

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		ENV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

# ANNUAL REPORT 1997-98

Report Junction

 **Greenply Industries Limited**





## GREENPLY INDUSTRIES LIMITED

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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 IDBI Bank Limited
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**

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**NOTICE**

NOTICE is hereby given that Eighth Annual General Meeting of the members of the Company will be held on Wednesday, 30th December, 1998 at the Registered Office of the Company at Makum Road, Tinsukia, Assam at 3.00 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, 1998 together with Directors' Report and Auditors' Report thereon.
- 2) To elect Director in place of Shri S. P. Mittal who retires by rotation and being eligible, offers himself for re-election.
- 3) To elect Director in place of Shri S. Mittal 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 pursuant to the provisions of Section 198, 269, 309 & Schedule XIII and other application provisions, if any of the Companies Act, 1956 the approval of the members be an is hereby given to the appointment made by the Board of Directors (The Board) of the Company, of Shri K. C. Jain, as Wholtime Director for a period of 5 years with effect from 01.01.1999 on the terms and conditions including remuneration as set out in explanatory statement annexed hereto with liberty to the Board to alter, vary, modify the terms and conditions referred to above, in such manner as may from time to time be stipulated by the Central Government or to be in consonance with the applicable provisions of law as may be agreed to by and between the Board and Shri K. C. Jain.

Resolved further that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things which may be considered desirable and expedient to give effect to this resolution.

By Order of the Board

**GREENPLY INDUSTRIES LIMITED**

**P. M. DOMADIA**

*Secretary*

Place : Calcutta

Dated : 30th November, 1998



## GREENPLY INDUSTRIES LIMITED

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### 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 will remain closed from Monday, 28th December to Wednesday, 30th December, 1998 (both days inclusive) 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 9.2.1999, 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. 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**

The Board of Directors at their meeting held on 30.11.1998 appointed Sri K. C. Jain as Wholetime Director for a period of five years w.e.f. 1.1.1999 upon following terms and conditions.

**A. Period** : 5 years w.e.f. 1.1.1999

**B. Remuneration :**

**Salary** : Rs. 12,000/- per month in scale of 12000-1000-16000

**C. Perquisites**

:Perquisites shall be allowed in addition to Salary, however it shall be restricted to an amount equal to Rs. 50,000/- per annum

**1. Provident Fund, Superannuation Fund Etc :**

Contribution to the Provident Fund, Superannuation Fund Annuity Fund shall not exceed 25% of the Salary of Wholetime Director provided that contribution to Provident Fund shall not exceed 12% of the salary

**2. Gratuity :**

The Wholetime Director shall be entitled to Gratuity which shall not exceed 15 days salary for each completed year of service.

**3. Use of Telephone :**

The Wholetime Director shall be entitled to free use of Telephone at his residence and the same will not be treated as perquisite.

The above salary and perquisites would be payable to him as minimum remuneration in event of absence of inadequacy of Profit.

- C. The Company shall reimburse actual entertainment and travelling expenses incurred on the Company's business.
- D. Sri K. C. Jain will not receive sitting fee for attending meetings of board or committee or thereof.
- E. Sri K. C. Jain shall cease to be Wholetime Director of the Company in the event of his ceasing to be a Director of the Company.
- F. The appointment may be terminated by either pary by giving six months notice or by mutual consent. The Company shall be entitled to terminate the appointment by making payment to Sri K. C. Jain of six months remuneration in lieu of notice.
- G. In the event of any relaxation made by the Government in the guidance or ceiling on managerial remuneration during the period of appointment, the remuneration payable to Sri K. C. Jain shall be increased as the board may deem fit in accordance with such guidelines or ceilings.

This may be treated as disclosure u/s 302 of the Companies Act, 1956. Sri K. C. Jain is interested in the resolution.

The terms and conditions of the appointment may be altered and varied as may be agreed to by and between the Board of Directors and Sri K. C. Jain

Place : Calcutta

Dated : 30th November, 1998

By Order of the Board

**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, 1998.

### FINANCIAL RESULTS

	1997-98	1996-97
Profit before interest and depreciation	10,93,59,316	11,12,27,634
Less : Interest	6,98,97,312	6,75,16,173
Depreciation	<u>2,06,39,270</u>	<u>1,88,10,544</u>
Profit before tax	1,88,22,734	2,49,00,917
Provision for taxation and refund/payment for earlier years	<u>14,47,324</u>	<u>32,29,422</u>
Profit after taxation	1,73,75,410	2,16,71,495
Balance brought forward from previous year	<u>3,30,73,312</u>	<u>2,69,74,588</u>
Amount available for appropriation	5,04,48,722	4,86,46,083
Proposed Dividend – Equity	40,52,924	50,66,155
– Preference	<u>13,27,397</u>	—
Corporated tax on dividend	5,38,032	5,06,616
Transfer to General Reserve	50,00,000	1,00,00,000
Balance carried to Balance Sheet	<u>3,95,30,369</u>	<u>3,30,73,312</u>

### DIVIDEND

The Directors recommend declaration of dividend @ 8% on Equity share to be paid to those shareholders of the Company whose name appeared on the Register of Members as on 30th December, 1998. The Directors also recommend declaration of dividend on Cumulative Redeemable Preference Shares allotted on 15.1.1998 @ 12.75% on pro-rata basis.

### REVIEW OF OPERATIONS

The total income earned during the year under review was Rs. 8815.39 lacs as against 9402.68 lacs for the previous financial year. The profit during the year declined to Rs. 188.23 lacs as against Rs. 249.01 lacs. The production & sales of Decorative Laminate increased during the year. The exports during the year increased by 280%. The Generation at wind mill was affected due to low wind during the year. The production at Plywood factory is expected to improve during the current year.

### FUTURE OUTLOOK

The exports during first six months have been better in comparison with corresponding period of last year and better exchange rate has improved realisation considerably. The Particle Board prelamination unit has been installed and commercial production is expected to commence from January, 1999. The expansion of Laminate Unit is under consideration and in view of increase in demand, both in domestic and export market particularly in America, and with better production at plywood factory, the outlook for the current year is bright.



## GREENPLY INDUSTRIES LIMITED

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### DIRECTORS

Sri S. P. Mittal & Sri S. Mittal 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 : 30th November, 1998

**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 part of the Report of Board of Directors for the year ended 31st March, 1998.

	Year ended 31.03.98	Year ended 31.03.97
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
Electricity consumed		
Units	22,05,959	24,93,744
Total Amount (Rs)	72,96,815	65,33,611
Rate/Unit (Rs)	3.31	2.62
Diesel & Mobil :		
Units	6,80,296	10,19,532
Total Amount (Rs)	48,50,510	66,67,742
Rate/Unit (Rs)	7.13	6.54

#### B. CONSERVATION OF ENERGY :

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.

#### C. RESEARCH & DEVELOPMENT :

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 Super Tuf-Extra protection has been developed. The Company has also developed mirror finished film overlayed shuttering plywood. The Company has set up a waste fired boiler to generate steam from its waste and scrap. A continuous Research activity is being undertaken to give more consistency to the product and better yield of finished goods.

#### D. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION :

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.

#### E. FOREIGN EXCHANGE EARNINGS & OUTGO :

	1997-98 (Rs. in lacs)	1996-97 (Rs. in lacs)
Earnings	928.81	331.75
Outgo on account of consumables	634.32	671.84
Capital Goods	37.99	71.05
Others	2.70	8.12
	<u>675.01</u>	<u>751.01</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, 1998 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, the Profit & Loss Account and Balance Sheet, together with notes thereon, comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (e) 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:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; and
    - (ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

PLACE : CALCUTTA,  
DATED : 30th November, 1998

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