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# ANNUAL REPORT 2002-2003

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 **Greenply Industries Limited**

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**Greenply INDUSTRIES LIMITED****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 Ltd.)  
 Smt. L. Kuchimanchi (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.,  
 Thana Road, Tinsukia, Assam

**Registered Office**

Makum Road, Tinsukia, Assam

**Operational 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  
 Bank of India  
 UTI Bank Ltd.

**Company Secretary**

K. K. Agarwal

**Corporate Office**

16A, Shakespeare Sarani,  
 Kolkata-700 071, India  
 Phone- 033-2282-2175/8233  
 Fax- 033-22820825  
 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 the Thirteenth Annual General Meeting of the Members of the Company will be held as scheduled below:

Day	:	Friday
Time	:	3:00 P.M.
Date	:	26 <sup>th</sup> day of September, 2003
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 31<sup>st</sup> March, 2003 together with Reports of the Directors and the Auditors thereon.
- 2) To declare a dividend for the year ended 31<sup>st</sup> March, 2003.
- 3) To appoint a director in place of Shri M. Y. Konyak, who retires by rotation and being eligible offer himself for re-appointment.
- 4) To appoint a director in place of Shri P. K. Chatterjee, who retires by rotation and being eligible offer himself for re-appointment.
- 5) 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 an 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".

**Special Business:**

- 6) To consider and if thought fit, to pass, with or without modification(s) the following resolution as an ordinary resolution:

**"RESOLVED THAT** consent of the Shareholders be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956("the Act") to the Board of Directors of the Company(hereinafter referred to as the "Board" which expression shall also include a committee thereof)for borrowing from time to time any sum or sums of money on such terms and conditions as the Board may deem requisite or proper for the purpose of the business of the Company notwithstanding that the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers and financial institutions in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose, provided that the total amount borrowed and so to be borrowed by the Board (apart from temporary loans obtained from the Company's Bankers and financial institutions in the ordinary course of business) and remaining outstanding at any time shall not exceed the limit of Rs.200 crores and that for the purpose of implementation of this resolution the Board may act through any member or committee thereof or any person duly authorized by the Board in that behalf."

Place : Kolkata  
Dated : 6<sup>th</sup> June, 2003

By Order of the Board  
**K. K. Agarwal**  
Company Secretary

Registered Office :  
Makum Road  
Tinsukia, Assam

# Greenply INDUSTRIES LIMITED



## NOTES:

1. The Register of Members and Share transfer books of the company will remain closed from 24<sup>th</sup> September, 2003 to 26<sup>th</sup> September, 2003 (both days inclusive) for determination of name 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 names appear on the register of members of the Company on 26<sup>th</sup> September, 2003. 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. An explanatory statement, pursuant to section 173(2) of the Companies Act, 1956, in respect of Special Business to be transacted at the meeting is annexed hereto.
3. 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. 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.
4. 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.
5. 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-700 006, Phone-033- 2219-4815.
6. Shareholders are requested to bring their copies of Annual Report to the Meeting.
7. The Shares of the Company are listed on Stock Exchanges at Mumbai, Calcutta, Guwahati and National Stock Exchange and listing fee for the year 2003-04 has been paid to all above Stock Exchanges.
8. 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.
9. 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.
10. Pursuant to provisions contained in section 205A and 205C of the Companies Act, 1956, the Company, has transferred final dividend for the financial year ended 31.03.1995 remaining unclaimed for a period of seven years from the date of it first become due for payment to the Investor Education and Protection Fund constituted by the Central Government and no claim shall lie against the Investor Education and Protection Fund or the Company in respect of individual amount(s) so credited to the Investor Education and Protection Fund.



11. Pursuant to the provisions of the Companies Act, 1956, final dividend for the financial year ended 31.03.1996 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund pursuant to the section 205C of the Companies Act, 1956. Please be informed that the due month for transferring the unclaimed final dividend for the financial year ended 31.03.1996 to Investor Education and Protection Fund is October 2003. Shareholders, who have not yet encashed their dividend warrants for the financial year ended 31<sup>st</sup> March, 1996 and any subsequent financial years are requested to make their claim to the Company's Corporate office immediately.

**12. Re-appointment of Directors:**

At the ensuing Annual General Meeting Shri M. Y. Konyak and Shri P.K.Chatterjee retire by rotation and being eligible, offer themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of the aforesaid directors are given below:

**Shri M. Y. Konyak** aged about 46 years is the promoter director of the Company and associated with the company for over 7 years. He is possessing good knowledge in the timber line. His experience, guidance, suggestion and expertise has brought many accolades to the Company. Shri M. Y. Konyak is not a director in any other Company other than Greenply Industries Ltd. His re-appointment is recommended by the Board of Directors.

**Shri P. K. Chatterjee** aged about 82 years is the Professional director of the Company and associated with the company for over 2 years. He is a B.Sc., L.L.B. and I.R.S.(Retd.) with over 40 years of experience in the Law and excise matters. His experience, guidance, suggestion and expertise has brought many accolades to the Company. Shri P. K. Chatterjee is not a director in any other Company other than Greenply Industries Ltd. His re-appointment is recommended by the Board of Directors.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 6**

Keeping in view the Company's future fund requirement for capital expenditure and expenditure to be incurred in the normal course of its operations and also for meeting other requirements, it is considered necessary to seek the members' approval under section 293(1)(d) of the Act to increase the borrowing limit from Rs.100 crores to Rs. 200 crores. The resolution set out under Item No.6 is intended for this purpose and the Board recommends that the resolution be passed.

None of the Directors of the Company is concerned or interested in the above resolution.

Place : Kolkata  
Dated : 6<sup>th</sup> June, 2003

By Order of the Board  
**K. K. Agarwal**  
Company Secretary

Registered Office :  
Makum Road  
Tinsukia, Assam

# Greenply INDUSTRIES LIMITED



## DIRECTORS' REPORT

Your Directors hereby present their Thirteenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31<sup>st</sup> March, 2003.

### FINANCIAL HIGHLIGHTS :

	<b>2002-2003</b>	<b>(Rs. in Lacs) 2001-2002</b>
Sales (Gross)	<b>14,304.21</b>	13,750.47
Less: Total Expenditure	<b>13,373.94</b>	12,793.30
Operating Profit	<b>930.27</b>	957.17
Add : Other Income	<b>400.17</b>	279.71
Profit before Interest & Depreciation	<b>1,330.44</b>	1,236.88
Less : a) Interest	<b>496.45</b>	464.73
b) Depreciation	<b>414.83</b>	371.08
Profit Before Tax & Extraordinary Items	<b>419.16</b>	401.07
Less: Extra Ordinary Item	<b>206.47</b>	206.47
Less: Provision for Taxation		
Current	—	2.50
Deferred	<b>(158.76)</b>	(14.02)
Provision for income tax no longer required written back	<b>(1.89)</b>	—
Profit After Taxation	<b>373.34</b>	206.12
Balance brought forward from earlier years	<b>373.58</b>	553.44
Amount available for appropriation	<b>746.92</b>	759.56
APPROPRIATION:		
Proposed Dividend		
a) Dividend on Preference Share	<b>27.59</b>	57.02
b) Dividend on Equity Shares	<b>65.67</b>	53.96
Dividend Distribution Tax	<b>11.95</b>	—
Transfer to Capital Redemption Reserve	<b>250.00</b>	250.00
Transfer to General Reserve	<b>25.00</b>	25.00
Balance carried to Balance Sheet	<b>366.71</b>	373.58

### REVIEW OF OPERATION :

The sales turnover was Rs.143 crores as against Rs.138 crores in the previous year. Your Company achieved a net profit of Rs.373 lacs as against Rs. 206 lacs in the previous year. The Company was successful in controlling its cost under almost all heads. During the year under review various productivity improvement measures were undertaken for both the Plywood and Laminate units. The Company continued to have problem in increasing its market share in plywood industry due to extremely un-remunerative prices quoted by the unorganised sector of Commercial Plywood manufacturers. The performance and market stake of the Company's Laminate unit has been on increasing trend this year also, despite of the sluggish market and stiff competition, the Board considers the overall performance reasonably satisfactory. The novel decorative sheet with combination of high pressure natural veneer and laminate under the name of "Duets" introduced in the mid-year has been received well in the marketplace. Your directors are pleased to inform that the valued brands of your Company viz "Greengloss" and "Greenlam" for Laminates were registered under the Trade and Merchandise Mark Act, 1958.


**FUTURE OUTLOOK :**

Laminates Division has very bright prospects. Continuous addition of new shades and design with unparalleled quality has lead to increased market share every year. The Company has invented and introduced Aluminium Foil Laminate-Greenlam, a unique product first of its kind in India, alongwith Decorative Plywood.

Seeing good growth in the construction industry, there will be huge demand for plywood and laminate material from the construction and housing sector.

The Company is taking numerous steps to enhance performance and profitability. Primary area of focus will be quality, product development, Working capital management and cost control.

**BS EN ISO 9001:2000 and ISO 14001:1996 CERTIFICATION :**

Your directors are pleased to inform that the Company's laminate unit has been accredited with BS EN ISO 9001:2000 (Quality Management System Standard) and ISO 14001:1996 (Environmental Management System Standard) certification.

**DIVIDEND :**

The balance Redeemable Preference share amounting to Rs. 250 lakh has been redeemed during the year. Pro-rata Dividend on Preference Share will amount to Rs.27.59 lacs. The directors have recommended a dividend @ 8% on Equity Shares for the financial year 2002-2003. The equity dividend will observe a sum of Rs. 65.67 lacs. The dividend is tax free in the hands of shareholders.

**DIRECTORS :**

Shri M. Y. Konyak and Shri P. K. Chatterjee, are the directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The IDBI withdrew the nomination of Shri V. Acharyya, Director and in his place, nominated Smt. L. Kuchimanchi. The Board placed on record its appreciation for the valuable contribution made by Shri V. Acharyya during his tenure as Director of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

As required under section 217(2AA) of the Companies Act,1956, with respect to Directors' responsibility statement, it is hereby confirm that:

- 1) in the preparation of the annual accounts, the applicable accounting standards had 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 the Companies Act,1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) the Directors had prepared the annual accounts on a going concern basis.



## **Greenply INDUSTRIES LIMITED**



### **PUBLIC DEPOSITS :**

The Company did not invite or accept any deposits from the public under Section 58A of the Companies Act, 1956.

### **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 them to the effect that the re-appointment, if made, would be within the limits prescribed under section 224 (1B) 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 :**

A detailed report on Corporate Governance pursuant to clause 49 of the Listing agreement with the Stock Exchanges along with Auditors' certificate on compliance with the mandatory recommendation on Corporate Governance is annexed to this report.

### **MANAGEMENT ANALYSIS AND DISCUSSION REPORT :**

The Management Analysis and Discussion report pursuant to clause 49 of the Listing agreement with the Stock Exchanges for the year under review is given as a separate statement in the Annual Report.

### **PARTICULARS u/s. 217 OF THE COMPANIES ACT, 1956**

#### **1) PARTICULARS OF EMPLOYEES :**

The Company had no employee of the category indicated under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

#### **2) ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :**

The particulars regarding Conservation of energy, Technology absorption, Foreign Exchange earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are annexed hereto and form part of this report.

### **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 express their appreciation of the efforts put in by the employees of the Company at all levels.

Place : Kolkata  
Dated : 6<sup>th</sup> June, 2003

On behalf of the Board of Directors  
**S. P. Mittal**  
Chairman


**Annexure to the Directors' Report**

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS' REPORT) RULES, 1988.

**A. CONSERVATION OF ENERGY :**
**Energy Conservation measures taken :**

1. In order to cut fuel cost, your company has converted thermo fluid treatment into a Fluidised Bed Combustion System, which consume agro waste and is therefore less expensive than traditional coal and fuel.
2. In order to increase the production efficiency and conserve the energy, updation of cooling tower was done.
3. Periodic Checking and correction actions taken on electric distribution network.
4. 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 &amp; 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.