

ANNUAL REPORT 1999-2000



 **Industries Limited**

The logo for Greenply Industries Limited. It features a black leaf shape with the word "Green" written inside in a white, stylized font. Below the leaf, the word "Greenply" is written in a large, black, cursive script font. To the right of "Greenply", the words "Industries Limited" are written in a bold, black, sans-serif font.

**DIRECTORS**

S. P. Mittal, Chairman
 R. Mittal, Managing Director
 K. C. Jain, Wholetime Director
 S. Mittal
 M. Y. Konyak
 [REDACTED]
 D. P. Chakraborty (Nominee of IIBI)

SECRETARY

Pradeep Jhalani

AUDITORS

D. Dhandaria & Co.

BANKERS

Allahabad Bank
 State Bank of India
 IDBI Bank Limited
 Bank of Baroda

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

WIND POWER

Vill : Sellanallur
 Near Kayathar
 Dist : Tirunelveli Kattabumman
 Tamilnadu


DIRECTORS' REPORT

Your Directors have pleasure in presenting the 10th Annual Report together with the Audited accounts of your company for the year ended 31st March, 2000.

REVIEW OF OPERATION:

Despite all unfavourable trade condition viz stiff increase in input cost, stagnant product prices your company has managed a 14% increase in turnover. Your company achieved a net profit of Rs. 312 lacs as against Rs. 255 lacs recording thereby a growth of 21 %. The financial result of the Company would have much more better but due to hectic duplicacy of the Company's deeply penetrated and recognised brand "Green" the performance of the Company has not been as endeavored by your directors. The Memorandum and Article of Association of the Company have been altered so as to enable its entry into the zooming Infotech business. Subsequent to this the Company has practically started the business of Infotech, the result of which will be available in next couple of months.

FINANCIAL HIGHLIGHTS:

	<i>(Rs. in Lacs)</i>	
	1999-2000	1998-99
Sales (Gross)	12103.06	10473.66
Less: Excise Duty	856.15	883.23
Net Sales	11246.91	9590.43
Profit before Interest & Depreciation	1197.95	1153.71
Less : a) Interest	592.90	646.45
b) Depreciation	288.26	252.66
Profit Before Tax	316.79	254.60
Provision for Taxation and refund/payment for earlier years	5.00	—
Profit After Taxation	311.79	254.60
Balance brought forward from earlier years	484.15	395.30
Amount available for appropriation	795.94	649.90
APPROPRIATION:		
Proposed Dividend		
a) Equity	40.53	40.53
b) Preference	63.75	63.75
Corporate Tax on Dividend	15.93	11.47
Transfer to General Reserve	150.00	50.00
Balance carried to Balance Sheet	525.73	484.15

DIVIDEND:

The Board of Directors is pleased to recommend the payment of a dividend of Rs. 0.80 per Equity shares for the period 1999-2000. The dividend will consume a sum of Rs. 45.28 lacs including the tax on dividend. The Directors have declared and paid interim dividend on Cumulative Redeemable Preference Shares @ 12.75% per shares. As no final dividend has been recommended on the Preference Shares, the interim dividend paid shall be fully adjusted as final dividend for the year ended 31st March, 2000.


FUTURE VISION:

Considering the growing demand of your Company's laminates in India and abroad the Company is contemplating a major capital expenditure towards modernisation and expansion of capacity. The company will continue its attention towards brand promotion.

DIRECTORS:

Shri S P Mittal, and Shri S. Mittal, Directors, retires at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. During the year Sri D P Chakrabarty was inducted in the Board of Directors as nominee of Industrial Investment Bank of India.

AUDITOR:

M/s. D.Dhandaria & Co., Chartered Accountants, Tinsukia, Statutory Auditors of the Company hold office until the conclusion of the next Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from the above Auditor to the effect that the re-appointment if made, would be within the limits prescribed under section 224 (1-B) of the Companies Act, 1956.

HUMAN RESOURCE DEVELOPMENT:

Your Company believes that high calibre talent is a key source of competitive advantage. Your Company's human resource strategy aims to invest in people on a continuing basis in order to position your company's business in a state of extreme competitive readiness.

PARTICULARS u/s. 217 OF THE COMPANIES ACT, 1956
1) PARTICULARS OF EMPLOYEES:

None of the employees are drawing salary whose particulars are to be included in the Directors Report as required u/s. 217(2A) of the Companies Act, 1956.

2) ENERGY CONSERVATION :

The particulars regarding Conservation of energy, Technology absorption, Foreign Exchange earnings and Outgo as required u/s. 217 (1) (e) of the Companies Act, 1956 are given as per Annexure.

Y2K COMPLIANCE:

The Company has successfully transited into year 2000 without any intervention of Y2K bug.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their grateful appreciation for the excellent support and co-operation received from the Financial Institutions, Consortium of Banks, Government of India, State Governments, Vendors and Valued Customers. Your directors also thank all the employees of the Company for their devoted service during the year.

For and on behalf of the Board of Directors

Place : Calcutta
Dated : 28th July, 2000

S. P. MITTAL
Chairman


Annexure to the Director's Report

Information pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:
Energy Conservation measures taken:

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.

Particulars relating to energy consumption are not being provided for the Company not being in the Industries specified for the purpose.

B. TECHNOLOGY ABSORPTION :
a) RESEARCH & DEVELOPMENT
1. Specific Areas in which R&D carried out by the Company

The Company is carrying on continuous research for improvement of its resin to reduce the cost and improve the quality of laminates. It has developed a cardanol based resin called CPF in place of P F (Phenol formaldehyde resin) to improve the flexibility of laminates and reduce consumption of phenol and thereby reduce cost.

2. Benefit derived as a result of above R&D

The above R&D activity has resulted in improvement of the quality of its product making it comparable to the best in the World. The Company has obtained ISI certification for its SwitchBoard Panel and Prelaminated Particle Boards.

3. Future plan of action

Continuing the work in R&D for improvement of new products and processes, improvement in the existing products and processes in various areas in which the company is operating.

b) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION
1. Efforts in brief, made towards technology absorption, adoption and innovation:

A quality assurance cell has been set up in the factory to ensure that no sub standard material is despatched from the factory and only goods of specified standards are produced by strictly monitoring process controls.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.:

Product improvement and development, which has resulted in the improvement of the goodwill of the company's products in the market. It has also resulted in increase of the company's turnover.

3. Information regarding technology imported during last 5 years:

The company has not imported any technology during the last 5 years and it has no technical collaboration with any party.

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c. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Efforts : Efforts are being made to improve exports, by exploring new areas in the world market.

2. Earnings and outgo :

	1999-2000	1998-99 (Rs. in Lacs)
Earnings (FOB Value of Exports)	1221.44	1695.22
Outgo on account of :		
a) Raw-Materials & Consumables	1209.52	1670.08
b) Capital Goods	33.01	254.17
c) Others	5.57	4.89
	<u>1248.10</u>	<u>1929.14</u>

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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, 2000 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 Note No. 2 of Part B of Schedule V to the Accounts regarding credit of export incentives 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, 2000; 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 : 28th July, 2000

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

**ANNEXURE TO AUDITORS' REPORT**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. A substantial portion of the fixed assets has been physically verified by the management during the period which in our opinion is reasonable. No material discrepancies were noticed on such physical verification.
2. The Company has not revalued its fixed assets during the year.
3. The stock of finished products, goods in process, raw materials, stores and spare parts, except items in transit, have been physically verified by the management during the year.
4. In our opinion and according to the explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
6. On the basis of our examination, we are satisfied that subject to Note Nos. 4(d) & 9 of part A of Schedule 'V' the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles. The basis of valuation of inventory has been refined during the year to confirm to the revised accounting standard of valuation of inventories (AS 2) issued by the Institute of Chartered Accountants of India.
7. The Company has taken loans from companies and firms listed in the register maintained under Section 301 and 370(1-B) of the Companies Act, 1956 and the rates of interest and other terms and conditions of the loans are prima facie not prejudicial to the interest of the Company.
8. According to the information and explanations given to us, the Company has not granted any loans to Companies, firms or other parties listed in the register maintained under Section 301 and 370(1-B) of the Companies Act, 1956.
9. According to the information and explanations given to us, the Company has not granted any interest-free loans or advances in the nature of loans to other parties, except employees of the Company, who are generally repaying the same.
10. On the basis of checks carried out during the course of audit and as per explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials, plant and machinery, equipment and other assets, and for the sale of goods.
11. According to the information & explanations given to us, the company has not entered into transactions of purchase of goods and materials and sales of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in value in respect of each party.
12. The Company has a system of determining unserviceable or damaged stores and raw materials and finished goods on the basis of technical evaluation and on the aforesaid basis, in our opinion, adequate amounts have been written off from such stocks in the accounts.

**Greenply INDUSTRIES LIMITED**

13. The Company has not accepted any deposits from the public and consequently the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 are not applicable.
14. In our opinion, reasonable records have been maintained by the Company for sale and disposal of wastage and scraps. The Company has no realisable by-products.
15. The Company has an internal audit system commensurate with its size and the nature of its business.
16. In respect of the company, no cost records have been prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956.
17. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax and Custom duty outstanding for a period of more than six months as at 31st March, 2000 from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under the contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial Company within the meaning of clause (o) of sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of the trading activities there are no damaged goods in the possession of the Company at the year-end.



For D. DHANDARIA & CO.
Chartered Accountants

PLACE : CALCUTTA
DATED : 28th July, 2000

Dindayal Dhandaria
Partner

**BALANCE SHEET AS AT 31ST MARCH, 2000**

Sources of Funds :	Schedules	AS AT 31ST MARCH, 2000		AS AT 31ST MARCH, 1999	
		Rs.	Rs.	Rs.	Rs.
Shareholders' Funds :					
Share Capital	A	100661550		100661550	
Reserves & Surplus	B	<u>140615094</u>		<u>123173920</u>	
		241276644		223835470	
Loan Funds :					
Secured Loans	C	365477760		351658722	
Unsecured Loans	D	<u>150722624</u>		<u>170734830</u>	
		516200384		522393552	
TOTAL :		<u>757477028</u>		<u>746229022</u>	
Application Of Funds :					
Fixed Assets :	E				
Gross Block		401238373		389540546	
Less : Depreciation		<u>134587259</u>		<u>106290317</u>	
Net Block		266651114		283250229	
Add : Capital Work-in-progress		<u>12434421</u>		—	
		279085535		283250229	
Investments	F	1891400		1811400	
Current Assets, Loans & Advances :					
Inventories	G	293852590		294761460	
Sundry Debtors	H	213662830		171136090	
Cash & Bank Balances	I	38835733		41293794	
Loans & Advances	J	<u>78025798</u>		<u>81168260</u>	
		624376951		588359604	
Less : Current Liabilities & Provisions	K	<u>187183986</u>		<u>161361626</u>	
Net Current Assets		437192965		426997978	
Miscellaneous Expenditure	L	<u>39307128</u>		<u>34169415</u>	
TOTAL :		<u>757477028</u>		<u>746229022</u>	
Significant Accounting Policies & Notes On Accounts	V				

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date annexed.

Place : Calcutta Dated : 28th July, 2000	For D. Dhandaria & Co. Chartered Accountants Dindayal Dhandaria Partner	PRADEEP JHALANI Company Secretary	S. P. MITTAL Chairman RAJESH MITTAL Mg. Director