMBERS OF ARCHIDPLY INDUSTRIES LIMITED

Your Directors are pleased to present the Twenty Second Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2017.

FINANCIAL RESULTS

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

(₹ In Lakhs)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Gross Sales	29,270.38	28,305.35
Net sales	26,896.05	27,841.55
Depreciation & Amortization Expenses	479.71	475.14
Finance Costs	986.36	920.44
Profit before tax	830.24	716.00
Taxation	161.48	114.67
Profit after tax	668.76	601.33

The company proposes to transfer an amount of ₹ 668.76 lakhs to the General Reserve.

OPERATIONAL REVIEW:

The highlights of the Company's standalone performance are as under:

- The Gross Sales of the Company during the year under review increased by 3.41% from Rs. 28305.35 lakhs to Rs. 29,270.38 lakhs but there has been decrease in the net sales during the year by 3.39 %. The decrease in the net sales from ₹ 27,841.55 lakhs in the previous year to ₹ 26,896.05 Lakh during the year is due to the increase in the levy of excise duty on the products of the Rudrapur Unit of the Company, which was earlier coming under ten years tax holiday till 31.3.2016 and slowdown in the market during the demonetization period.
- The Profit Before Tax (PBT) increased by 15.95 % from ₹ 716.00 lakhs in the previous year to ₹ 830.24 Lakh.
- Profit after tax (PAT) increased by 11.21 % from ₹ 601.33 lakhs in the previous year to ₹ 668.76 Lakh.

DIVIDEND:

Keeping in view to further improve the capacity utilization and consolidate its existing facilities, the Board has considered prudent to conserve and retain the profit for further improvement. The Board regrets its inability to recommend any dividend.

SHARE CAPITAL:

The paid up equity capital as on March 31, 2017 was ₹ 2206.50 Lakhs. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity during the year.

FINANCE:

Cash and cash equivalents as at March 31, 2017 was ₹ 806.32 lakhs. The company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

CREDIT RATING

Brickwork Rating India Pvt.Limited continued to reaffirm their rating of BBB(outlook stable)for your Company's Banking Facilities throughout the year enabling your Company to avail facilities from banks at attractive rates indicating a degree of safety for timely payment of financial obligations.

FIXED DEPOSITS:

During the financial year under review, the company did not accept any deposits covered under chapter V of the Companies Act, 2013 and Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There were no Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013.

The details of the investments made by company is given in the notes to the financial statements.

MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

As such there is no significant and material order by the regulator/ court/tribunal/impacting the going concern status and the Company operation in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been embedded in the business processes and continuous monitoring of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

During the year, the company has spent ₹ 67,725 towards corporate social responsibility (CSR) under Section 135 of the Companies Act, 2013 and rules thereon by way of contribution to schools for their development.

As part of its initiatives under "corporate social responsibility" (CSR), the company was identifying during the year, the right project which align with its CSR policy for investment in CSR activity. The Company has kept aside the amount of ₹ 11,69,155 for CSR and shall be spent in the next financial year 2017-18, once the CSR project is finalized.

Details about the CSR policy is available on our website, <http://www.archidply.com/>.

The annual report on our CSR activities is appended as Annexure A to the Board's report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure "C" to this Report.

INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

DIRECTORS:

Mr. Shyam Daga, Executive Director of the Company retire at this AGM being eligible for appointment offer himself for re-appointment at this AGM.

None of the Directors of your Company is disqualified as per provisions of Section 164(2) of the Companies Act, 2013. The Directors of the Company have made necessary disclosures as required under various provisions of the Companies Act.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and as per the requirement of SEBI (LODR) Regulation 2015.

CORPORATE GOVERNANCE REPORT:

Your Company is committed to maintain the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. Our disclosures seek to attain the best practices in corporate governance as prevalent globally. We have implemented several best corporate governance practices in the Company to enhance long-term shareholder value and respect minority rights in all our business decisions. Our corporate governance report for FY 2016-17 forms part of this Annual Report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI (LODR) Regulation 2015 is annexed to the corporate governance report.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation 2015 the Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of the Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc., which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual performance evaluation of the Board, Board Committees and Individual Directors and Chairperson. The Chairman of the respective Board Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees.

The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.

MEETINGS:

The board met four times during the financial year, the details of which are given in the corporate governance report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls established and maintained by the Company, reviews performed by Management in concurrence with the Audit Committee, is of