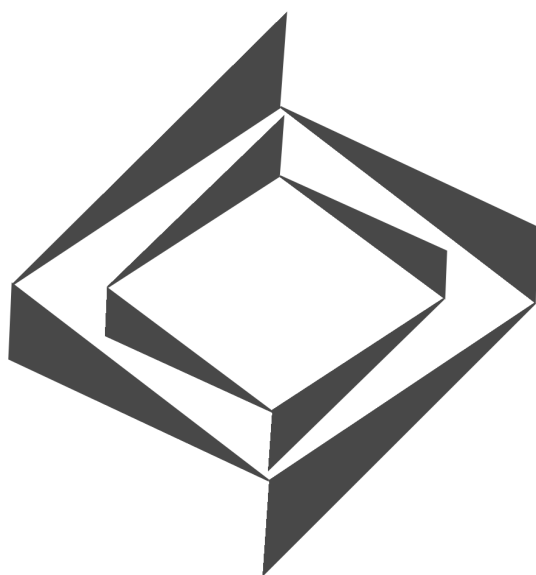


# UNIPLY INDUSTRIES LIMITED



*for all reasons & seasons*

**14<sup>th</sup> Annual Report 2010**

**CONTENTS**

1. Company Information
2. Notice
3. Directors Report & Management Discussion and Analysis
4. Report on Corporate Governance & Certificates thereof
5. Auditors Report
6. Accounts
  - Balance Sheet
  - Profit & Loss Account
  - Cash Flow Statement
  - Balance Sheet Schedules
  - Profit & Loss Schedules
  - Significant Accounting Policies
  - Balance Sheet abstract & Companies General Business Profile
7. Consolidated Auditors Report
8. Consolidated Balance Sheet
9. Accounts of Surge Trading Ltd (WOS)
10. Attendance Slip & Proxy Form

### **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 (Upto 31.03.2010)
Raghuram Nath	Company Secretary
Bankers	State Bank of India Axis Bank Ltd
Auditors	C. Ramasamy & B. Srinivasan Chartered Accountants
Registered Office & Factory	#69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107
Corporate office	#52, Harleys Road, Kilpauk, Chennai, Tamilnadu - 600 010.

**NOTICE**

NOTICE is hereby given that the 14<sup>th</sup> Annual General Meeting of the members of M/s. Uniply Industries Limited will be held on Wednesday the 18<sup>th</sup> Day of August, 2010 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 accounts of the Company for the financial year ended 31<sup>st</sup> March 2010, the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Sudhir Kumar Jena, 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 (Regn. No. 002957S), Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold such office until the conclusion of next Annual General Meeting, to conduct the audit for the financial year 2010-11.”

“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: 27.05.2010

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. Explanatory Statement Pursuant to section 173 of the Companies Act, 1956 relating to special business to be transacted at the Annual General Meeting is annexed.
3. 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.
4. Members are requested to bring their admission slips along with copy of the Annual Report to the Annual General Meeting.

5. 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.
6. The Register of Members and Transfer Registers will remain closed from 11.08.2010 to 18.08.2010 (both days inclusive).
7. 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.
8. As required under clause 49IV G of the Listing agreements with stock exchanges, given below the details of director who is proposed to be reappointed

**Mr. Sudhir Kumar Jena**

Mr. Sudhir Kumar Jena is an eminent practicing chartered accountant, owns office at Chennai, having more than 20 years of rich experience in the field of project finance, accounts and taxation. He is instrumental in advising company in various project matters.

Mr. Sudhir Kumar Jena does not hold any shares in the company as per the information furnished by him.

Except Mr. Sudhir Kumar Jena, none of the directors of the company may be deemed to be concerned or interested in this.

Place: Chennai  
Date: 27.05.2010

By order of the Board

Raghuram Nath  
Company Secretary

**Directors' Report**

To All members,

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report of the company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS**

The highlights of the financial results of the company for the year ended 31.03.2010 as compared with the previous year are as follows:

Rs. In Lacs

	For the year ended 31.03.2010	For the year ended 31.03.2009
Gross Turn Over	9817.26	9380.73
Profit before Interest, Depreciation, Loss on sale of wind mills and Derivative Loss	919.95	(152.50)
Less Interest	501.07	468.20
Less Loss on sale of windmill	370.73	—
Less Derivative Loss	282.20	—
Profit/(Loss) before Depreciation	(234.05)	(620.70)
Less Depreciation	258.20	263.16
Profit/(Loss) before Taxation	(492.25)	(883.86)
Less Provision for Taxation		
Wealth Tax	0.25	0.61
Fringe Benefit Tax	—	5.75
Deferred Tax	(149.61)	(263.97)
Profit/(Loss) after Tax	(342.89)	(626.25)
Prior period expenses/(income)	—	(20.80)
Net Profit/(Loss)	(342.89)	(605.45)
Balance brought forward	(319.32)	86.13
Provision for Dividend and Dividend tax	—	—
Transfer from General Reserve	—	200.00
Balance carried forward to next year	(662.21)	(319.32)

**PERFORMANCE REVIEW**

During the year of operation, your company had achieved a gross turnover of Rs. 9817.26 lacs an increase of 4.65 % as against the previous year gross turnover of Rs. 9380.73 lacs. The operative profits before loss on account of wind mills and derivative is Rs. 919.95 lacs. The net loss of the company stood at Rs. 342.89 lacs as against loss of Rs. 605.45 lacs in the previous year.

**DIVIDEND**

Keeping in view the losses, your Directors regret their inability to declare any dividend.

**SUBSIDIARIES & ASSOCIATES**

During the year under review, M/s. Surge Trading Limited (STL) your Wholly Owned Subsidiary recorded net revenue of Rs. 844.68 lacs (previous year Rs. 519.75 lacs) and net profit stood at Rs. 13.38 lacs (previous year Rs. 3.25 lacs). This company is instrumental in sourcing material for your company and caters marketing your product abroad. Management has belief that the company will perform better in years to come. The audited annual account of M/s. Surge Trading Limited is attached to this annual report.

**DECORATIVE PLYWOOD BUSINESS**

Your company is in the business of manufacturing and marketing of plywood and panel products since inception. During the year under review your company has launched more than 100 varieties of world's finest decorative wood veneers under the brand "ELEMENTZ" in the presence of its business partners from across the country. This may impact material change in turnover & profitability of the Company in coming days.

**DUMPING OF WIND MILL BUSINESS**

Your company was 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 drawn between your company and Shriram EPC Ltd for the settlement of wind mill business. During this year the company has come out of this wind mill business by way of slump sale (Windmill business as a whole) to a group company of the Vendor Company. The net effect of the transaction has been reflected in the balance sheet.

**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 on Corporate Governance is annexed hereto along with Auditors Certificate on its due compliance

**AUDIT COMMITTEE / INVESTOR GRIEVANCE COMMITTEES / REMUNERATION COMMITTEE**

The Board of Directors has constituted three committees i.e. Audit Committee, Investor Grievance committee and Remuneration Committee as per the requirement of Corporate Governance under

the Listing Agreement. The majority of the members of these committees are independent & non executives. The details of members of these Committees are given in Corporate Governance Report.

#### **FIXED DEPOSITS**

The Company has neither accepted nor renewed any Fixed Deposits from the public during the year under review.

#### **DIRECTORS**

During the year Mr. Sudhir Kumar Jena, director retire by rotation at the ensuing annual general meeting and being eligible offers himself for reappointment. Necessary resolution is proposed in the notice to the Annual General Meeting.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The statement containing the necessary information as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed hereto and forms an integral part of this report.

#### **ENVIRONMENT & GREEN INITIATIVE**

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. During the year under review your company has received the State Safety Award for the Year 2006 from the Government of Tamilnadu, Inspector of Factories Department.

#### **A) FOREST STEWARDSHIP COUNCIL - FSC**

Your Company wholly recognizes undying concern for eco friendly environment, continued efforts and worthy contribution to make this planet a safer place. The Company has achieved the distinction of being certified with FSC (Forest Stewardship Council), the fourth plywood manufacturer in the Country to be certified so.

#### **B) INDIAN GREEN BUILDING COUNCIL – IGBC**

During the year under review your company has got membership with IGBC which gave opportunity to play an active role in the advocacy of green buildings and use their logo in correspondence. The Company is in the process of specifying its products for the IGBC projects.

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

Mr. B.L. Bengani aged about 50 years; Managing Director of the Company is a B.Com graduate having 29 years of rich experience in Plywood and allied business. Mr. B.L. 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. 16,29,525/- as net remuneration during the financial year 2009-10.

#### **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 the reappointment, if appointed, 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 explanations under section 217 of the Companies Act, 1956.



## **LISTING WITH STOCK EXCHANGES**

The Equity shares of the Company were listed with Bombay Stock Exchange Ltd. (BSE) & National Stock exchange of India Limited (NSE). The annual listing fee for the financial year 2010-11 was paid within the stipulated time to BSE & NSE.

## **ANNEXURE TO THE DIRECTOR'S REPORT**

### **Under The Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988**

#### **A. Conservation of Energy**

The Company through continuously improving its manufacturing process and efficiency at its all plants and offices continues its endeavour to improve energy conservation and utilization. Energy conservation programs adopted by the Company are:

- (i) Strict watch is kept on idle running of machine and to work the machine at full capacity
- (ii) Installed frequency drivers in machines to save power
- (iii) Machineries are frequently overhauled to work smoothly;
- (iv) Monitoring of power factor is frequently done and we have installed automatic power control systems in the circuit.
- (v) Energy consumption versus production is monitored at regular intervals to check over usage of energy.
- (vi) Continuous monitoring of energy consumption.
- (vii) Voltage is controlled with the installation of automatic voltage controller on transformer.

#### **B. Research and Development (R & D)**

##### **1. Specific areas in which R & D carried out by the Company.**

R&D portfolio consists of product improvement and process optimization with a view to reduce cost and introduction of new environmental friendly products and processes.

##### **2. Benefit derived as a result of the above R & D:**

The new products and process cater the needs of variety of customer segments and aim to reduce cost. Development of eco-friendly processes result in less quantity of effluent and emission. Also designing of 'safe' i.e. non toxic products conform to Euro I Standards

##### **3. Future Plan of action:**

R&D will focus on projects leading to further cost reduction and reduced load on environment.

##### **4. Expenditure on R & D**

No capital expenditure is done towards the R&D. The Company continuously incurs expenses for improving the processes, product quality, etc they cannot be specifically identified as research & development expenses. Thus, the same has not been shown separately.

## **TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION.**

### **1. Efforts in brief, made towards technology absorption, adaptation and innovation.**

The Company absorbs the knowledge of plywood technology from various sources, such as the existing know-how, their own data bank, published literature etc. and thereafter adopts the same to the Company infrastructure, effects improvement to the products and processes of the Company including containment of pollution and control of effluents. Quality assurance managers are placed for each factory and are made independent. With this the complaints have reduced and consumers are feeling

satisfied with our products.

**2. Benefits derived as a result of the above efforts.**

Benefits derived from these efforts include process rationalisation, product quality improvement, and environmental friendly product. With this our Product has got eco mark from BIS and has been referred for Green Building due to low formaldehyde emission products.

**C. Foreign Exchange Earning & Outgo**

During the year under review the foreign exchange earned by the company was

Rs. 68.17 lacs and outgo amounted to Rs. 2608.70 lacs as against Rs. 295.24 lacs and Rs. 3602.05 lacs respectively in the previous year.

For and on behalf of the Board

Place: Chennai  
Date: 27.05.2010

B.L. Bengani  
Chairman and Managing Director

M.L. Pramod Kumar  
Whole time Director