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CS	<input checked="" type="checkbox"/>		DPY	<input type="checkbox"/>
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ANNUAL REPORT 1996-97

Report



JUNCTION


Greenply Industries Limited





GREENPLY INDUSTRIES LIMITED

DIRECTORS		S. P. Mittal, Chairman R. Mittal, Managing Director S. Mittal M. Y. Konyak S. C. Deorani K. C. Jain
SECRETARY		P. M. Domadia
AUDITORS		D. Dhandaria & Co.
BANKERS		Allahabad Bank Bank of Baroda State Bank of India The Bank of Rajasthan Ltd.
REGISTERED OFFICE		Makum Road Tinsukia (Assam)
CORPORATE OFFICE		16A, Shakespeare Sarani Calcutta-700 071
UNITS	LAMINATES	RIICO Industrial Estate P. O. Behror Dist. : Alwar Rajasthan
	PLYWOOD	P. O. Tizit Dist. : Mon Nagaland
	POWER	Vill : Selianallur Near Kayathar Dist : Tirunelveli Kattabumman Tamilnadu



GREENPLY INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the members of the Company will be held on Monday, 29th December, 1997 at the Registered Office of the Company at Makum Road, Tinsukia, Assam at 4.00 P.M. to transact the following business :

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 1997 together with Directors' Report and Auditors' Report thereon.
- 2) To elect Director in place of Shri M. Y. Konyak who retires by rotation and being eligible, offers himself for re-election.
- 3) To elect Director in place of Shri S. C. Deorani who retires by rotation and being eligible, offers himself for re-election.
- 4) To declare a Dividend.
- 5) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolutions.

Resolution No. 6

(As an Ordinary Resolution)

Resolved that Sri K. C. Jain be and is hereby appointed as Director of the Company liable to retire by rotation.

Resolution No. 7

(As an Ordinary Resolution)

Resolved that the Authorised Share Capital of the Company be increased to Rs. 12,00,00,000/- by creating 20,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each in addition to the present Authorised Capital of Rs. 10,00,00,000/-.

Resolved further that 40,00,000 unissued Equity Shares of Rs. 10/- each be and are hereby converted into 40,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each.

Resolved further that the Clause V of the Memorandum of Association of the Company be and is hereby amended accordingly and the following new clause be substituted as under :

V. The Authorised Share Capital of the Company shall be Rs. 12,00,00,000/- (Rupees Twelve Crores) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten each) and 60,00,000 (Sixty Lakhs) Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten each) with the rights, privileges and conditions attached thereto as are provided by the regulation of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital of the Company for the time being in accordance with the provisions of the Act and the regulations of the Company and to vary, modify or abrogate in such manner as may for time being be provided by the regulation of the Company.

Resolution No. 8

(As a Special Resolution)

Resolved that the existing Article 3 of the Articles of Association of the Company be deleted and substituted by the following new Article 3.

Article 3 : The Authorised Capital of the Company shall be Rs. 12,00,00,000/- (Rupees Twelve Crores) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 60,00,000 (Sixty Lacs) Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten) each with rights, privileges and conditions, attached thereto as are provided by the regulation of the Company for the time being, with power to increase and reduce



GREENPLY INDUSTRIES LIMITED

the capital of the Company and to divide the shares in the capital of the Company for the time being in accordance with the provisions of the Act and the regulations of the Company and to vary, modify or abrogate in such manner as may for time being be provided by the regulation of the Company.

Resolution No. 9
(As a Special Resolution)

Resolved that the Board of Directors be and is hereby authorised to fix the rate of Dividend payable on Redeemable Cumulative Preference Shares at the time of issuing such shares provided that such Dividend shall not exceed 15% of the Paid up Value of Preference Shares.

Resolution No. 10
(As a Special Resolution)

Resolved that in accordance with the Section 81 (1A) of the Companies Act, 1956 and subject to compliance of such regulations and after obtaining such approval as may be requisite, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to offer, issue and allot from time to time, to Financial Institutions (s)/Bank (s) and/or such other entities who may or may not be members of the Company, as may be deemed fit and proper, and on such terms and conditions as may be decided by the Board, an aggregate of 60,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each, amounting to Rs. 6,00,00,000 (Rupees Six Crores) for Cash.

By Order of the Board

GREENPLY INDUSTRIES LIMITED

Place : Calcutta
Dated : 27.11.1997

P.M.DOMADIA
Secretary

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 and the proxy need not be a member of the Company. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the time of the meeting.
2. The Register of Members and Share Transfer Books of the Company remained closed on Tuesday 30th September, 1997 for determination of name of shareholders who will be eligible for dividend which may be declared at the meeting and the dividend so declared will be paid on or before 8.2.1998, subject however to the provisions of Section 206A of the Companies Act, 1956 or any modification or amendment thereof.
3. Members are requested to promptly notify any change in their address to the Share Transfer Agent M/s. AMI Computers (I) Ltd. 60A & 60B Chowringhee Road, Calcutta - 700020.
4. Members are requested to bring their copy of the Annual Report to the meeting as the practice of distributing copy of Annual Accounts at the meeting has been discontinued.
5. Members who have not forwarded the details of their bank account earlier are requested again to advise the same to the Company quoting their folio number (s) to avoid fraudulent encashment of dividend warrants.
6. The dividend, if declared, will be exempt from income tax in the hand of the members in terms of the relevant provisions of the Finance Act, 1997.
7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special resolutions is annexed hereto.


GREENPLY INDUSTRIES LIMITED
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956
Item No. 6

Sri K. C. Jain was appointed as Director with effect from 29.8.1997. He has considerable experience in installation and maintenance of machineries. As per provision of Section 260 of The Companies Act,1956, he holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice alongwith the deposit of Rs. 500/- from a member under Section 257 of the Act signifying the intention to propose the appointment of Sri K.C. Jain as Director of the Company.

The Board of Directors recommend the appointment of Sri K. C. Jain as Director of the Company. Except Sri K. C. Jain no director is concerned or interested in the resolution.

Item No. 7

The present Authorised Capital of the Company is Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/- each. The subscribed & paid up capital is Rs. 5,06,61,550/-. It is proposed to convert a portion of unissued Equity Shares Capital amounting to Rs. 4,00,00,000/- into Redeemable Cumulative Preference Shares and also to increase Authorised Capital to Rs. 12,00,00,000/- by creating further 20,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each. Accordingly the Authorised Share Capital of the Company shall be Rs. 12,00,00,000/- divided into 60,00,000 Equity Share of Rs. 10/- each amounting to Rs 6,00,00,000/- and 60,00,000 Redeemable Cumulative Preference Share of Rs. 10/- each amounting to Rs. 6,00,00,000/-. Your approval to the increase in Authorised Share Capital and its conversion/sub division into Equity & Redeemable Cumulative Preference Share Capital is necessary. None of the Directors is concerned or interested in the resolution.

Item No. 8

In view of the amendment of Clause V of Memorandum of Association it has become necessary to amend Article 3 of the Articles of Association and the necessary resolution has been put for your consideration. None of the Directors is concerned or interested in the resolution.

Item No. 9

The Redeemable Cumulative Preference Shares shall be issued after the negotiation with Bank/Financial Institutions/Other Entities and since the rate of Dividend payable on Preference Shares has not been fixed by the Shareholders, it is imperative to authorise Board of Directors to fix the rate of Dividend which shall not exceed 15% of the paid up value of the Preference Shares.

Item No. 10

It is proposed to issue from time to time 60,00,000 Redeemable Cumulative Preference Share of Rs. 10/- each amounting to Rs. 6,00,00,000/- to Banks/Financial Institutions/Other Entities who may or may not be members of the Company and the negotiations are in progress. Your approval u/s 81 (1A) of the Companies Act, 1956 for such issue is necessary. Further it is necessary to authorise the Board of Directors to finalise the terms & conditions of issue of Redeemable Cumulative Preference Shares with Bank(s) Financial Institution(s)/Other Entities as they may deem fit in the interest of the company. The directors recommend passing of the resolution and none of the directors is concerned or interested in the same.

By Order of the Board

Place : Calcutta
Dated : 27.11.1997

GREENPLY INDUSTRIES LIMITED
P. M. DOMADIA

Secretary



GREENPLY INDUSTRIES LIMITED

DIRECTORS' REPORT

The Directors take great pleasure in presenting the Annual Report together with the Audited Accounts for the Year ended 31st March,1997.

FINANCIAL RESULTS

	1996-97	1995-96
Profit before interest and depreciation	11,12,27,634	9,48,19,742
Less : Interest	6,75,16,173	4,55,26,530
Depreciation	1,88,10,544	1,34,66,141
Profit before tax	2,49,00,917	3,58,27,071
Provision for taxation	32,29,422	1,20,496
Profit after taxation	2,16,71,495	3,57,06,575
Balance brought forward from previous year	2,69,74,588	2,03,87,092
Amount available for appropriation	4,86,46,083	5,60,93,667
Proposed Dividend	50,66,155	91,19,079
Corporated tax on dividend	5,06,616	—
Transfer to General Reserve	1,00,00,000	2,00,00,000
Balance carried to Balance Sheet	3,30,73,312	2,69,74,588

DIVIDEND

The Directors recommend declaration of dividend at Rs.1.00 per Equity share to be paid to those shareholders of the Company whose name appear on the Register of Members as on 30th September,1997.

REVIEW OF OPERATIONS

The total income earned during the year under review, was Rs.9028.59 lacs as against Rs. 7538.94 lacs for the previous financial year registering an increase of 20%. However profit after tax declined due to increase in interest & other expenses, higher depreciation & taxation provisions. The Company achieved turnover and profit of Rs,9028.59 lacs and Rs. 216.71 lacs against projections of Rs. 4066.00 lacs and Rs. 213.13 lacs respectively made at the time of Offer for sale.

The production and sale of laminate sheets increased by 21.75% and 13.42% respectively over last year. The products are received well in Domestic & International market and efforts are being made to achieve full utilisation by the end of the year. New markets are being developed in western countries. The company has achieved dominant position in 1.0 & 1.5 mm laminate sheets and to provide high abrasion resistance, the R & D dept. has developed Greenlam Supertuf-Extra Protection, a laminate suitable for use where wear & tear is very high.

Pursuant to the Order of High Power Committee for the North Eastern Region constituted by Hon'ble Supreme Court of India and under the directive of Principal Chief Conservator of Forest, Nagaland, the plywood factory of the company situated at Tizit, Dist. Mon, Nagaland was closed from 10.6.1997 to 4.11.1997.



GREENPLY INDUSTRIES LIMITED

The wind mill of the company has generated power of 805475 units and to ensure uninterrupted power generation the company has entered into operation & maintenance contract with the manufacturer of machinery.

FUTURE OUTLOOK

With increase in production, established brand name, implementation of cost saving devices, varied usage of laminate and eco-friendly forest policy the company is poised to register significant growth in years to come.

DIRECTORS

Sri K. C. Jain was appointed as Director on 29.8.97 and he holds office till the conclusion of this Annual General Meeting and being eligible offer himself for appointment. Sri S. C. Shah resigned as Director on 27.11.96 and the Directors place on record its deep appreciation of the valuable services rendered by Sri Shah during his tenure of office.

Sri M. Y. Konyak & Sri S. C. Deorani retire by rotation and being eligible offer themselves for re-election.

AUDITORS

M/s D. Dhandaria & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for reappointment.

PARTICULARS U/S 217 OF THE COMPANIES ACT, 1956

1) PERSONNEL

The Company has no employee drawing remuneration of Rs.3,00,000/- per annum or Rs.25,000/- per month and as such information required u/s 217(2A) of the Companies Act, 1956 are not furnished.

2) ENERGY CONSERVATION

The particulars, regarding Conservation of Energy, Technology absorption, Foreign Exchange Earning & Outgo as required u/s 217 (1) (e) of the Companies Act, 1956 are given as per Annexure-A.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the assistance and co-operation received from Financial Institutions, the Banks, Government Authorities, Registrars and other intermediaries in day to-day activities of the Company.

For and on behalf of the Board of Directors

Place : Calcutta

Dated : 27th November, 1997

S. P. MITTAL

Chairman



GREENPLY INDUSTRIES LIMITED

ANNEXURE - A

Forming part of the Director's Report

Particulars required to be disclosed under The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming Report of Board of Directors for the year ended 31st March, 1997.

	Year ended 31.03.97	Year ended 31.03.96
A. POWER & FUEL CONSUMPTION		
Electricity consumed		
Units	24,93,744	18,02,624
Total Amount (Rs)	65,33,611	43,96,940
Rate/Unit (Rs)	2.62	2.44
Diesel & Mobil :		
Units	10,19,532	7,62,642
Total Amount (Rs)	66,67,742	47,43,665
Rate/Unit (Rs)	6.54	6.22
B. CONSERVATION OF ENERGY :		
<p>The Company has installed highly efficient Thermo fluid heater and Smoke Tube Boilers which will give high fuel efficiency. It has also modified heating media from steam to thermofluid for setting high speed, high fuel efficiency. It has modified thermo setting resin to set in lower temperature consuming less heat energy.</p>		
C. RESEARCH & DEVELOPMENT :		
<p>The Research & Development Department has developed low temperature setting Phenolic Resin and test curing Phenolic Resin which has reduced processing time. To provide high abrasion resistance, Greenlam Supertuf-Extra protection has been developed. The Company has also developed mirror finished film overlaid shuttering plywood.</p>		
D. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION :		
<p>The Company is in process of developing Fire Retardent Technology and use of the low Girth Timber in manufacturing. It is also devising technology for eliminating use of Aluminium coils in the process of manufacturing.</p>		
E. FOREIGN EXCHANGE EARNINGS & OUTGO :		
	1996-97 (Rs. in lacs)	1995-96 (Rs. in lacs)
Earnings	331.25	337.21
Outgo on account of consumables	667.39	653.73
Others	8.12	5.47
	<u>675.51</u>	<u>659.20</u>



GREENPLY INDUSTRIES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF GREENPLY INDUSTRIES LIMITED

We have audited the attached Balance sheet of GREENPLY INDUSTRIES LIMITED as at 31st March, 1997 and the annexed Profit and Loss Account of the said Company for the year ended on that date and report that:

- (1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, our report on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above:-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of those books and proper returns, certified by the branch managers, adequate for the purpose of our audit have been received from some of the branches which have not been visited by us;
 - (c) The Balance Sheet and Profit & Loss Account dealt with in this report are in agreement with the books and returns made available to us;
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Notes No. 2 & 3 of Part B of Schedule V to the Accounts regarding credit of export incentives and non-provision of disputed excise liability respectively, whereby profit is overstated to the extent stated therein with corresponding effects on the assets and liabilities of the company and read together with Significant Accounting Policies and other notes appearing thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997; and
 - (b) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

PLACE : CALCUTTA,
DATED : 29th August, 1997.

For D.DHANDARIA & CO.
(Chartered Accountants)
Dindayal Dhandaria
Proprietor