

ANNUAL REPORT 2001-2002

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Greenply Industries Limited

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Board of Directors

S P Mittal, Chairman
 Rajesh Mittal, Managing Director
 K C Jain, Wholetime Director
 Saurabh Mittal, Wholetime Director
 D P Chakrabarti (Nominee of IIBI)
 V Acharyya (Nominee of IDBI)
 Smt. Janaki Venkatramani
 M Y Konyak
 P K Chatterjee

Share Transfer &
Investors Grievance Committee

S P Mittal
 Rajesh Mittal
 P K Chatterjee
 Smt. Janaki Venkatramani

Audit Committee

Smt. Janaki Venkatramani, Chairperson
 S P Mittal
 P K Chatterjee

Auditors

D Dhandaria & Co.,

Registered Office

Makum Road, Tinsukia, Assam

Investment &
Borrowing Committee

S P Mittal
 Rajesh Mittal
 P K Chatterjee
 Smt. Janaki Venkatramani

Bankers

Allahabad Bank
 State Bank of India
 Punjab National Bank
 Bank of Baroda
 IDBI Bank Ltd
 UTI Bank Ltd

Company Secretary

Pradeep Jhalani

Corporate Office

16A, Shakespeare Sarani,
 Kolkata-700 071, India
 Ph- 033-2822175/8233
 Fax- 033-2820825
 Email: greenply@vsnl.com

Units
Laminate

RIICO Industrial Estate
 P.O. Behror, Dist: Alwar
 Rajasthan

Plywood

P.O. Tizit
 Dist Mon
 Nagaland

Windpower

Vill : Seilanallur, Near Kayathar
 Dist : Tirunelveli Kattabumman
 Tamilnadu


Greenply INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that Twelfth Annual General Meeting of the Members of the Company will be held as scheduled below :

Day	:	Saturday
Time	:	12.30 P.M
Date	:	27th day of July, 2002
Place	:	Greenply Industries Ltd Makum Road, Tinsukia, Assam

AGENDA for the meeting will be as under :-

Ordinary Business :

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2002 together with Reports of the Directors and the Auditors thereon.
- 2) To declare a dividend for the year ended 31st March, 2002.
- 3) To appoint a director in place of Shri S P Mittal, who retires by rotation and being eligible offer himself for reappointment.
- 4) To appoint auditors and fix their remuneration and in this connection, to consider and if thought fit to pass with or without modification the following resolution as Ordinary resolution:

"RESOLVED THAT M/s D Dhandaria & Co., Chartered Accountants, the retiring auditor be and are hereby appointed as Statutory auditors of the Company to hold office as such from the conclusion of this meeting till the conclusion of next Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company".

Place : Kolkata
Dated : 13th June, 2002

By Order of the Board
Pradeep Jhalani
Company Secretary

**NOTES :**

1. The Register of Members and Share transfer books of the company will remain closed from Friday 26th July, 2002 to 27th July, 2002 (both days inclusive) for determination of names of shareholders who will be eligible for dividend on equity shares which may be declared at the meeting and the dividend so declared will be paid to those members whose name appear on the register of members of the Company on 27th July 2002. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details to be taken from the National Securities Depository Ltd and Central Depository Services (India) Ltd.
2. 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. Proxies in order to be effective must be received by the company at its Registered Office not less than 48 hours before the time of the meeting. Members holding share in dematerialised form are requested to bring their Depository Account Number and Client I.D No. for identification.
3. Queries on accounts and operation of the Company, if any may please be sent to the Company at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.
4. Members are requested to promptly notify any change in their address to the Share Transfer Agent i.e., M/s S K Computers, 34/1A, Sudhir Chatterjee Street, Near Girish Park Metro Station, Kolkata-700006, Phone-033- 2194815.
5. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
6. The Shares of the Company are listed on Stock Exchanges at Mumbai, Calcutta, Guwahati and National Stock Exchange and listing fee for the year 2002-03 has been paid to all above stock exchanges.
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective depositories to the company will be printed on their dividend warrants as per the applicable regulations of the Depositories. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form.
8. With a view to provide protection against fraudulent encashment of dividend warrants, shareholders were requested by company to provide their bank account number, name and address of the Bank branch to enable the company to incorporate the said details on the dividend warrants. A large number of shareholders have not yet provided the details. The Company once again request you to provide such detail quoting their folio no. to the Share Transfer agent of the Company.
9. Sri Shiv Prakash Mittal is the chairman of the Company and associated with the company for over 8 years. He is a B. Sc graduate with over 30 years of experience in the plywood and Laminate Industry. His experience, guidance, suggestion and expertise has brought many accolades to the Company. His reappointment is recommended by the Board of Directors.

Place : Kolkata
Dated : 13th June, 2002

By Order of the Board
Pradeep Jhalani
Company Secretary



Greenply INDUSTRIES LIMITED

DIRECTORS' REPORT

Your Directors hereby present their twelfth annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS :

(Rs. in Lacs)

	2001-2002	2000-2001
Sales (Gross)	13,750.47	12,908.11
Less: Total Expenditure	12,793.30	11,899.32
Operating Profit	957.17	1,008.79
Add Other Income	279.71	215.81
Profit before Interest & Depreciation	1,236.88	1,224.60
Less : a) Interest	464.73	541.68
b) Depreciation	371.08	307.11
Profit Before Tax	401.07	375.81
Less Extra Ordinary Item	206.47	-
Less: Provision for Taxation		
Current	2.50	17.00
Deferred	(14.02)	-
Profit After Taxation	206.12	358.81
Balance brought forward from earlier years	553.44	525.73
Amount available for appropriation	759.56	884.54

APPROPRIATION :

Proposed Dividend		
a) Interim Dividend on Preference Share	57.02	63.75
b) Proposed Dividend on Equity Shares	53.96	55.21
Corporate Tax on Dividend	-	12.13
Transfer to Capital Red. Reserve	250.00	-
Transfer to General Reserve	25.00	200.00
Balance carried to Balance Sheet	373.58	553.45

REVIEW OF OPERATION :

There was no significant happening in the Plywood Industry during the year. The Industry is on its usual growth. Imported Plywood from Malaysia entered the Indian market. Although imported material do not pose a significant threat to Indian Industry but rising input cost and stagnant selling price are affecting profit margins. A life long warranted Plywood under the name of "Green Club" introduced in the early part of the year has been received well in the marketplace and is expected to contribute significantly to the operating profit of the Company. Laminate Industry is comparatively recording good growth. Despite tuff price war the company has maintained its sale of plywood whereas turnover of Laminate has grown by over 24%. Cost remains serious concern of the management. Interest cost has also seen major cut and was lower by 14 % over the last year. Net Profit before tax and Extraordinary item stood at Rs. 401.08 lacs as compared to Rs. 375.81 lacs in previous year recording a growth of 6.7%.


FUTURE OUTLOOK :

There has been a good jump in new capacity creation in Plywood Industry. Your company being a renowned quality producer will easily be able to maintain its market share. Our focus will be on cutting costs and improving margins.

Laminate Division has very bright prospects. Continuous addition of new shades & design with unparalleled quality has lead increased market share every year. The company has invented and introduced the much-awaited novel Decorative Sheet with combination of Veneer and Laminates under the name of "Duets". The product has received remarkable response. This is a unique product, first of its kind in India. The company has applied for registration of invention under Indian Patent law. Your directors are confident that the product will bring glorious performance to the company in future.

DIVIDEND :

The Redeemable Preference share to the extent of 50% amounting to Rs. 250 lakh has been redeemed during the year and equivalent amount (i.e. balance 50%) is falling due for redemption in the current year. Pro-rata Dividend on Preference Share will consume Rs. 57 lacs. During the year the company made a preferential issue of 14,71,100 equity shares at a price of Rs. 34/- per share. The Plywood and Laminate Industry is capital intensive. Hence keeping in mind fund requirement for times to come your directors recommend a dividend @ 8% on Equity Shares for the financial year 2001-2002 on pro-rata basis. The dividend will observe a sum of Rs. 54 lacs. The Finance Act, 2002 has made dividend income taxable in the hands of recipient. Further TDS will be deducted on every payment of dividend exceeding Rs. 1000/- unless the Company receives prescribed tax exemption certificate from shareholder.

DIRECTORS :

Shri S P Mittal retires at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Mr. Saurabh Mittal has been appointed as Whole-time Director for a period of 5 years with effect from 1.4.2002.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under section 217 of the Companies Act, the Directors hereby confirm that:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- 3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors had prepared the annual accounts on a going concern basis.

**Greenply INDUSTRIES LIMITED****AUDITORS AND THEIR REPORT :**

M/s. D.Dhandaria & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing 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.

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments.

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Report on Corporate Governance and Auditors' Certificate regarding compliance of conditions of corporate governance are made a part of this Report.

HUMAN RESOURCE MANAGEMENT :

Your Company continued to lay emphasis on the development of human resources. The main focus of training activity during the year has been to orient the employees to effectively face the new and emerging challenges emanating from competitive environment and liberalization in the economy of the Country. Industrial relation has been very peaceful and harmonious.

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.

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, Central and State Governments, Vendors and Valued Customers. Your Directors also thanks all the employees of the Company for their devoted service during the year.

Place: Kolkata
Dated: 13th June, 2002

On behalf of the Board of Directors
S P Mittal
Chairman


Annexure to the Directors' 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:

1. In order to cut fuel cost, your company has installed a Steam Fluidised Bed Combustion Boiler, which consume agro waste, which is less expensive than traditional coal and fuel.
2. Inefficient room air conditioners were replaced with energy efficient units.
3. In order to increase the production efficiency and conserve the energy, updation of cooling tower was done.
4. Periodic Checking and correction actions taken on electric distribution network.
5. Measures are taken to run the generators on the LDO in place of diesel to further cut the fuel cost.

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

B. TECHNOLOGY ABSORPTION ;
A) RESEARCH & DEVELOPMENT :

1. Specific Areas in which R&D carried out by the Company

A research was done to find out the possibility of substituting plywood by laminate in decorative plywood. The Company is carrying on continuous research for treatment of Timber and Veneer to increase the mechanical properties of the plywood.

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

The above R&D activity has resulted in invention of a product named high pressure veneer which combines the beauty of veneer with flexibility of laminate and is also more durable, eco-friendly, borer-free and water resistant.

Treatment of timber and veneer has resulted in improvement in yield of timber and quality of plywood making it the best in the Industry.

3. Future plan of action

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



Greenply INDUSTRIES LIMITED

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.:

The quality of the product has improvement, which has resulted in the improvement of the goodwill of the company's products in the market. It has also resulted in better offtake of the company's products.

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.

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:

	(Rs. in Lakh)	
	2001-2002	2000-2001
Earnings (FOB Value of Exports)	1332.74	973.91
Outgo on account of :		
a) Raw-Materials & Consumables	870.02	913.86
b) Capital Goods	21.07	44.68
c) Traded Goods	505.22	172.82
d) Others	16.33	3.22
Total	1412.64	1134.58

Place: Kolkata
Dated: 13th June, 2002

On behalf of the Board of Directors
S P Mittal
Chairman