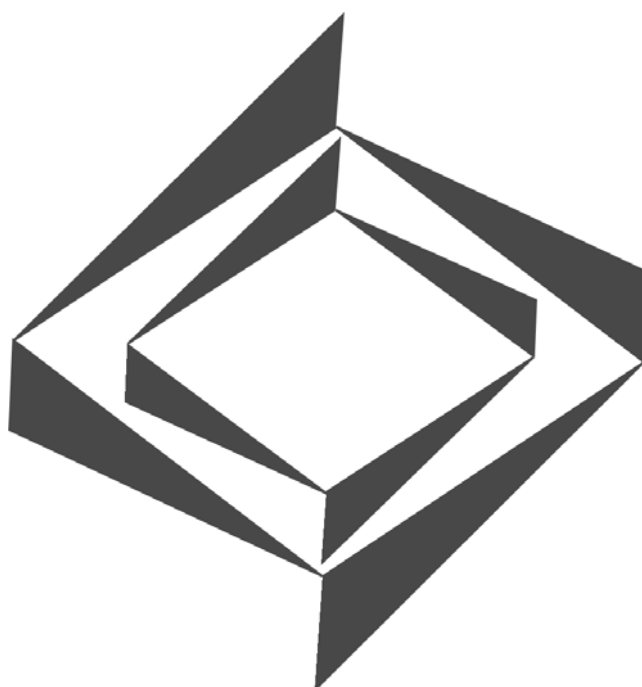


UNIPLY INDUSTRIES LIMITED



for all reasons & seasons

15th Annual Report 2011

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

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the members of M/s. Uniply industries Limited will be held on Tuesday the 2nd Day of August, 2011 at 10 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 31st March 2011, the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. R. Kuppu Rao, 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 next Annual General Meeting, to conduct the audit for the financial year 2011-12.”

“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.”

SPECIAL BUSINESS

4. **To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as a Special Resolution.**

“RESOLVED THAT in accordance with the provision of the section 198, 269,309, 310 and other applicable provisions if any of the Companies Act, 1956 including any statutory modifications or reenactment thereof and subject to the provisions of schedule XIII of the Companies Act, 1956 and as approved by the Remuneration Committee consent be and is hereby accorded to reappoint Mr. M.L. Pramod Kumar, whole time director of the Company with a remuneration of Rs. 1,00,000/- p.m. and perquisites as per schedule XIII of the Companies Act, 1956 for a further period of 3 years w.e.f. 15.09.2011.

FURTHER RESOLVED THAT consent be and is hereby accorded to the board to revise the same from time to time subject to the provision of schedule XIII and other applicable provisions of the Companies Act, 1956.”

5. **To consider and, if thought fit to pass with or without modification the following resolution which will be proposed as a special resolution**

“RESOLVED THAT in accordance with the provision of the section 198, 269,309, 310 and other applicable provisions if any of the Companies Act, 1956 including any statutory modifications or reenactment thereof and subject to the provisions of schedule XIII of the Companies Act, 1956 and as approved by Remuneration Committee consent be and is hereby accorded to re-appoint Mr. B.L. Bengani Managing Director of the Company with a remuneration of Rs. 2,50,000/- p.m. and perquisites as per schedule XIII of the Companies Act, 1956 for a further period of three years w.e.f. 01.04.2012.

FURTHER RESOLVED THAT consent be and is hereby accorded to the board to revise the same from time to time subject to the provision of schedule XIII and other applicable provisions of the Companies Act, 1956.”

6. **To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

“**RESOLVED** that in accordance with the provision of section 314(1) of the Companies Act, 1956 including any statutory modifications or reenactment thereof, the Company hereby consent to Mr. Varun Bengani, son of Mr. B.L. Bengani, Chairman and Managing Director of the company, to continue to hold an office of profit in the Company in the grade of Executive assistant, with

effect from 01.04.2011, with a consolidated salary of Rs. 25000/- p.m.

FURTHER RESOLVED THAT consent be and is hereby accorded to the board to revise the same from time to time subject to the provision of section 314(1) of the Companies Act, 1956 including any statutory modifications or reenactment thereof.”

By order of the Board

Place: Chennai

Date: 13.05.2011

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 26.07.2011 to 02.08.2011(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 per the MCA circular No. 18/2011 dated 29.04.2011 The Ministry of Corporate Affairs has taken Green Initiative in Corporate Governance – by allowing paperless compliances by companies. As per the said circular, companies are permitted to send the annual reports to the members through electronic mode. Hence, members are requested to update their e-mail id and changes there in from time to time with RTA and the Company at investorservices@uniply.in***
9. As required under clause 49IV G of the Listing agreements with stock exchanges, given below the details of director who are proposed to be reappointed

Mr. R. Kuppu Rao

Mr. R. Kuppu. Rao aged about 62 years is a Cost Accountant, Company Secretary, by profession a financial professional. Presently he is serving as an Independent Director in the board. He is having more than 3 decades of rich experience in the field of project finance, accounts and taxation. He is instrumental in advising company in various project matters.

Mr. R. Kuppu Rao does not hold any shares in the company as per the information furnished by him.

Except Mr. R. Kuppu Rao, none of the directors of the company may be deemed to be concerned or interested in this.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 4**

Mr. M.L. Pramod Kumar was earlier appointed as Whole time Director on 15.09.2006 with a remuneration of Rs.40,000/- p.m. and perquisites as per schedule XIII of the Companies act 1956 and again his remuneration was increased to Rs. 1,50,000/- p.m. w.e.f. 15.09.2009. However, Mr. M.L Pramod Kumar had voluntarily requested the management to fix his remuneration Rs. 1,00,000/- p.m. instead of Rs. 1,50,000/- p.m. The board/management took a note of the same and accordingly company is paying him Rs. 1,00,000/- p.m. with Perquisites as per Schedule XIII of the Companies act, 1956.

Mr. M.L. Pramod Kumar aged about 54 years, is a Business Management graduate has been instrumental in the improvement in sales and marketing of Company's products in the Indian markets. His contribution in the growth of Company's business is worth noting. Keeping in view his contribution and potentiality to contribute further, the Board recommends his reappointment as whole time director of the company for a period of 3 years w.e.f. 15.09.2011 with a remuneration of Rs. 1,00,000/- p.m. and perquisites as per schedule XIII of the Companies Act 1956, with power to the board to revise his remuneration from time to time, subject to the provisions of schedule XIII and other applicable provision of the Companies Act 1956.

The general information as required in section II (iv) of part II of Schedule XIII of the Companies Act, 1956 is enclosed.

None of the Directors except Mr. M.L. Pramod Kumar is interested in the resolution, to the extent of his shareholding, re-appointment and remuneration.

Item No. 5

Mr. B.L. Bengani was last appointed as Chairman and Managing Director of the company for a period of three years from 01.04.2009 to 31.03.2012 with a remuneration of Rs.2,50,000/- p.m. and perquisites as per Schedule XIII of the companies Act, 1956.

Mr. B.L. Bengani aged about 51 years and is a commerce graduate. He is the founder promoter of the company. He is the key person behind the growth and development of the company. His knowledge, expertise and efforts are the main reasons behind the growth of the company. He has extended his personal guarantee for all secured loans and liabilities of the company. His day-to-day involvement in the company's activities is inevitable. Keeping in view his roles and responsibilities, the Board recommends his re-appointment as Chairman and Managing Director for a period of 3 years w.e.f. 01.04.2012 with a remuneration of Rs.2,50,000/- p.m. and other perquisites as per Schedule XIII of The Companies Act, 1956 with power to the board to revise his remuneration from time to time, subject to the provisions of schedule XIII and other applicable provision of the Companies Act 1956.

The general information as required in section II (iv) of part II of Schedule XIII of the Companies Act, 1956 is enclosed.

None of the directors except Mr. B.L. Bengani is interested in the resolution except to the extent of his shareholding, re-appointment and remuneration.

Item No. 6.

Mr. Varun Bengani, B.E. in Mechanical Engineering aged 22 years, was appointed as executive assistant to Chairman & Managing Director with effect from 01.07.2010. Presently, he is drawing a consolidated salary of Rs. 7000/- p.m. as approved by the Board of Director. Considering Mr. Varun Bengani's excellent performance and the contribution made by him to the working of the company, the Board of Directors by their Resolution dated 29.04.2011 decided to promote him with more responsibilities with effect from 01.04.2011 on the terms as mentioned in the Resolution.

Mr. Varun Bengani is the son of Mr. B.L. Bengani, Chairman and Managing Director of the Company and hence the revision in the terms of his appointment requires consent of the Company by a Special Resolution under Section 314(1) of the Companies Act, 1956. Accordingly, the enclosed draft Special Resolution is submitted for consideration of the shareholders and the Board commends that the resolution be passed.

None of the directors except Mr. B.L. Bengani, Chairman and Managing Director, is interested in the subject as father of Mr. Varun Bengani

By order of the Board

Place: Chennai

Date: 13.05.2011

Raghuram Nath
Company Secretary

GENERAL INFORMATION FURNISHED AS REQUIRED IN SECTION II(iv) OF PART II OF SCHEDULE XIII OF COMPANIES ACT, 1956 RELATING TO APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. M.L. PRAMOD KUMAR, WHOLE TIME DIRECTOR & MR. B.L. BENGANI, CHAIRMAN AND MANAGING DIRECTOR.

M.L. PRAMOD KUMAR

I. GENERAL INFORMATION:

1. Nature of Industry: - The Company is in the business of manufacturing and marketing of plywood and panel products.
2. Date of commercial production:- 01.01.2001
3. Financial Performance:- As furnished in the Directors Report
4. Export Performance & Net foreign exchange outgo:- As furnished in the Directors Report.

II. INFORMATION ABOUT THE APPOINTEE (MR. M.L. PRAMOD KUMAR):

1. Background details: Mr. M.L. Pramod Kumar is a graduate in Business Management. He started his career with Laminates and Plywood Industry in the year 1982. He is associated with UNIPLY since the year 1997 and has been instrumental in the marketing of the company's products. He has a major contribution in establishing market for the company's product especially in the State of Karnataka, Goa, Keral, Andra Pradesh and the western part of India.
2. Past remuneration: Mr. M.L. Pramod Kumar was earlier appointed as Whole time Director on 15.09.2006 with a remuneration of Rs.40,000/- p.m. and perquisites as per schedule XIII of the Companies act 1956 and again his remuneration was increased to Rs. 1,50,000/- p.m. w.e.f. 15.09.2009. However, Mr. M.L Pramod Kumar had voluntarily requested the management to fix his remuneration Rs. 1,00,000/- instead of Rs. 1,50,000/- p.m. The board/management took a note of the same and accordingly revised the remuneration to Rs. 1,00,000/- p.m.
3. Job Profile and his suitability: Mr. M.L. Pramod Kumar is Whole time Director, looking after the Marketing activities of the company. He has rich experience in marketing of Plywood and panel products.
4. Remuneration proposed: The proposed remuneration of Mr. M.L. Pramod Kumar w.e.f. 15.09.2011 is Rs. 1,00,000/- p.m. with power to the board to revise his remuneration from time to time, subject to the provisions of schedule XIII and other applicable provision of the Companies Act 1956.
5. Pecuniary relationship with company and with other managerial personnel: Mr. M.L. Pramod Kumar is a shareholder, holding 59450 equity shares of the company. He has no other pecuniary relationship with the company except his shareholdings, remuneration and perquisites. He has no relationship with other managerial personnel.

III. OTHER INFORMATION:

1. Reasons for loss or inadequate profits: The inadequacy of profit is due to the accumulated losses on account of Derivative loss, loss on wind mill and thin margin on account of increase in the Raw material price and market competition.
2. Steps taken or proposed to be taken for improvement: Company has taken all round steps to reduce costs, optimize and improve production and productivity.

B.L. BENGANI

I GENERAL INFORMATION:

1. Nature of Industry: - The Company is in the business of manufacturing and marketing of plywood and panel products.
2. Date of commercial production:- 01.01.2001

3. Financial Performance:- As furnished in the Directors Report

4. Export Performance & Net foreign exchange outgo:- As furnished in the Directors Report.

II INFORMATION ABOUT THE APPOINTEE (MR. B.L. BENGANI):

1. Background details: Mr. B.L. Bengani is a commerce graduate and is the founder promoter of the company. He is the key person behind the growth and development of the company. His knowledge, expertise and efforts are the main reasons behind the growth of the company. He has also extended his personal guarantee for all secured loans and liabilities of the company. His day-to-day involvement in the company's activities is commendable and inevitable. Keeping in view his roles and responsibilities, the Board, on the conclusion of the Annual General Meeting, recommends his re-appointment as Chairman and Managing Director for a further period of 3 years w.e.f. 01.04.2012 with the remuneration of Rs.2,50,000/- p.m. and other perquisites as per Schedule XIII of The Companies Act, 1956.
2. Past remuneration: Mr. B.L. Bengani was reappointed as Managing Director on 01.04.2009 for a period of 3 years with remuneration of Rs. 2,50,000/- p.m.
3. Job Profile and his suitability: Mr. B.L. Bengani is the key person in all the functions and overall management of the company. He has rich experience in the Plywood and panel industry.
4. Remuneration proposed: The proposed remuneration of Mr. B.L. Bengani w.e.f. 01.04.2012 is Rs. 2,50,000/- p.m.
5. Pecuniary relationship with company and with other managerial personnel: Mr. B.L. Bengani is the founder promoter and a shareholder of the company holding 55,16,516 shares with relatives and associates. He has no other pecuniary relationship with the company except his shareholdings, remuneration and perquisites. He has no relationship with other managerial personnel.

III OTHER INFORMATION:

1. Reasons for loss or inadequate profits: The inadequacy of profit is due to the accumulated losses on account of Derivative loss, loss on wind mill and thin margin on account of increase in the Raw material price and market competition.

2. Steps taken or proposed to be taken for improvement:

Company has taken all round steps to reduce costs, optimize and improve production and productivity.

Place: Chennai
Date: 13.05.2011

By order of the Board

Raghuram Nath
Company Secretary

Directors' Report

To All members,

Your Directors have pleasure in presenting the 15th Annual Report of the company along with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The highlights of the financial results of the company for the year ended 31.03.2011 as compared with the previous year are as follows:

Rs. In Lacs

	For the year ended 31.03.2011	For the year ended 31.03.2010
Gross Turn Over	11954.39	9817.26
Profit before Interest, Depreciation, Loss on sale of wind mills, Derivative Loss and Tax	914.87	919.95
Less Interest	487.78	501.07
Less Loss on sale of windmill	—	370.73
Less Derivative Loss	—	282.20
Profit/(Loss) before Depreciation & Tax	427.09	(234.05)
Less Depreciation	136.08	258.20
Profit/(Loss) before Taxation	291.01	(492.25)
Less Provision for Taxation		
Wealth Tax	0.30	0.25
Fringe Benefit Tax	—	—
Deferred Tax	89.92	(149.61)
Profit/(Loss) after Tax	200.79	(342.89)
Prior period expenses/(income)	—	—
Net Profit/(Loss)	200.79	(342.89)
Balance brought forward	(662.21)	(319.32)
Provision for Dividend and Dividend tax	—	—
Transfer from General Reserve	—	—
Balance carried forward to next year	(461.42)	(662.21)

PERFORMANCE REVIEW

During the year of operation, your company has achieved a gross turnover of Rs. 11954.39 lacs an increase of 21.73 % as against the previous year gross turnover of Rs. 9817.26 lacs. The operative profits stood at Rs. 914.87 lacs. The PAT stood at Rs. 200.79 lacs as against loss of Rs. 342.89 lacs in the previous year.

DIVIDEND

Keeping in view of the accumulated 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 has recorded net revenue of Rs. 732.76 lacs (previous year Rs. 844.68 lacs) a decrease of 13.25%. However,

the net profit stood at Rs. 23.06 lacs (previous year Rs. 13.38 lacs) an increase of 68.61%. 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. As per the MCA Circular No. 3/2011 dated 21/02/11 the attachment of audited accounts of subsidiary is not mandatory, hence, it is not been attached herewith. However, copy of the same is always available at the registered office of the Company and is available to the shareholders on their demand.

DECORATIVE PLYWOOD BUSINESS

Your company is in the business of manufacturing and marketing of plywood and panel products since inception. The introduction of more than 150 varieties of world's finest decorative wood veneers under the brand "ELEMENTZ" is well accepted in market. During the year under review, your company has opened a show room at New Delhi and proposed to open more retail outlets across India in the period to come. This is likely to improve the turnover & profitability of the Company in coming days.

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. All 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

Mr. R. Kuppu Rao, director is retiring by rotation and being eligible offer himself for reappointment. Necessary resolution is proposed in the notice to the Annual General Meeting.

Mr. M.L. Pramod Kumar is the whole time director of the company appointed till 14.09.2011. Keeping in view his roles and responsibilities as described in detail in Explanatory Statement in the Notice of the Annual General Meeting, the board has recommended his reappointment for a further period of 3 years w.e.f. 15.09.2011.

Mr. B.L. Bengani has been appointed as the Managing Director of the company on 01.04.2009 for a period of 3 years ending on 31.03.2012. Keeping in view his roles, responsibilities and commitment to