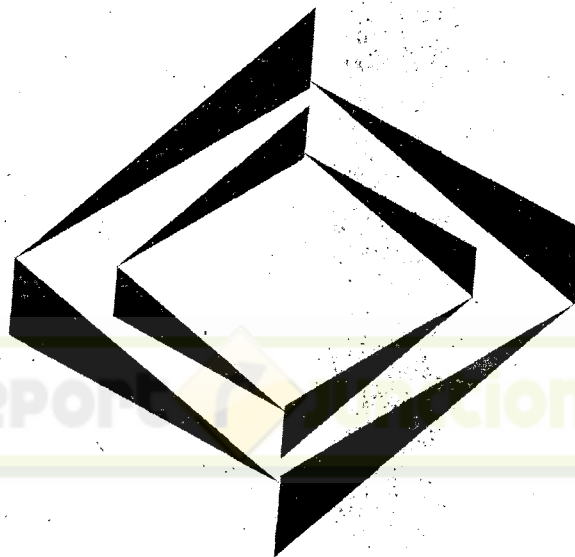


# UNIPLY INDUSTRIES LIMITED



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*for all reasons & seasons*

**13<sup>th</sup> Annual Report 2009**

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## COMPANY INFORMATION

B.L. Bengani	Chairman & Managing Director
M.L. Pramod Kumar	Whole Time Director
Sudhir Kumar Jena	Director
Satya Prathaap Bhatera	Director
R. Kuppu Rao	Director
P.K. Das	Chief Financial Officer
Raghuram Nath	Company Secretary
Bankers	State Bank of India Bank of India Corporation Bank Axis Bank Ltd
Auditors	C. Ramasamy & B. Srinivasan Chartered Accountants
Registered Office & Factory	# 69, Nelveli Village, Uthiramerur Block, Kancheepuram, Tamilnadu – 603 107
Corporate Office	# 52, Harleys Road, Kilpauk, Chennai, Tamilnadu - 600 010.
Registrar and Share Transfer Agent	Cameo Corporate Services Ltd. Subramanian Building, V Floor, No. 1, Club House Road, Chennai - 600 002.

**Uniply Industries Limited****NOTICE**

NOTICE is hereby given that the 13<sup>th</sup> Annual General Meeting of the members of M/s. Uniply industries Limited will be held on Saturday, the 22<sup>nd</sup> day of August 2009 at 11.00 a.m. at its Registered Office at # 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited profit and loss accounts of the Company for the financial year ended 31<sup>st</sup> March 2009, the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Satya Prathaap Bhatera, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:-

“Resolved that M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting, to conduct the audit for the financial year 2009-10.”

“Resolved further that the Board of Directors be and are hereby authorized to fix the remuneration and other terms & conditions of appointment of the Auditors.”

By order of the Board

Place: Chennai

Date: 26.06.2009

Raghuram Nath

Company Secretary

**NOTES**

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. Proxies, in order to be effective should be lodged with the company at the Registered Office not less than 48 hours before the meeting.
2. Corporate members are requested to send to the Company's registered office a duly certified copy of the Board resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative(s) to attend and vote at the Annual General Meeting.
3. Members are requested to bring their admission slips along with copy of the Annual Report to the Annual General Meeting.
4. Members holding shares in the physical form are requested to notify / send the following to Company to facilitate better servicing:-
  - i) Any change in their address / mandate / bank details,
  - ii) Particulars of their bank account, in case the same have not been furnished earlier, and
  - iii) Share certificates held on in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such share holdings into a single account.
5. The Register of Members and Transfer Registers will remain closed from 18.08.09 to 22.08.09 (both days inclusive).
6. Unclaimed dividend for the years 2005-06 & 2006-07, which may remain unpaid or unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrants for the above said years are requested to contact the Registrar & Share Transfer Agent.

Uniply Industries Limited

**Directors' Report & Management Discussion and Analysis**

To All members,

Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report of the company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

**FINANCIAL RESULTS**

The highlights of the financial results of the company for the year ended 31.03.2009 as compared with the previous year are as follows:

	Rs. In Lacs	
	For the year ended 31.03.2009	For the year ended 31.03.2008
Gross Turn Over	9380.73	11571.47
Gross Profit before Interest,		
Depreciation and Derivative Loss/gain	396.08	792.66
Less : Depreciation	263.16	221.93
Interest	468.20	483.58
Derivative Loss/gain*	-135.45	435.70
Exchange loss	684.04	8.52
Profit/Loss before Taxation	-883.87	-357.07
Less : Provision for Taxation		
Wealth Tax	0.61	0.00
Fringe Benefit Tax	5.75	6.88
Deferred Tax	-263.97	-132.41
Profit/Loss after Tax	-626.26	-231.54
Add : Prior period income	20.80	0.00
	-605.46	-231.54
Add : Balance brought forward	86.14	317.68
Add : Transfer from General Reserve	200.00	0.00
Balance carried forward to next year	-319.32	86.14

\* Provided on mark to market basis as on 31.03.2009 & 31.03.2008 respectively.

**DIVIDEND**

Your Company incurred a loss of Rs. 605.46 lacs for the year under review.

The loss is mainly because of the adverse fluctuation of USD/INR rates on the import dues besides fall in realization compared to the cost of production. Keeping in view the losses, your Directors regret their inability to recommend any dividend.

Uniply Industries Limited

**SUBSIDIARIES & ASSOCIATES**

During the year under review, M/s. Surge Trading Limited (STL) your Wholly Owned Subsidiary did not performed upto the mark due to global recession and its impact on real estate sector. The audited annual account of M/s. Surge Trading Limited is attached herewith.

**ECONOMIC SCENARIO AND WOOD BASED INDUSTRY**

Rise in input costs mainly because of INR weakening against US\$, global recession and its impact on the real estate sector, had adversely affected the wood based industry. The year 2009-10 would also be a challenging year for wood based industries in India.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate Internal Control systems in all areas of operations commensurating with the size of the operation. Adequacy of the system has also been examined by the Statutory Auditors of the Company and there is no adverse remark on the adequacy of internal control system.

**DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONSHIP**

During the year under review, there were no strikes, lockout or any other Industrial disputes. The Industrial relationship was cordial during the year. Plywood manufacturing is labour intensive and there shall remain acute problem in sourcing labours and retaining them. Your company continues to develop facilities for labours and their welfare.

**QUALITY MANAGEMENT SYSTEM**

The company continues to lay emphasis on excellence in quality and services and is committed to total customer satisfaction. The high quality of the company's products is reflected in the company's ability to export its product in quality conscious European markets. The company continues to be on a mission to provide customer with products that can match with international standards and will surpass their expectations. That depicts why Uniply is today one of the most respected plywood brands in the country. The company follows the BIS quality standards besides quality and cost management policy and procedure certified by ISO 9001, ISO 14001 and OHSAS 18001.

**ENVIRONMENT**

The Company is committed to the environment. The Company continues to upkeep effluent and chemical treatment plant. Continuous check of air and water pollution at manufacturing unit is made and monitored.

**FUTURE STRATEGIC INITIATIVES**

Your company is in the business of manufacturing and marketing of plywood and panel products since inception. Your company has recently started dealing in decorative veneers and proposes to set up a manufacturing facility for decorative veneers.

Your company is in the verge of exiting from wind mill business. As discussed in the last directors report that there was an out of court settlement and a Memorandum of Understanding (MOU) was entered between your company and Shriram EPC Ltd. The settlement is yet to be concluded as of the date of this report. Your directors expect that the same will be completed during the current financial year.

Uniply Industries Limited

**PUBLIC DEPOSITS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (amendment) Act, 2000, your Directors confirm:

- a. that in the preparation of Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. that they have selected such accounting policies and applied them consistently and made judgments 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 or loss of the company for that period.
- c. that they have 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 your company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

Your company has complied with the requirements of Corporate Governance through constitution and reconstitution of various committees and has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as provided in the Listing Agreement with the Stock Exchanges are duly complied with.

A separate report each on Corporate Governance is annexed hereto along with Auditors Certificate on its due compliance

**DIRECTORS**

During the year Mr. Satya Prathaap Bhatera director retiring by rotation and being eligible offer himself for reappointment. Necessary resolution is proposed in the notice to the Annual General Meeting.

**AUDITORS AND THEIR REPORT**

M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants, auditors of the company will retire at the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received a certificate from them to effect that, if reappointed, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

The notes referred to by the auditors in their report are self-explanatory and hence do not require any further clarification.



Uniply Industries Limited

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

Your Company has taken adequate steps to reduce and optimize power consumption of its manufacturing and other operations.

Form 'A' of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is not required to be filed as our industry is not included in the Schedule to the Rules.

Research and Development (R & D) are ongoing and integral part of its manufacturing activities with regard to its raw material utilization, manufacturing process, products, quality up gradation etc.

Since R & D is an integral part of its manufacturing activities, its not possible to maintain separate account for the expenditures incurred under this head, hence unable to furnish the disclosures in Form 'B' of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988. The Company has not imported any technology during the last 8 years.

There are no information to be furnished under the head 'technology, absorption, adaptation and innovation in Form 'B' of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year under review the foreign exchange earned by the company was Rs. 295.24 lacs and outgo amounted to Rs. 3603.12 lacs as against Rs. 2100.32 lacs and Rs. 5988.61lacs respectively in the previous year.

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956.**

Mr. B.L. Bengani aged about 49 years; Managing Director of the Company is a B.Com graduate having 28 years of rich experience in Plywood and allied business. Mr. Bengani last served as VP (Marketing) in Greenply Industries Ltd., before he promoted Uniply Industries Ltd. on 04.09.1996. He has drawn Rs. 30,00,000/- as gross remuneration and Rs. 17,22,000/- as net remuneration during the financial year 2008-09.

**CAUTIONARY STATEMENT OF THE COMPANY**

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. These statements are based on certain assumptions and expectation of future events and extract of published statement from various sources. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw material costs and availability, changes in Govt. regulations and tax structure and other factors as litigation and industrial relations.

The company does not assume responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information and events.



Uniply Industries Limited

### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their appreciation for excellent support and co-operation received from bank, financial institutions, Central and state governments, SEBI, stock exchange, vendors and valued customers. Your directors also express their appreciation of the efforts put in by the employees of the company at all levels.

For and on behalf of the Board

Place: Chennai

B.L. Bengani  
Chairman and Managing Director

M.L. Pramod Kumar  
Whole time Director

Date: 26.06.2009

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## REPORT ON CORPORATE GOVERNANCE

## A. Compliance on Mandatory Requirements

## 1. Company's Philosophy on Corporate Governance

Your Company follows Corporate Governance policy aiming to ensure transparency in all dealings and the functioning of the Management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationship between itself and its stakeholders.

## 2. Board of Directors

In terms of Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

## Composition

Your Company has a balance Board, comprising executive and non-executive directors. The non-executive directors include independent professionals. Executive directors, includes the Chairman cum Managing Director and one whole time Director. No director is related to any other director on the Board in terms of definition of 'relative' given under the companies Act, 1956.

Name of the Director	Status, i.e. Executive Non-Executive and Independent	Members in the Board of other public Companies	No. of membership / chairmanship of Board Committees of other Companies	
			As a Chairman	As a member
Mr. B.L. Bengani	Executive	2	None	None
Mr. M.L. Pramod Kumar	Executive	1	None	None
Mr. S.K. Jena	Non-Executive Independent	1	None	None
Mr. Satya Prathaap Bhatera	Non-Executive Independent	None	None	None
Mr. R. Kuppu Rao	Non-Executive Independent	2	None	None

During the financial year ended 31<sup>st</sup> March 2009, seven Board meeting were held, which are as follows

Sl. No.	Date	Board strength	No. of directors present
1	30.04.2008	5	4
2	30.06.2008	5	5
3	15.07.2008	5	4
4	23.08.2008	5	4
5	12.09.2008	5	5
6	30.10.2008	5	5
7	30.01.2009	5	3