

## NOTICE

NOTICE is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of **ARCHIDPLY INDUSTRIES LIMITED** will be held on **Friday, 20th June 2008** at 11.00 a.m. at the Registered Office of the Company situated at 29/2, G. K. Manor, 1<sup>st</sup> floor, Nehru Circle, Sheshadripuram, Bangalore- 560 020 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kamal Kishore Taparia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration and for the purpose, to pass the following resolution, which will be proposed as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions if any, of the Companies Act, 1956 Messrs GRV & PK, Chartered Accountants, Bangalore, the retiring auditors,, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses as may be incurred in the performance of their duties.”

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution:**

“RESOLVED THAT Mr. Mohammed Shahid Aftab, who was appointed as an Additional Director by the Board of Directors of the Company on 7th September 2007 pursuant to Article 81 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting by reason of Section 260 of the Companies Act, 1956 and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing along with a deposit of Rs. 500/- from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of appointment shall not be liable to retirement by rotation.”

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

“RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting of the Company held on 29th September 2007, and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force, and all other applicable guidelines for managerial remuneration issued by the Central Government from time to time or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person, authorized by the Board in this behalf), consent of the Members be and is hereby accorded to the increase of the remuneration of Mr. Krishna Kant Somani, Director- Technical (Mysore Unit) of the Company, on the terms and conditions as set out below :

#### Remuneration:

a) Basic Salary: Rs. 31,000/- (Rupees Thirty One Thousand only) per month with such annual increment (s) as the Board may decide from time to time, subject however, to a ceiling of Rs. 48,000/- (Rupees Forty Eight thousand only) per month.

b) Perquisites:

i) **Housing:** A) house rent allowance of Rs. 8450/- per month.

ii) Conveyance Allowance : Rs.2000/- per month

iii) **Contribution to Provident Fund, Superannuation or Annuity Fund:** The company's contribution to Provident Fund and Superannuation and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, Act, 1961.

iv) **Gratuity and/or contribution to Gratuity Fund of the Company:** Gratuity at the rate of half month's salary for each completed year of service.

v) **Reimbursement** of entertainment, traveling and all other expenses incurred for the business of the Company as per The rules applicable to the Company.

vi) **Other Allowance/benefits/perquisites:** Any other allowances, benefits and perquisites as per the Rules applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.

vii) **Sitting Fees:** The Chairman and Managing director shall not be entitled to any sitting fees for attending meetings of the Board or any committee thereof.

#### **Explanation:**

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Act read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, or otherwise as may be permissible at law. So long as Mr. Krishna Kant Somani functions as the Director- Technical (Mysore Unit) of the Company, he shall not be subject to retirement by rotation.

For the purposes of Gratuity, provident fund, Superannuation and other like benefits, if any, the service of Mr. Krishna Kant Somani, Director- Technical (Mysore Unit) will be considered as continuous service with the Company from the date of his joining the 18<sup>th</sup> January, 2007.

RESOLVED FURTHER THAT the Board be and is hereby authorized to revise the remuneration and perquisites from time to time so as to be in conformity with the Law, for the time being in force.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the forgoing amount of remuneration and perquisites shall be paid to Mr. Krishna Kant Somani as minimum remuneration subject to the applicable provisions of Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

By Order of the Board of Directors  
For Archidply Industries Limited

Bangalore  
23<sup>rd</sup> May, 2008

**Rajneesh Sharma**  
Company Secretary

#### **Registered Office:**

29/2 G.K. Manor, 1st Floor, Nehru Circle,  
Sheshadripuram, Bangalore 560 020.

**NOTES:**

**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. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items nos. 4&5 of the Notice set out above, is annexed hereto.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 14<sup>th</sup> June, 2008 to 20<sup>th</sup> June, 2008 (both days inclusive) in connection with the Annual General Meeting.
3. Members may please bring the Admission Slip duly filed in and may hand over the same at the entrance to the Meeting Hall.
4. Members/Proxy holders are requested to bring their copies of the Annual Report to the meeting as no further copies would be made available as a measure of austerity.
5. The Shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio and (b) notify immediately, any change in their recorded address along with pin code number, to the Company immediately.
6. Consequent upon the introduction of section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send in Form No. 2B in duplicate (which will be made available on request) to the Company.
7. The shareholders seeking information on accounts published herein are requested to kindly furnish their queries to the Company at least ten days before the date of the meeting to facilitate satisfactory replies.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The relevant documents referred to in the Notice are open for inspection at the Registered Office of the company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the meeting.
10. As per the requirement of clause 49 of the listing agreement on Corporate Governance for appointment of the Directors/re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below: below:

Name of the Director	Mr. Kamal Kishore Taparia	Mr. Mohammed Shahid Aftab
Date of Birth	27.06. 1951	22.03.1946
Date of Appointment	03.09.2007	07.09.2007
Qualification	B.E. (Mech) from MBM Engg. College (University of Jodhpur in 1972, Chartered Engineer from Institute of Engineers, Calcutta.	M.Com., CAIIB
Expertise in specified functional area	Having 25 years of experience in the field of marketing of cement industry	Having 35 years experience in the field of Banking & Finance
Shareholding in Archidply Industries Limited	NIL	NIL
List of outside Directorship held excluding Alternate Directorship and Private Companies.	D.S. Kulkarni Developers Limited Bhagyalaxmi Rolling Mill P Ltd	Gujarat Pathugan Energy Corporation P Ltd. Ram Swarup Laghu Udyog Limited Unicorn Powergen Corpn. P Ltd.
Chairman/ Member of the Committee of the Board of Directors of the Company	<u>Member</u> Remuneration Committee	<u>Member</u> Remuneration Committee Audit Committee Shareholders Committee
Chairman/ Member of the Committee of the Board of Directors of other Companies in which he or she is a Director	D.S. Kulkarni Developers Limited Project Planning Committee (Chairman)	NIL
a. Audit Committee	NIL	NIL
b. Investor Grievance committee	NIL	NIL
c. Remuneration Committee	D.S. Kulkarni Developers Limited (Member)	NIL

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:****ITEM NO. 4**

Mr. Mohammed Shahid Aftab was appointed as an Additional Director of the Company with immediate effect by the Board at its meeting held on 7<sup>th</sup> Sept 2007 holding office of a Director only up to the date of the ensuing Annual General Meeting of the Company by virtue of the provisions of section 260 of the Companies Act, 1956 read with Articles of Association of the Company.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the name of Mr. Mohammed Shahid Aftab as a candidate for the office of Director.

The Directors consider that the services of Mr. Mohammed Shahid Aftab as a director will be beneficial to the Company.

The proposed business at item no. 4 of the Notice of this meeting is intended to seek your approval. Your Directors recommend the approval of the Resolution in the interest of the Company.

Except Mr. Mohammed Shahid Aftab, none of the Directors is, in any way concerned or interested in the Resolution at this item of the accompanying notice.

**ITEM NO 5.**

Mr. Krishna Kant Somani was appointed as an Additional Director of the Company with immediate effect by the Board at its meeting held on 18<sup>th</sup> January 2007 holding office of a Director only upto the date of the ensuing Annual General Meeting of the Company by virtue of the provisions of section 260 of the Companies Act, 1956 read with Articles of Association of the Company.

The Board of Directors & Remuneration Committee at its meeting held on 23<sup>rd</sup> May 2008, subject to approval of members, has recommended the remuneration and other terms and conditions of his appointment as Director Technical (Mysore Unit) are set out in the resolution and subject to your approval.

The remuneration of the Director Technical (Mysore Unit) will be so fixed by the Board of Directors from time to time that the Salary and the aggregate value of all the perquisites and allowances shall not exceed the overall ceiling on remuneration approved by the Members in the General Meeting.

The copy of Agreement executed with the Director Technical (Mysore Unit) is available for inspection on all working days except Saturday between 11.00 a.m. to 1.00 p.m. at the registered office of the Company, up to the date of meeting.

The notice along with the explanatory statement is to be regarded as an abstract of the terms and conditions of the appointment of Mr. Krishna Kant Somani as Director Technical (Mysore Unit), under section 302 of the Companies Act, 1956.

The proposed business at item no. 5 of the Notice of this meeting is intended to seek your approval. Your Directors recommend the approval of the Resolution in the interest of the Company.

Except Mr. Krishna Kant Somani, none of the other Directors is, in any way, concerned or interested in the said resolution.

By order of the Board of Directors  
For Archidply Industries Limited

Bangalore  
23<sup>rd</sup> May 2008

**Rajneesh Sharma**  
Company Secretary

**Registered Office:**  
29/2 G.K. Manor, 1st Floor, Nehru Circle,  
Sheshadripuram, Bangalore 560 020.

## Director's Report

### TO THE MEMBERS OF ARCHIDPLY INDUSTRIES LIMITED

Your Directors are pleased to present the twelfth the Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2008.

#### **FINANCIAL RESULTS**

The financial results of the Company during the year under review are summarized as under:

Particulars	(Rs. In Lakhs)	
	Year Ended 31.03.08	Year Ended 31.03.07
Gross sales	14707.53	9842.37
Profit before interest & Depreciation	2621.07	1302.86
Depreciation	372.12	259.33
Interest	646.73	404.82
Profit before tax	1602.22	638.71
Taxation	179.02	113.87
Profit after tax	1423.20	524.84

#### **PERFORMANCE REVIEW**

The Company's total turnover during the year ended 31.03.2008 was Rs. 14707.53 lacs. The Company has achieved a increase of 49.40% in turnover for the current financial year as against the previous year turnover of Rs. 9842.37 lacs. Your Company has earned a profit after tax for current year of Rs.1423.20 lacs as against previous year profit after tax of Rs.524.84 lacs. The increase in profit is mainly due to higher capacity utilisation & revenues from the Uttrakhand Unit.

Your Company continued to target growth in its business areas while simultaneously investing in capacity building activities during the year to cater to the future.

#### **STATUS OF EXPANSION AT CHINTAMANI PROJECT**

The Company has already started its first phase of implementation for setting up a Prelam Particle Board and Decorative Plywood at Chintamani. The land grading and building work is in progress. The Company has completed 60% of land grading work in the first phase of the Project. The plant & machinery of Rs 1.58 Crores has been ordered .

#### **PUBLIC ISSUE**

The Company is planning to visit the capital market for raising funds through its maiden Initial Public Offer [IPO] for its new project at Chintamani & expansion project at Rudrapur, which shall be funded by mixture of debt and equity. The Union Bank of India has sanctioned the term loan of Rs. 21.65 Crores for the setting up of a new unit at Chintamani Unit and Oriental Bank of Commerce has sanctioned term loan of Rs.11.39 Crores for the expansion at Rudrapur Unit.

#### **DIVIDEND**

The Company has ongoing need of financial resources, for the purpose of expansion activities. In order to meet its growing funds requirement, and conserve its resources and to plough back its entire profit into the expansion activities, the directors have decided not to declare dividend for the current year.

#### **EXPORTS**

The Company has already started making its presence in the global market by way of entering the export of Laminates.

**CLEAN DEVELOPMENT MECHANISM (CDM) BENEFIT**

The Rudrapur unit of the Company is eligible for CDM and the Company has obtained the Host Country Approval for "Thermal Energy generation from renewable biomass"

**SUBSIDIARIES OF THE COMPANY**

The Company does not have any subsidiary Company.

**DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.**

Pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed,

- (I) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors 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 the year under review;
- (lii) That the Directors 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 the company and for preventing and detecting fraud and other irregularities; and
- (iv) That the Directors have prepared the accounts for the financial year ended March 31, 2008 on a going concern basis.

**CORPORATE GOVERNANCE**

Your Company has voluntarily complied with the recommendations of the Corporate Governance Code as far as related to the Company even though the clause 49 of the listing Agreement is not applicable to the Company. A report on Corporate Governance and Management Discussion & Analysis are annexed hereto and forms integral part of this report.

**AUDIT COMMITTEE / INVESTOR GRIEVANCE COMMITTEE/ REMUNERATION & COMPENSATION COMMITTEE**

The Board of Directors has constituted three committees i.e. Audit Committee, Investor Grievance committee and Remuneration & Compensation Committee as per the requirement of Corporate Governance under the Listing Agreement. The majority of the members of these committees are independent & non executives.

**FIXED DEPOSITS**

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

**DIRECTORS**

Mr. Mohammed Shahid Aftab has been appointed as Additional Director. Notice pursuant to Section 257 of the Companies Act, 1956 have been received from member proposing the above appointment as Director of your Company. He is eligible for appointment and have offer himself for re-appointment.

Mr. K.K.Taparia, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting. He is eligible for appointment and offer himself for re-appointment.

A brief resume of the Directors being appointed / re-appointed are attached to the Notice for the ensuing Annual General meeting.

## **AUDITORS**

M/s GRV & PK, Chartered Accountants, who are statutory auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their appointment / reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment / reappointment within the meaning of Section 226 of the said Act.

For the observations made by the Auditors in their report are self explanatory and do not require any explanations.

## **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.

## **EMPLOYEE PARTICULARS**

The Statement of employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not annexed, as there are no employees drawing salary exceeding the present limits as provided under the Act.

The relations between the management and employees remain normal and cordial during the year under review.

## **ACKNOWLEDGMENTS**

Your Directors wish to place on record their deep sense of appreciation for the dedication, commitment and contribution made by the employees at all levels during this year. Their unstinted support has been and continues to be integral part to your Company's ongoing growth.

Your Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Company's Bankers, Central and State Governments, Local Govt. agencies, Shareholders and business associates for their continued co-operation and Support

**FOR AND ON BEHALF OF THE BOARD  
OF ARCHIDPLY INDUSTRIES LIMITED**

**Place: Bangalore  
Date: 23.05.2008**

**Deen Dayal Daga  
(Chairman & Managing Director)**



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

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

Energy Conservation through continuous improvement in efficiency is given high priority in all plants and offices of the Company.

Energy conservation programs adopted by the Company are:

- (i) Continuous monitoring of energy consumption;
- (ii) Voltage is controlled with the installation of automatic voltage controller on transformer
- (iii) Energy consumption versus production is monitored at regular intervals to check over usage of energy.
- (iv) Monitoring of power factor is frequently done and we have installed automatic power control systems in the circuit.
- (v) Machineries are frequently overhauled to work smoothly;
- (vi) Strict watch is kept on idle running of machine and to work the machine at full capacity
- (vii) Boilers feeding system is modified to use agro based fuel like rice husk, etc. to replace coal and wood.

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

#### **Specific areas of R&D Activities & Benefits derived there from**

1. Continuous research is done to make the best quality and economical resin for manufacturing of particle board & plywood due to which we have established our own formulations and we are able to process resin ourselves. We have developed eco- friendly resin with less formaldehyde emission for making the plywood.
2. We have developed two stage impregnation systems for preparing paper for lamination, with this we are able to save on the resin cost.
3. Due to continuous experiments and better results got we have developed lamiply & lamiboard products of BWR grade quality. This is helping the consumers to get ready to use Prelaminated plywood and block board.
4. We have developed our own resin and process for the fire resistant post forming laminate sheet.

### **Future Plan**

- a. Improving interactions with research institutes like Indian Plywood Industries Research & Training Institute(IPIRTI), Bangalore and FRI Dehradun
- b. Making the products made by using Eucalyptus and popular based to match with the quality of product made by using 'A' grade timber.
- c. Development of economical resin to substitute Phenolic resin, as the phenol price is going higher.
- d. Continuous research to develop new products like hollow core flush doors, partition walls and furniture components using honey comb filler

### **Technology Absorption, Adoption & Innovation**

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  
Improvement in quality has helped in building up the brand image  
Expansion of product range  
Improvement in existing processing and efficiency of the plant working.

### **C. Foreign Exchange Earning & Outgo**

Earnings: Rs.9730094.

Outgo : Rs.234521

## Report on Corporate Governance

### Company's philosophy on Code of Governance

The Company believes in carrying on its all operations, activities and actions ensures highest level of transparency, accountability and equity leading to the good corporate governance and maximising the long term values to the shareholders. The Company is committed towards achieving the best standards of corporate governance.

### Board of Directors

The Board of Directors of the Company consists of an optimum combination of executive and non-executive directors. The Board of directors comprises 8 Directors out of which 4 Directors are Non-executive Directors. The Company has an Executive Chairman and not less than half of the total strength of the Board comprises of independent directors. The Company has four Independent Directors. None of the Directors on the Company's Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them in other Companies.

There is no pecuniary relationship or transaction of the non-executive directors with the Company.

During the year under review, 12 Board Meetings were held on 04.04.2007, 21.06.2007, 26.06.2007, 14.08.2007, 03.09.2007, 07.09.2007, 21.09.2007, 24.10.2007, 31.10.2007, 15.11.2007, 14.01.2008 and 23.02.2008. There has not been a time gap in excess of four months between any two meetings of the Board of Directors. The requisite information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board Meetings. The composition of the Board, attendance at Board Meetings (BM) held during the financial year (FY) under review and at last Annual General Meeting (AGM) and number of directorships and Memberships/ Chairmanships in other Public Companies are given below:

Name of the Director (Designation)	Category	FY 2007-08 Attendance at		No. Of Other Director- ships held	Other Committee Positions	
		BM	Last AGM		Member	Chairman
Mr.Deendayal Daga (Chairman & Managing Director)	Promoter	10	YES	1	NIL	NIL
Mr.Shyam Daga (Joint Managing Director)	Promoter	12	YES	1	NIL	NIL
Mr.Rajiv Daga (Executive Director)	Promoter	10	YES	NIL	NIL	NIL
Mr.A.Ananthachar**	Executive & Non Independent	4	NO	NIL	NIL	NIL
Mr.N.S.Adkoli (Director)	Independent	1	YES	1	NIL	NIL
Mr.K.K.Somani (Director) Technical - Mysore	Executive & Non Independent	8	NO	1	NIL	NIL
Mr. K.K. Taparia*** (Director)	Independent	1	NO	1	NIL	NIL
Mr. B.H. Rathi*** (Director)	Independent	1	NO	NIL	NIL	NIL
Mr. M.S. Aftab* (Director)	Independent	1	NO	1	NIL	NIL

- ^ Excludes directorships held in Private Companies and Companies incorporated under Section 25 of the Companies Act, 1956.
- \* Appointed as Additional Director w.e.f. 07.09.2007.
- \*\* Resigned from Directorship w.e.f. 03.09.2007.
- \*\*\* Appointed as additional director w.e.f. 03.09.2007

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, one-third directors of the Company retire at every Annual General Meeting. Accordingly, Mr. K.K.Taparia would retire by rotation at the ensuing Annual General Meeting of the company and being eligible they offer themselves for reappointment. Mr. M.S.Aftab who were appointed as Additional Director on the Board of the Company under Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from Member under Section 257 of the Companies Act, 1956 proposing him to be appointed as the Directors of the Company. Information as required under Clause 49(VI) of the Listing Agreement on director's appointed/reappointed at this Annual General Meeting is annexed to the Notice of the Annual General Meeting

### **Audit Committee**

#### **Composition & Terms of Reference:**

The Audit Committee comprises of Mr. M.S.Aftab, Mr.B.H. Rathi, Mr. N.S.Adkoli and Mr. Shyam Daga, Directors of the Company as its Members and Mr. Rajneesh Sharma, Company Secretary of the Company as Secretary to the Committee. The terms of reference of the Committee includes the matters specified for Audit Committee under the Listing Agreement.

Meetings and attendance during the Year:

The Audit Committee was constituted on 03.09.2007, no meeting was held during the financial year ended 31.03.2008:

<b>Name of Director</b>	<b>Category of Director</b>	<b>No. Of meetings attended</b>
Mr. M.S.Aftab	Non-executive, Independent	NIL
Mr. N.S.Adkoli	Non-executive, Independent	NIL
Mr. B.H. Rathi	Non-executive, Promoter	NIL
Mr. Shyam Daga	Executive, Promoter	NIL

### **Remuneration Committee:**

#### **Composition & Terms of Reference:**

The Remuneration Committee comprises of Mr. M.S.Aftab, Mr.B.H. Rathi, Mr. N.S.Adkoli and Mr. Kamal Kishore Taparia, Directors of the Company. The terms of reference of the Committee includes to determine the company's policy on specific remuneration packages for executive directors and managerial personnel including pension rights and any compensation payment and to deal with and approve remuneration of executive directors and managerial personnel of the Company in accordance with and subject to the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Meetings and attendance during the Year:

The Remuneration Committee was constituted on 03.09.2007, one meeting on 14.11.2007 was held during the financial year ended 31.03.2008:

Name of Director	Category of Director	No. Of meetings attended
Mr. M.S.Aftab	Non-executive, Independent	1
Mr. B.H. Rathi	Non-executive, Independent	1
Mr. N.S. Adkoli	Non-executive, Independent	1
Mr. K.K. Taparia	Non-executive, Independent	1

#### **Details of Remuneration paid to Directors**

##### a) Executive Directors

All elements of remuneration package i.e. salary, benefits, bonuses, etc. paid to Executive Directors are as under:  
(In Rs.)

Name of Director	Basic Salary	HRA	Total
Mr. Deen Dayal Daga*	810000	486000	1296000
Mr. Shyam Daga	912258	650322	1562580
Mr. Rajiv Daga	720000	520255	1240255
Mr. K.K.Somani	288000	84000	372000

\* Salary paid w.e.f 01.07.2007

- i) No commission is payable to the Executive Directors.
- ii) No sitting fee is paid to Executive Directors for attending the Meeting of Board of Directors of the Company or committees thereof.
- iii) There is no separate provision for payment of severance fees.

##### b) Non-Executive Directors

Non-executive Directors are paid the sitting fees for attending the Board Meetings and Committee Meetings

(In Rs.)

Name of Director	Sitting Fees for Board Meeting	Sitting fees for Committee Meeting
Mr. M.S.Aftab	15000	10000
Mr. B.H.Rathi	15000	10000
Mr. N.S.Adkoli	15000	10000
Mr. K.K.Taparia	15000	10000

#### **Shareholders Grievances Committee:**

The Shareholders Committee comprises of Mr. M.S. Aftab, Mr. N.S. Adkoli, Mr. Rajiv Daga & Mr. B.H. Rathi, as its Members and Mr. Rajneesh Sharma, Company Secretary as Secretary to the Committee, which looks into the Shareholders and investors related matters.

#### **Meetings and the attendance during the year:**

The Shareholders Grievances Committee was constituted on 03.09.2007, no meeting was held during the financial year ended 31.03.2008:

Name of Director	Category of Director	No. Of meetings attended
Mr. M.S.Aftab	Non-executive, Independent	NIL
Mr. N.S.Adkoli	Non-executive, Independent	NIL
Mr. B.H. Rathi	Non-executive, Independent	NIL
Mr. Rajiv Daga	Executive, Promoter	NIL

Mr.Rajneesh Sharma, Company Secretary is the Compliance Officer of the Company.

None of the complaints received from the shareholders by the company during the year.

### **General Body Meetings**

- i) Details of the location and time of the last three AGM's held

Year	Location	Date	Time
2007	No. 29/2 G.K. Manor, Ist Floor, Nehru Nagar Circle, Sheshadripuram, Bangalore 560020	29.09.2007	11:00 A.M.
2006	No. 29/2 G.K. Manor, Ist Floor, Nehru Nagar Circle, Sheshadripuram, Bangalore 560020	18.09.2006	11:00 A.M.
2005	No. 29/2 G.K. Manor, Ist Floor, Nehru Nagar Circle, Sheshadripuram, Bangalore 560020	21.06.2005	11:00 A.M.

Details of the location and time of the Extraordinary General Meeting held

Year	Location / Purpose	Date	Time
2007	No. 29/2 G.K. Manor, Ist Floor, Nehru Nagar Circle, Sheshadripuram, Bangalore 56 0020 (Change of Name)	20.03.2007	11:00 A.M.
2006	No. 29/2 G.K. Manor, Ist Floor, Nehru Nagar Circle, Sheshadripuram, Bangalore 56 0020 (Increase in Authorised Share Capital to Rs 25 Crores )	17.11.2006	11:00 A.M.

- ii) No Special Resolutions were put through postal ballot last year.

### **Disclosures**

None of the transactions with any of the related party was in conflict with the interest of the Company at large. The details of related party transactions are given in the Notes to Accounts forming part of the Annual Accounts. No strictures/penalties have been imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority on any matters related to capital markets during the last three years.

## Means of Communication

	i) Half yearly reports sent to each household of shareholder	NO
	ii) Quarterly Results sent to each shareholder	NO
	iii) In which newspaper the results are normally published in	NIL
	iv) Any Website, where results are displayed	www.archidply.com
	v) Whether it also displays official news releases and the presentations made to institutional investors or to the analysts.	NO
	vi) Whether MD&A are part of Annual Report	Yes
	vii) Whether shareholders information forms part of Annual Report	Yes

## General Shareholder Information

### 1) Annual General Meeting.

Year	Location	Date	Time
2008	No. 29/2 G.K. Manor, Ist Floor, Nehru Nagar Circle, Sheshadripuram, Bangalore 56 0020 (Change of Name)	20.06.2008	11:00 A.M.

### 2) Tentative Financial Calendar 2007-08

Unaudited results for quarter ending June 30, 2008: Last week of July 2008  
Unaudited results for quarter ending Sept 30, 2008: Last week of October 2008  
Unaudited results for quarter ending Dec. 31, 2008: Last week of January 2009  
Audited results for the year ending March 31, 2009: Last week of June 2009  
Annual General Meeting for the year ended 31.03.2009: August -September, 2009

### 3) Date of Book Closure

14th June, 08 to 20th June, 08 (Both days inclusive)

### 4) Dividend payment date

Not Applicable. No Dividend recommended.

### 5) Listing on stock exchanges

#### Proposed Listing\*

The Stock Exchange, Mumbai (BSE)\*  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

National Stock Exchange (NSE)  
 National Stock Exchange of India Ltd.  
 Exchange Plaza, Plot no. C/1,  
 G Block, Bandra-Kurla Complex,  
 Bandra (E), Mumbai - 400 051.

\* In Principle Approval Obtained

- 6) **Stock code**  
NA
- 7) **Market Price Data**  
NA
- 8) **Performance in comparison to BSE Sensex**  
NA
- 9) **Registrar & Transfer Agents**  
 Karvy Computershare Private Limited  
 Plot no. 17 to 24 , Vithalrao Nagar,  
 Madhapur, Hyderabad 500 086  
 Tel : 1-800-3454001, Fax : 23420814  
 Email : einward.ris@karvy.com
- 10) **Share Transfer System**  
 Physical Share Transfers lodged for transfer are processed and the share certificates are generally returned within a period of 15 days from the date of receipt if the documents are clear in all respects.
- 11) **Distribution of Shareholdings**  
 The distribution of shareholding as on as on 31.03.2008 is given as under:

No. of Shares	No.of Shares held	% of Total Shares	Number of Shareholders	Number of Shareholders
Up to 500	540	0.00	9	19.15
501 to 1000	2600	0.02	3	6.38
1001 to 2000	2000	0.01	1	2.13
2001 to 3000	0	0.00	0	0.00
3001 to 4000	0	0.00	0	0.00
4001 to 5000	8200	0.05	2	4.26
5001 to 10000	43560	0.28	6	12.77
10001 & above	15327380	99.63	26	55.32
<b>Total</b>	<b>15384280</b>	<b>100.00</b>	<b>47</b>	<b>100.00</b>

Shareholding Pattern as on 31st March, 2008

Category	No. of Shares Held	% of holding
A. Promoters Holding		
1. Promoters		
Indian Promoters	7300080	47.45
Foreign Promoters	NIL	0.00
2. Persons Acting in Concert	7727600	50.23
Sub Total	15037680	97.68
B. Non Promoters Holding		
C. Institutional Investors		
1. Mutual Funds & UTI	0	0.00
2. Banks, Financial Institutions, Insurance companies, Central/State Govt. institutions, Non Govt. Institutions	0	0.00
3. FII's	0	0.00
Sub Total	0	0.00
D. Others		
1. Private Corporate Bodies	0	0.00
2. Indian Public	322080	2.09
3. NRIs/OCBs	34520	0.23
4. Any other (Clearing Member)	0	0.00
Sub Total	352500	2.32
Grand Total	15384280	100.0

NOTE: Total Foreign Holding 34520 0.22%

12. Dematerialisation of Shares and liquidity.

NA

Shares Held	No. of shares	% of Total Issued Capital
In dematerialisation form with CDSL	NIL	0.00
In dematerialisation form with NSDL	NIL	0.00
In Physical form	15384280	100.00
TOTAL	15384280	100.00

13. Outstanding GDRs

Not Applicable. There were no outstanding GDRs/ADRs/ Warrants or any other Convertible Instruments as on 31.03.2008.



**14. Plant locations**

Rudrapur (Unit I)	Plot No. 6A, Sector 9, Pant Nagar Industrial Area, Khasra No. 210, Pool Bagh, Kichha, Udham Singh Nagar, Rudrapur Uttarakhand
Mysore (Unit II)	Mysore-Hunsur Road, Hinkal, Mysore, Karnataka 570 017
Mysore (Unit III)	No. 277, C-D/1 & C-D/3, Hebbal Industrial Area, Mysore 570 018

**15. Address for correspondence  
Registered Office:**

**ARCHIDPLY INDUSTRIES LTD**  
#No.29/2, G.K.Manor,  
I Floor, Nehru Nagar Circle  
Sheshadripuram,  
Bangalore 560 020  
Ph: 080-2344 5607 / 2344 0258 / 23348461  
Fax: 080-2334 8463  
E-mail: info@archidply.com  
Website: www.archidply.com

**Non- Mandatory Requirements**

The company has not adopted any of the non-mandatory requirements as enumerated in Annexure 3 to Clause 49 of the Listing Agreement except the constitution of Remuneration Committee

**Affirmation regarding Compliance with the Code of Conduct**

The Company has adopted Code of Conduct for all its employees, including the Senior Management Personnel and Board Members and these Codes are available on the Company's website (www.archidply.com).

I hereby confirm that all Board members and senior management personnel have affirmed compliance with the Code of Conduct applicable to them.

**FOR AND ON BEHALF OF THE BOARD  
Of ARCHIDPLY INDUSTRIES LIMITED**

**Place: Bangalore  
Date: 23.05.2008**

**Deen Dayal Daga  
(Chairman & Managing Director)**

## CERTIFICATE ON CORPORATE GOVERNANCE

### **TO THE MEMBERS OF ARCHIDPLY INDUSTRIES LIMITED**

We have examined the compliance of conditions of corporate governance by **ARCHIDPLY INDUSTRIES LIMITED**, for the year ended 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that, there was no investor grievance pending against the company for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

**GRV& PK**  
Chartered Accountants

**(H. Ganpatlal Kawad)**  
Partner

Place: Bangalore  
Date: May 23, 2008

## Management Discussion and Analysis Report

### 1. Industry Structure and Developments

Broadly the wood panel and decorative surfacing products come under the building material category and can be further narrowed down to interior infrastructure or interior solutions sector.

From application and market growth opportunities the following products will form part of the interior infrastructure sector, marble, granite of all kinds , paints , sanitary ware , gypsum boards , glass , plywood , decorative veneers, decorative laminates , particleboards and mdf, carpets , ready made furniture , wooden flooring , electrical fittings , air conditioners etc .

The sector is witnessing tremendous growth driven by retail stores ( fast expanding chain of stores concepts coming all over India lead by large firms like Reliance , Aditya Birla , Tatas ,Bharti etc ) , Corporate spaces ( IT and BPO sector ) , hospitality sector ( restaurants, lounges , hotels and resorts expansion by existing chains like Leela ventures , Trident Hilton , Marriot , Radisson etc new budget hotel chains like Ginger from Taj group etc resorts like club Mahindra etc) , services sector ( banking and financial services like new banks and new branches Kotak, Yes Bank , Barclays etc , mutual funds offices , renovation of existing psu bank branches to meet the standards set by private banks like ICICI etc insurance companies like max new york , etc ) entertainment sector ( like multiplexes by inox , fun cinemas , pvr etc) , housing sector fuelled by govt thrust for housing sector and encouragement for housing loans ( from budget housing of MAP of the Indian army to high end apartments and row houses and villas coming across by groups like DLF , EMAAR , Parsvnath , Hiranandani etc) Hospitals and health care ( Apollo , wockhardt , manipal etc hospitals expansions ) infrastructure projects( like airports , railways , sezs etc)

The above are just to name some of the big names. This trendz is fuelling the growth in the interior infrastructure sector with conservative estimates of 15-20%.

### 2. Opportunities

The growth in the infrastructure & housing industry is assumed to grow at the steady pace during the coming years, which shall in turn result in the continual substantial demand of plywood and related products. In future the estimated growth in branded organized sector is 30% as against the unorganized sector estimated growth to 15%.

Your company is well positioned to take advantage of the opportunities in the market and post an astonishing performance in the current year.

### 3. Financial Performance

The following are relevant financial performance details with respect to the operational performance of the Company.

Salient features relating to the Profit & Loss Account:

	(Rs. In Lacs)
Particulars	2007-08
Sales	14707.53
Other Income	120.30
Total Revenues	14827.83
Cost of Sales	7850.49
Excise duty and Sales Tax	1305.44
Manufacturing Expenses	752.71
Personnel exp	802.36
Selling, Distribution and Administrative Overheads	1434.13
Interest & Financial charge	708.36
Depreciation	13225.61
Total Expenditure	13225.61
Profit Before Tax	1602.22
Tax	179.02
Profit after Tax	1423.20

The Company has already started its first phase of implementation for setting up a Prelam Particle Board and Decorative Plywood at Chintamani. The land grading and building work is in progress. The Company has completed 60% of land grading work in the first phase of the Project. The plant & machinery of Rs 1.58 Crores has been ordered placed.

During the year the Company has achieved a turnover of Rs 14707.53 lacs and earns profit before Depreciation, Interest and Tax [PBIDT] of Rs. 2621.07 lacs ( margin 17.82%) and profit after taxes of Rs. 1423.20 lacs( margin 9.67% ). The margins are comparable with the peers in the Industry. The Segment wise performance has been given elsewhere in the Report.

The Company is planning to visit the capital market for raising funds through its maiden Initial Public Offer [IPO] for its new project at Chintamani & expansion project at Rudrapur, which shall be funded by mixture of debt and equity. The Union Bank of India has sanctioned the term loan of Rs. 21.65 Crores for the setting up of a new unit at Chintamani Unit and Oriental Bank of Commerce has sanctioned term loan of Rs.11.39 Crores for the expansion at Rudrapur Unit.

#### **4. Outlook**

The Company's outlook for the year ending 31st March, 2009 is to achieve positive growth in the business and ramp up the business to significant levels. Our Vision is to be one of India's premier wood panel interior solutions company. The future vision of the Company is to fully integrate its core area of plywood industry which includes integration of supply chain as well as forward integration which includes retailing. Further, the Company's goal is to become a well-diversified Company in the long run by diversifying in other areas of power generation projects & forest farming.

#### **5. Risks and Concerns.**

The company is exposed to the normal industry risk factors of interest rate volatility, economic cycle, and credit risk. The Company manages these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

#### **6. Internal Control Systems and their adequacy.**

The Company has in place adequate systems of internal control and document procedures covering all financial and operating functions. The Company has well defined roles, responsibilities and authorities for employees at all levels. The Company continuously improves various quality processes in line with customer expectations.

Further, the Company has successfully implement ERP Tally package which will help in integrating Head Office, factory & branches and thus resulting in increase of efficiencies and further strengthen our internal control processes and system

The Company has also obtained ISO 9001 certification for its standard quality & processes implemented in the organization.

The Company has also constituted the audit committee comprising of Independent Directors of the Company which reviews regularly the adequacy of internal control system, audit plans, significant audit findings as well as compliance with Accounting Standards.

With these, ongoing initiatives, there are adequate internal control systems in the Company.

#### **7. Human Resources**

The Company has adopted new Human Resource Policy to reorganize its organization structure and role and responsibilities. Industrial Relations at all the levels remained cordial throughout the year. Your Company has created a friendly atmosphere that helps retaining talented professionals and nurturing their career growth along with the growth of the Organization. Your Company is confident of reaping the best from its human assets in the years to come.

#### **8. Cautionary Note**

Certain statements in this section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

**FOR AND ON BEHALF OF THE BOARD  
Of ARCHIDPLY INDUSTRIES LIMITED**

**Place: Bangalore  
Date: 23.05.2008**

**Deen Dayal Daga  
(Chairman & Managing Director)**

## Auditor's Report

To the Members of  
M/S. ARCHIDPLY INDUSTRIES LIMITED.

1. We have audited the attached Balance sheet of M/s ARCHIDPLY INDUSTRIES LIMITED as at 31st March 2008, the Profit & Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of section 227 ( 4 A ) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above :

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of such books;

c) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;

d) In our opinion the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 ( 3 C ) of the Companies Act, 1956.

e) In our opinion & to the best of our information & according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:-

i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;

ii. In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date;

iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

5. On the basis of written representations from the directors, as on 31<sup>st</sup> March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as a director in terms of Section 274 ( 1 ) ( g ) of the Companies Act, 1956;

For GRV & P K  
Chartered Accountants,

(H. Ganpatlal Kawad)  
Partner  
M. No. 204840

Place: Bangalore  
Date :23.05.2008

## **ANNEXURE TO THE AUDITORS' REPORT**

( REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE )

1. In respect of its Fixed Assets :
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - b) As explained to us, fixed assets have been physically verified by the management on regular intervals during the year and there is regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The fixed Assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. In respect of its inventories :
  - a) As explained to us physical verification of the Inventory has been conducted by management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies noticed on physical verification.
3.
  - a) The Company has given Loans and Advances to one Company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.53775607/- and the year end balance of loans and advances granted to such company was Rs.28065138/-. The Companies has not granted loans and advances to firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
  - b) The Company has taken unsecured loan from one Company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs. 59657757/- and the year end balance of loans received from such Company was Rs.2300000/.
  - c) The other terms and conditions on which loan given and interest free loan taken from the company or to the company listed in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
  - d) The above Loans and Advances granted and taken are repayable on demand.
  - e) There is no overdue amount in respect of these Loans and Advances as these are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in such internal controls.

- 5 In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market price at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted deposits in terms of Sections 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956.
- 7 In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- 8 The provisions of clause (d) of sub - section (1) of Section 209 of the Companies Act, 1956 for maintenance of cost records prescribed by the Central Government is not applicable to the company.
- 9 In respect of Statutory dues
- a) According to the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, IncomeTax, Sales Tax, Mandi Tax, VAT, Service Tax, Custom duty, Excise duty, cess and any other material statutory dues with the appropriate authorities during the year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2008 for a period more than six months. From the date they became Payable.
- c) According to the information and explanations given to us, details of disputed Sales Tax, Income Tax, Customs Duty, Service Tax, Excise duty and Cess which have not been deposited as on 31st March, 2008 on account Of any dispute are given below:

Name of Statute	Nature of the dues	Disputed amount pending	Period to which the amount relates (Financial Years)	Forum where dispute is pending.
Forest department, Government of Karnataka	Additional Seigniorage	Rs. 16,04,022.77	1980-81 & 1981-82	Representation to Forest department at that point of time.
Entry tax Act & KST Act	Additional Entry tax & Additional KST	Rs. 23,83,161/-	2001-2004	Deputy Commissioner of Commercial Tax
Central Excise Act	Excise duty & Penalty	Excise duty Rs.81,01,637/ & Penalty Rs.81,01,637/	2000-2003	Custom, Excise & Service Tax Appellate Tribunal

10. The company does not have any accumulated losses at the end of this year and has not incurred cash losses in the financial year ending 31st March, 2008 and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to the financial institutions and banks.
12. In our opinion and according to explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. All investments of the company are held in its own name.
15. In our opinion and according to the information and explanations given to us, the company has not given guarantees for loans taken by others from bank or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans availed by the Company were prima-facie applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investments.
18. During the year under considerations, the Company has made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion each of the transactions has been made at price, which is not prejudicial to the interest of the Company.
19. In our opinion and according to the information and explanations given to us the company has not issued any secured debentures during the year covered by our audit.
20. The company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For G R V & P K  
Chartered Accountants

**(H. Ganpatlal Kawad)**  
Partner  
Member ship No.204840

Place: Bangalore  
Date: 23.05.2008



**ARCHIDPLY INDUSTRIES LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH, 2008**

PARTICULARS	SCHEDULES	(Amount in Rs.)	
		As on 31.03.2008	As on 31.03.2007
<b><u>SOURCES OF FUNDS</u></b>			
Share Holder's Fund			
Share Capital	1	153,842,800	153,048,800
Reserve And Surplus	2	270,728,734	121,262,306
		424,571,534	274,311,106
<b>Loan Funds</b>			
Secured Loans	3	537,470,285	484,795,720
Unsecured Loans	4	38,00,000	64,686,843
		541,270,284	549,482,563
<b>Deferred Tax Liabilities</b>		1,835,831	5,035,831
	<b>Total</b>	<b>967,677,649</b>	<b>828,829,500</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	5	539,912,653	520,971,602
Less Depreciation		146,991,869	110,218,473
Net Block		392,920,784	410,753,128
Capital Work In Progress		17,010,091	804,725
		409,930,875	411,557,853
<b>Investments</b>	6	213,039	221,749
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	262,439,695	258,780,507
Sundry Debtors	8	398,094,033	319,003,695
Cash and Bank Balances	9	49,765,297	27,450,370
Loans and Advances	10	100,104,963	54,302,918
		810,403,988	659,537,491
<b>Less Current Liabilities &amp; Provisions</b>	11		
Current Liabilities		233,252,863	230,064,412
Provisions		21,100,000	14,400,000
		556,051,125	415,073,079
<b>NET CURRENT ASSETS</b>			
<b>MISCELLANEOUS EXPENDITURE</b> ( to the extent not written off or adjusted)	12	1,482,611	1,976,818
	<b>Total</b>	<b>967,677,649</b>	<b>828,829,500</b>

SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS

20

For and on Behalf of the Board

As per our Report of even date attached here to  
 For GRV & PK  
 Chartered Accountants

**H Ganpatlal Kawad**  
 Partner  
 Membership No.204840

**Deen Dayal Daga**  
 Chairman &  
 Managing Director

**Rajiv Daga**  
 Executive Director

**Rajneesh Sharma**  
 Company Secretary

Place : Bangalore  
 Dated : 23.05.2008

**ARCHIDPLY INDUSTRIES LIMITED**  
**PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH 2008**

(Amount in Rs.)

PARTICULARS	SCHEDULES	For the Year ended 31.03.2008	For the Year ended 31.03.2007
<b>INCOME :</b>			
Gross Sales		1470,753,047	984,237,351
Other Income	13	12,030,284	7,520,509
<b>Total</b>		<b>1,482,783,331</b>	<b>991,757,860</b>
<b>EXPENDITURE :</b>			
Cost of Goods consumed / sold	14	785,049,047	584,227,773
Excise Duty & Sales tax paid	15	130,544,151	84,104,286
Manufacturing Expenses	16	75,271,711	68,459,482
Payments to and Provision for Employees	17	80,235,926	56,323,856
Selling, Distribution, Administrative & Other Exp	18	143,413,567	68,355,303
Interest	19	70,835,789	40,482,013
Depreciation	5	37,212,712	25,933,550
<b>Total</b>		<b>1,322,562,903</b>	<b>927,886,263</b>
<b>PROFIT BEFORE TAXATION</b>		<b>160,220,428</b>	<b>63,871,597</b>
Provision for :			
Current Tax		19,700,000	13,200,000
Deferred Tax		(3,200,000)	(3,013,159)
Fringe Benefit Tax		1,400,000	1,200,000
<b>PROFIT AFTER TAXATION</b>		<b>142,320,428</b>	<b>52,484,756</b>
Balance brought forward from last year		-	
Balance carried to Balance sheet		52,484,756	0
Amount Transferred to General Reserve		194,805,184	-
Amount Transferred to Balance Sheet		-	52,484,756
Earning Per Share (Rs.) Basic & Diluted		9.27	10.40

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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As per our Report of even date attached here to  
For GRV & PK  
Chartered Accountants

For and on Behalf of the Board

**H Ganpatlal Kawad**  
Partner  
Membership No.204840

**Deen Dayal Daga**  
Chairman &  
Managing Director

**Rajiv Daga**  
Executive Director

**Rajneesh Sharma**  
Company Secretary

Place : Bangalore  
Dated : 28.05.2008

## Financials

### SCHEDULES TO BALANCE SHEET & PROFIT & LOSS ACCOUNT AS AT 31-03-2008

(Amount in Rs.)

	As on 31.03.08	As on 31.03.07
<b>SCHEDULE :- 1 SHARE CAPITAL</b>		
Authorised 25000000 ( Previous Year 25000000) Equity Shares of Rs. 10/- each.	250,000,000	250,000,000
IssuedSubscribed and Paid Up 15384280 Equity shares of Rs. 10/- fully paid up. (Previous Year 15304880)	153,842,800	153,048,800
Out of the above 11568180 Equity shares of Rs. 10/- each issued as fully paid up for acquiring the plywood and Block Board and Particle & Laminated Board ( Both divisions) of the Mysore ChipBoards Limited pursuant to Scheme of Arrangement sanctioned by Hon'ble High court of Karnataka without payment being received in cash.	-	-
	153,842,800	153,048,800
<b>SCHEDULE :- 2 RESERVE AND SURPLUS</b>		
Securities Premium	68,049,000	60,903,000
Surplus as per Profit and Loss Account	-	52,484,756
General Reserve	202,679,734	7,874,550
	270,728,734	121,262,306
<b>SCHEDULE :- 3 SECURED LOANS</b>		
a. Term Loans Rupee Term Loans ( Secured by way of first charge on all immoveable properties of the company both present and future and hypothecation on all assets both present and future of the company and personal guarantee of some directors.)	232,495,276	257,789,124
b. Cash Credits / working Capital borrowings from Banks ( Secured by hypothecation of Stock and book debts of the company both present and future and second charge on fixed assets both present and future of the company and personal guarantee of some directors.)	301,669,029	225,458,289
c. Other Loans ( Secured by hypothecation of vehicles purchased under the Hire Purchase Scheme)	3,305,980	1,548,307
	537,470,285	484,795,720
<b>SCHEDULE :- 4 UNSECURED LOANS</b>		
From Bodies Corporate	3,800,000	64,686,843
	3,800,000	64,686,843

**SCHEDULE-5**  
FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost as on 01.04.2007	Addition During Period	Sales During Period	Gross Block 31.03.2008	Up to 01.04.2007	For the Period	Adjustments on Sales	Total Depreciation 31.03.2008	As at 31.03.2008	As at 31.03.2007
GOODWILL	61839228		0	61839228	3091961	3091961	0	6183922	55655306	58747267
LAND	46134840	0	0	46134840	0	0	0	0	46134840	46134840
BUILDINGS	110792781	1606784	0	112399565	6977356	3668477	0	10645834	101753731	103815424
OFFICE BUILDING	2076869	0	0	2076869	269666	33853	0	303519	1773350	1807203
PLANT AND MACHINERIES	279776647	12408324	961863	291223108	94746802	28629329	97221	123278910	167944198	185029845
ELECTRICAL EQUIPMENTS	2819417	0	0	2819417	1523231	133922	0	1657153	1162264	1296186
WATER SUPPLY INSTALLATION	470163	0	0	470163	219172	22333	0	241505	228658	250991
LABORATORY EQUIPMENTS	66552	0	0	66552	30712	3161	0	33873	32679	35840
FURNITURES AND FIXTURES	4622651	1447200	41180	6028671	776242	345162	652	1120753	4907918	3846409
OFFICE EQUIPMENTS	2619286	316680	0	2935966	755319	190328	0	945647	1990319	1863967
COMPUTERS	1915202	779397	0	2694599	107737	380351	0	488088	2206511	1807465
VEHICLES	6172344	3939695	553986	9558053	1179834	652289	341444	1490678	8067375	4992510
CRANE	437050	0	0	437050	370220	41520	0	411740	25310	66830
TEMPLE	1228572	0	0	1228572	170221	20026	0	190247	1038325	1058351
TOTAL	520971602	20498080	1557029	539912653	110218474	37212712	439317	146991869	392920784	410753128

(Amount in Rs.)

	As on 31.03.08	As on 31.03.07
<b>SCHEDULE :- 6</b>		
<b>INVESTMENTS ( At cost- Unquoted )</b>		
a. In government Securities ( NSC )	188,039	143,550
b. Term Deposit Receipt ( TDR ) - Post Office	-	53,199
c. Vijaya Bank - Bonds	25,000	25,000
	<b>213,039</b>	<b>221,749</b>
<b>SCHEDULE :- 7</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Stores and Spares	8,914,918	7,729,754
Raw Materials	142,177,386	121,847,928
Finished Goods	101,187,330	126,964,708
Goods In Transit	10,160,061	2,238,117
	<b>262,439,695</b>	<b>258,780,507</b>
<b>SCHEDULE :- 8</b>		
<b>SUNDRY DEBTORS ( Unsecured, considered Good unless otherwise stated)</b>		
Debts outstanding for a period exceeding six months	51,475,442	40,100,602
Other Debts (Includes Rs. Nil, (PY Rs. 1033214) receivable from related parties	346,618,591	278,903,093
	<b>398,094,033</b>	<b>319,003,695</b>
<b>SCHEDULE :-9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	15,272,250	2,456,386
Cheques / Drafts in Transit	4,728,970	964,550
Bank Balances		
With Schedule Banks		
i) In current Accounts	14,120,749	9,347,467
ii) In fixed Deposits / Margin Money	14,050,611	14,681,967
iii) Interest accrued there on pending confirmation	310,728	
With Unschedule Banks		
I) In Current Account	1,281,989	
	<b>49,765,297</b>	<b>27,450,370</b>
<b>SCHEDULE :- 10</b>		
<b>LOANS AND ADVANCES</b>		
<b>( Unsecured considered good unless otherwise stated)</b>		
Advances recoverable in cash or in kind or for value to be received (Includes Rs. 28065138(PY Rs. 28065138) due from related parties	84,159,697	41,351,075
Advance Payment of Tax and T.D.S	8,335,089	7,398,284
Balance with Excise Department	1,461,730	318,750
Security Deposits	6,148,447	5,234,809
	<b>100,104,963</b>	<b>54,302,918</b>

(Amount in Rs.)

	As on 31.03.08	As on 31.03.07
<b>SCHEDULE :- 11</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a) CURRENT LIABILITIES</b>		
Sundry Creditors	191,467,800	198,872,633
Other Liabilities	41,785,063	31,191,778
Sub total ( A)	233,252,863	230,064,412
<b>b) PROVISIONS</b>		
Provisions for Taxation	21,100,000	14,400,000
Sub total ( B)	21,100,000	14,400,000
	<b>254,352,863</b>	<b>244,464,412</b>
<b>SCHEDULE :- 12</b>		
<b>MISCELLANEOUS EXPENDITURE ( to the extent not written off or adjusted)</b>		
Preliminary and Demerger Expenses	1,976,818	2,484,157
Less: written off during the year	494,207	507,339
	<b>1,482,611</b>	<b>1,976,818</b>
<b>SCHEDULE :- 13</b>		
<b>OTHER INCOME</b>		
Interest	6,019,820	3,582,568
Royalty	2,383,511	-
Miscellaneous Income	3,727,777	3,928,705
Profit on sale of vehicle	(100,825)	9,236
	<b>12,030,283</b>	<b>7,520,509</b>
<b>SCHEDULE :-14</b>		
<b>COST OF GOODS CONSUMED / SOLD</b>		
<b>a. Raw Material Consumed</b>		
Opening Stock	121,847,928	4,274,098
Add purchases	551,837,534	636,521,938
Less Closing Stocks	142,177,386	121,847,928
Raw Material Consumed ( A)	531,508,076	518,948,107
<b>b. Purchase of Trading Products ( B)</b>	235,685,536	123,870,176
<b>c. Increase / ( Decrease ) in Finished stock</b>		
Closing Stock	111,347,391	129,202,825
Less Opening Stock - transferred as per the Scheme	129,202,825	70,612,315
Increase / ( Decrease) in Finished stock ( C)	-17,855,434	58,590,510
<b>Total( A+B+C)</b>	<b>785,049,046</b>	<b>584,227,773</b>

(Amount in Rs.)

For the year ended	31.03.08	31.03.07
<b>SCHEDULE :- 15 EXCISE DUTY &amp; SALES TAX PAID</b>		
Central Excise duty	36,690,847	44,060,516
Sales Tax & Entry Tax	93,853,304	40,043,770
	<b>130,544,151</b>	<b>84,104,286</b>
<b>SCHEDULE :- 16 MANUFACTURING EXPENSES</b>		
Stores and Spares consumed	25,697,319	14,613,744
Insurance	4,161,513	3,332,911
Power and fuel consumed	39,011,911	39,608,426
Repairs to Plant and Machinery	5,701,894	10,056,948
Repairs to Others	699,074	847,453
	<b>75,271,711</b>	<b>68,459,482</b>
<b>SCHEDULE :- 17 PAYMENT TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries, wages and bonus	74,801,580	52,419,108
Contribution to and provisions for provident and other funds	4,297,305	3,006,847
Staff Welfare Expenses	1,137,041	897,901
	<b>80,235,926</b>	<b>56,323,856</b>
<b>SCHEDULE :-18 SELLING, DISTRIBUTION, ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	3,850,130	1,905,958
Rates and Taxes	1,343,109	438,805
Printing and Stationery	1,434,586	824,583
Postage, Telephone and Telegram	5,239,434	3,918,222
Insurance	102,349	110,618
Legal and Professional Fees	1,932,391	1,805,459
Auditors Remuneration	184,119	99,974
Advertisement	54,507,744	11,691,998
Travelling and conveyance	6,984,258	7,308,352
Commission on sales	587,683	939,564
Freight, forwarding and other expenses	39,508,550	31,610,300
Vehicle Running Expenses	1,155,352	1,264,686
Sales Promotion Expenses	8,800,744	966,389
Cash Discount	7,955,392	3,272,813
Miscellaneous Expenses	6,571,637	1,616,659
Foreign Exchange Fluctuation Loss	1,253,860	
Claims and Bad debts written off	1,508,023	73,583
Preliminary Expenses Written off	494,207	507,339
	<b>143,413,568</b>	<b>68,355,303</b>

(Amount in Rs.)

For the year ended	31.03.08	31.03.07
<b>SCHEDULE :- 19</b>		
<b>INTEREST &amp; BANK CHARGES</b>		
Interest on Term Loans	28,954,600	15,135,015
Interest on Working Capital borrowings	33,181,535	20,432,257
Interest on Other Loans	2,537,291	1,51,773
Bank charges	6,162,362	4,762,968
	<b>70,835,789</b>	<b>40,482,013</b>



## Significant Accounting Policies & Notes to Accounts

### A) SCHEDULE . 20

#### 1. Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principle (GAAP), and in compliance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 1956.

#### 2. Use of Estimate

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates.

#### 3. Fixed Assets: Tangible & Intangible

a) Tangible Fixed Assets are stated at cost less accumulated Depreciation and impairment loss if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working conditions for its intended use. Revenue expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production are treated as part of project Cost and Capitalised.

b) Intangible assets are stated at cost less accumulated amortization. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

#### 4. Depreciation & Amortisations:

a) Depreciation on fixed assets has been provided for on straight line method at the rates and manner prescribed under schedule XIV to the Companies Act, 1956, of India.

b) Depreciation on additions/deductions is calculated prorata from/to the month of additions/deductions.

c) Intangible assets are amortised over their estimated useful life on straight line basis over a period of 20 years.

d) Preliminary and Demerger expenses are amortised over a period of five years.

#### 5. Expenditure incurred during construction period:

Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to the respective Fixed Assets on the completion of its construction.

#### 6. Impairment:

The carrying amounts of the assets are reviewed at each balance sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. An impairment loss, if any, is charged to Profit & Loss account in the year in which the asset is identified as impaired. Reversal of impairment loss recognized in prior years is recorded when there is an indication that Impairment losses recognised for the assets no longer exists or has decreased.

#### 7. Leases:

Lease payments under an operating lease recognised as an expense in the statement of profit and loss as per Terms of lease agreement.

## 8 Investments:

- a) Long term Investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- b) Current investments are stated at lower of cost and fair value

## 9 Inventories:

- a) Inventories related to raw materials, packing materials, stores & spares are valued at cost on weighted average basis.
- b) Waste & scraps are valued at net realizable value.
- c) Materials in transit and Semi Finished goods are valued at cost.
- d) Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- e) Finished goods are valued at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.
- f) Obsolete, defective and unserviceable stocks are duly provided for.

## 10 Foreign Currency Transactions

Foreign currency transactions are accounted for at the rates prevailing on the dates of the transactions/ converted at contracted rate. Foreign currency assets and liabilities covered by forward contracts are stated at the forward contract rates while those not covered are restated at year end rate. Premium in respect of forward contract is recognized over the life of contracts. Exchange differences relating to fixed assets acquired from a country outside India are adjusted to the cost of the asset. Exchange differences in case of borrowed funds and liabilities in foreign currency for the acquisition of fixed assets from a country outside India are adjusted to the cost of fixed assets. Any other exchange difference is dealt with in the Profit and Loss Account

## 11 Retirement Benefits:

Provisions for / contributions to retirement benefits schemes are made as follows:

- a) Fixed Contribution to Provident fund and other benefits are recognized in the accounts on actual cost to the Company.
- b) Liability for leave encashment & gratuity are provided based on the actuarial valuation done by Company.

## 12 Revenue Recognition:

- a) Sales revenue is recognized on the transfer of significant risk and rewards of the ownership of goods to the buyer.
- b) Sales value includes excise duty, sales tax, vat tax and net of discounts.
- c) Interest income and expenses and income incidental to it, are accounted for on an accrual basis.

**13 Borrowing Cost:**

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

**14. Taxation:**

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty except for carried forward losses and unabsorbed depreciation which is recognized on virtual certainty that the assets will be realized in future. Fringe benefit tax (FBT) is accounted for on the estimated value of fringe benefits for the period as per the related provisions of the Income-Tax Act.

**15 Provision, Contingent Liabilities and Contingent Assets:**

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

**16. Research and Development:**

Expenditure incurred during research phase are charged to revenue when no intangible asset arises from such research. Assets procured on research and development activities are generally capitalized.

**17 Government Grants:**

Government Grants are recognized when there is a reasonable assurance that the same will be received. Revenue grants are recognized in the Profit and Loss Account. Capital grants relating to specific assets are reduced from gross value of the respective fixed assets. Other capital grants are credited to capital Reserve.

## Notes on Accounts

1. Contingent Liabilities not provided for in respect of:

a) On account of Demerger of plywood & Block Board and Particle & laminated board (both divisions) of The Mysore Chip Boards Limited into the Company:

i) The Government of Karnataka has demanded additional seigniorage and interest amounting to Rs.16,04,022.77 (P.Y. Rs. 16,04,022.77) towards supply of timber to the factory of The Mysore Chip Boards Limited, with effect from 23/2/1981 to 28/6/1982. The Mysore Chip Boards Limited, being a sick company at that time, made request to the appropriate authority for waiver of this amount. However as a precautionary measure, The Mysore Chip Boards Ltd Has already paid an amount of Rs. 425741.95 against this demand.

2. Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) Rs. 151 lakhs (Previous year Rs. 15 lakhs).

3. The Company, during the year has capitalized interest on loan (borrowing cost) amounting to Nil (Previous year Rs. 94,29,000/-)

4. The Audit expenses includes:

Particulars	31.03.2008 (Rs)	31.03.2007 ( Rs.)
a) Statutory Audit Fee	112360	56120
b) Tax Audit Fee	33590	28060
c) For Expenses	38169	15794
<b>Total</b>	<b>184119</b>	<b>99974</b>

5. Directors Remuneration, under Section 198 read along with Section 269 of the Companies Act, 1956 are as follows:

Particulars	31st March 2008 (Rs.)	31st March 2007(Rs.)
Salary	4,595,838	22,73,250
Perquisites	Nil	1,81,750
Sitting Fees	100000	18,000

The Company has not paid any commission to the Managerial Personnel. Hence the calculation under Section 349 & 350 read with Section 309 of the Companies Act, 1956 is not applicable.

6. Segment Reporting: The Company has identified two segments viz a) Wood based product b) Paper based product which have been identified in line with Accounting Standard 17 on segment reporting taking into account organizational structure as were as differential risk and return of these segments. Details of the Products included in each segment are as under:

- a) Wood based products: Plywood, Block Board, Veneers ParticleBoards
- b) Paper based products: Laminated Sheets ( HPL)
- c) Others

The segment information has been prepared in conformity with the Accounting Policies for preparing and presenting the financial statements of the Company. Segment revenue and results includes manufacturing as well as trading activities for the same segment product. The following table presents the information relating to profit, assets and Liabilities of the business segment. (Primary Segment) of the Company.

Particulars	Wood Based		Paper Based		Others		Total	
	As at 31.03.08	As at 31.03.07	As at 31.03.08	As at 31.03.07	As at 31.03.08	As at 31.03.07	As at 31.03.08	As at 31.03.07
REVENUE								
External Sales	1204570833	796,858,833	222340117	26,777,324	43842097	160,601,194	1470753047	984,237,351
Total Revenue	1204570833	796,858,833	222340117	26,777,324	43842097	160,601,194	1470753047	984,237,351
RESULTS								
Segment Results	141030420	100,170,565	110083446	6,015,552	2044076	34,022,000	253157942	140,208,118
Interest							70835789	40,482,013
Other Unallocable Income							12030283	7,520,509
Other Unallocable Expenditure							34132008	43,375,016
Provision for Taxation							17900000	11,386,841
Net Profit							142320428	52,484,756
OTHER INFORMATION								
Assets								
Segment Assets	438844509	536,530,171	124612131	94,629,941	11866899		575323538	631,160,112
Unallocable Assets							646706974	463,547,475
Total Assets							1222030512	1,094,707,588

Liabilities								
Segment Liabilities	191037915	216,629,593	35261847	7,645,627	6953101		233252863	224,275,220
Unallocable Liabilities							988777649	870,432,367
Total Liabilities							1222030512	1,094,707,588
Capital Expenditure during the year	21762750	133,030,535	3238770	70,995,496			25001520	204,026,031
Capital Expenditure during the year Unallocable							6569718	5,154,897
Depreciation and Amortisation	24677960	17,316,349	8335648	1,468,089			33013608	18,784,437
Depreciation and Amortisation (Unallocable)							4199105	7656451.599

ii) Various parties had filed a civil suit for recovery of dues/ damages amounting to Rs. 12,28,606/- against The Mysore Chip Boards Limited, which has been disputed by The Mysore Chip Boards Limited and had deposited an amount of Rs. 11,46,419/- with Hon'ble High Court of Gujarat. The said amount of Rs. 11,46,419/- had shown as an advance which is included in Schedule no. 10 - Loans and Advances (Advances recoverable in cash or kind or for value to be received) forming part of Balance Sheet.

iii) The Deputy Commissioner of Commercial Taxes vide its order dated 6th June 2007 demanded dues towards sales tax and entry tax for Rs.1,01,06,935/ for the year 2001 to 2004. The Company has paid Rs.75,41,614/- by debiting its profit & loss account and vide its letter dated 24th August 2007 made representation to The DCCT for reduction of liability by Rs.25,65,321/.

iv) The Company, for and on behalf of The Mysore Chip Boards Limited has given a guarantee towards a show cause notice issued by the Excise Department demanding a dues of Rs. 7,28,91,397/- from The Mysore Chip Boards Limited. However The Mysore Chip Boards Limited had deposited an amount of Rs. 16,00,000/- with Central Excise Department. The Mysore Chip Boards Limited had filed an appeal & disputed the said demand and the demand has been reduced to Rs.81,01,637 and the penalty of the same amount by Commissioner of Central Excise, Mysore on 05/10/2006. The Mysore Chip Board Ltd has filed an appeal to Custom, Excise & Service Tax Appellate Tribunal, Bangalore and obtained a stay order against that demand.

V) District Registrar, Mysore has demanded additional stamp duty of Rs.32,21,555/- for the stamp duty payable on account of Demerger of plywood & Blockboard and particle & laminated board (both divisions) of The Mysore Chipboards Limited into the Company on 26th September 2007. The company has filed an objection in the Hon'ble High Court of Karnataka for the same.

b) The Company has imported plant and machinery & availed a duly benefit of Rs. 63,14,335/- under EPCG scheme for reduction in import duty against which export obligation is to be fulfilled.

c) Letter of Credit established but material not received amounting to Rs.1,30,34,952/-

d) The Company has undertaken domestic factoring facility for its trade debtors from Global Trade Financial Services Ltd., The contingent liability for the same as at 31st March 2008 is Rs.4,77,18,522/-

B) Secondary Segment Reporting:

The Company has no reportable secondary segment.

7. Disclosure as per Accounting Standard 18 (AS-18) "Related Party Disclosures" Issued by the Institute of Chartered Accountants of India:

A) **Associate Companies:**

- i) The Mysore Chip Boards Limited
- ii) Assam Timber Products (P) Limited
- iii) Shree Shyam Tea Pvt Limited
- iv) Ravi Marketing Services Pvt Ltd

B) **Key Management Personnel:**

- i) Mr. Deendayal Daga Chairman & Managing Director
- ii) Mr. Shyam Daga Jt. Managing Director
- iii) Mr. Rajiv Daga Executive Director
- iv) Mr. K.K. Somani- Director (Technical Mysore)

- C) The Company has entered into transactions with certain parties as listed below during the year under consideration. Full Disclosure has been made and the Board of Directors considers such transactions to be in normal course of business and at rates agreed between the parties. Details of transactions with related parties are as follows:

<b>Particulars</b>	<b>31.03.2008 (Rs.)</b>	<b>31.03.2007 ( Rs.)</b>
<b>Associate Companies</b>		
a) Sale of goods	3293446	4,030,765
b) Purchase of goods	8405791	4,325,116
c) Interest Received	2331805	2586262
d) Receipt for facility provided	1200000	Nil
e) Royalties Received	2383511	Nil
f) Issue of Shares	7940000	63970000
g) Issue of shares on a/c of Merger	-	72041000
<b>Key Management Personnel</b>		
Remuneration & Fees Paid	4695838	2473000
Issue of Shares		2400000
Issue of shares on a/c of Merger		32835800
Outstanding balances as at date		
<b>i) Payable to Related Parties</b>		
a) Unsecured Loan	2300000	63157757
b) Current Liabilities	2124905	1284898
<b>ii) Receivable from Associate Companies</b>		
a) Sundry Debtors	-	1033214
b) Advance for Fixed Assets	736000	NIL
c) Loans & Advances	27329138	26532321

8. Earning Per Share:

As required by Accounting Standard-AS 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India", the Earning Per Share (EPS) is calculated by dividing the profit attributable to the Equity Shareholders by the Average number of Equity Shares outstanding during the year and is ascertained as follows.

Particulars	31st March 08	31st March 07
i) Net Profit After Tax (A) ( Rs.)	142320429	52,484,756
ii) Weighted Average number of Equity Shares (B)	15354913	5,044,050
iii) Face Value Per Equity Share ( Rs.)	10	10
iv) Earning Per Share ( Rs) Basic & Diluted	9.27	10.40

9. Consequent to the mandatory Accounting Standard (AS-22) issue by the Institute of Chartered Accountants of India (ICAI) on accounting for taxes on income, the Deferred Tax Adjustments for the year ended 31st March, 2008 amounting to Rs. 32 Lakhs have been recognized in the profit and loss account.

(Amount in Rs)

Particulars		2007-08	2006-07
<b>B/F Deferred Tax liability(On account of Demerger)</b>		5035831	8048990
Deferred tax asset/(Liability) arising in current year on account of timing difference			
1	Depreciation	3845186	2540402
2	Gratuity	(202428)	135717
3	Leave Encashment	(442758)	337040
<b>C/F Deferred Tax liability</b>		<b>1835831</b>	<b>5035831</b>

10. In the opinion of the Board, Current Assets, and Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required.

11. Balances of some of the Sundry Debtors, Creditors, Loans and Advances are subject to confirmation, reconciliation and consequent adjustment if any. However, in the opinion of the management such adjustments, if any, will not material.

12. Sundry Creditors in schedule II includes dues payable to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006. The Company is in the process of identifying such suppliers.

However the Company has not received any intimation/ claims from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to the amount payable as at the year end together with interest paid/ payable as required under the said Act have not been given.

13. Previous year's figures have been regrouped reclassified and recasted wherever necessary to confirm to this year's classification.

14. Additional information pursuant to the provisions of paragraph 3 and 4 of part II of schedule VI of the Companies Act, 1956 (As amended) as certified by the management of the company is given below:



**A) Particulars in respect of goods manufactured/ traded:**

Installed Capacity and Actual Production:

Class of Goods	Capacity Installed		Actual Production (As Certified by Management)
	Installed (as certified by Mgmt)		
	Unit	Qty	Qty
Decorative Laminate	No. of Sheets	1200000	464431
		(3,00,000)	(85,796)
Plain Particle Board	Sqmt-4mm basis	1,12,50,000	2823169
	Sqmt-4mm basis	(1,12,50,000)	(2770405)
Prelaminated Particle Board	Sqmt-4mm basis	9900000	3410058
	Sqmt-4mm basis	(72,00,000)	(35,17,463)
Plywood/ Block Board	Sqmt-4mm basis	1,2800000	6614764
	Sqmt-4mm basis	1,2800000	4,874,285
Veeners	Sqmt-4mm basis	37,50,000	903105
	Sqmt-4mm basis	(37,50,000)	(11,62,008)

**B) Sales, Purchases, Opening & Closing Stock of Finished goods/ Purchased (including trading goods) by the Company**

Class of Goods	Opening Stock		Purchases		Closing Stock		Sales (Including Inter Transfer)	
	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)
Decorative Laminate	35939	15883128	62114	29766526	42556	1,5077844	519928	238792146
	---	---	---	---	(35,899)	(1,58,83,128)	(49,897)	(2,67,77,324)
Plain Particle Board	267872	11049284	889634	35144341	461006	16132944	3519669	14317178
	(2,12,644)	(86,48,794)	---	---	(2,67,872)	(1,10,49,284)	(27,15,177)	(1,05,77,466)
Particle Board	218334	15730184	150987	8615518	255183	16513417	3524195	240099329
	(2,18,874)	(1,81,26,834)	(9,73,661.96)	(4,15,16,054)	(2,18,334)	(1,57,44,766)	(45,54,665)	13,88,98,897)
Plywood/ Block Board	432574	49656228	1908944	157597422	406933	44187351	8549349	944097432
	(1,79,286)	(2,03,56,960)	(2,314,636.70)	(15,25,45,895)	(433,064)	(49,656,229)	(6,935,144)	(648,773,431)
Veeners	181249	35059579	1432478	53019258	25644	17879119	2491188	7087766
	(1,77,232)	(2,04,28,662)	(18,31,620.49)	(4,67,07,990)	(1,81,249)	(3,50,59,576)	(29,89,611)	(15,06,653)
Others	476	1809843	82552	39822576	463	1556714	82565	43842092
	(536)	(20,47,047)	(7,15,672.35)	(1,23,867,661)	(476)	(18,09,843)	(7,15,732.35)	(157,703,580)
TOTAL:		129188243		323965641		111347390		1488235942
TOTAL:		(6,96,08,297)		(3,64,637,600)		(129,202,825)		(984,237,351)

C) Break up of Raw Materials Consumed

Items	Quantity	Value (Rs)
Paper in Kgs	342544	44767345
	(2,01,892.25)	(3,57,95,809)
Timber In Cum	61853	199705347
	(36,907.90)	(11,81,22,155)
Veener (excl own production) In Sq. Mt	1547720	105076099
	(33,823)	(5,42,48,886)
Chemicals In Kgs	2446676	117254017
	(34,74,134.00)	( 8,86,36,787.00)
Plywood/ Particle Boards / MDF In Sq.Mt	192077	33385587
	(10,10,293.19)	(5,99,31,799.00)

D) Value of Imports on CIF basis

Items	Value (Rs)	Percentage %
Raw Materials	97307783	94
	(9,88,18,518)	(72)
Stores & Spare Parts	2363486	2
	(15,76,830)	(1)
Capital Goods	3860483	4
	(3,72,79,452)	(27)

E) Consumption of Raw Materials and Stores and Spares

Items	Value	Percentage(%)
<b>a) Raw Material</b>		
Imported	60806772	5
	(4,40,22,587)	(15)
Indigenous	1211883836	95
	(25,00,26,623)	(85)
<b>b) Stores &amp; Spares</b>		
Imported	1965872	8
	(17,25,994)	(12)
Indigenous	21368213	92
	(1,29,16,976)	(88)

F) Earnings in Foreign Exchange - Rs.97,30,094/-

G) Expenditure in Foreign Currency - 2,34,521

## Cash Flow Statement

<b>ARCHIDPLY INDUSTRIES LTD</b>				
<b>(Amt in Rs.)</b>				
PARTICULARS	For Year Ended 31st March, 2008		For Year Ended 31st March, 2007	
<b>A) Cash flows arising from operating activities</b>				
Net Profit Before Tax		160220428		63871597
Add: Depreciation & Goodwill w/o	37212712		25933550	
Misc Expenses W/o	494207		507339	
Provision for Leave Encashment	2162599		1641978	
Provision for Gratuity	933320		1070324	
Cash Discount & Rebates	7955392		3272813	
Bad Debts Written Off	1508023	50266253	145500	32571504
Less: Interest Income	(6019820)		(3582568)	
Sundry balances Written Back	(7190)		(71917)	
Profit on sale of Fixed Assets	100825	(5926185)	(9236)	(3663721)
<b>Operating profit before working capital changes</b>		89506567		89506567
(Increase)/Decrease in Inventory	(3659188)		(133569448)	
(Increase)/Decrease in Debtors	(88553753)		(196847924)	
(Increase)/Decrease in Loans & Advances	(37942034)		3623645	
Increase/(Decrease) in Trade Payables	(13278916)	(143433891)	103432609	(223361118)
<b>Cash flow from Operations</b>		61126605		(133854551)
Interest & Bank Charges	70835789		40482013	
Gratuity Paid	(337768)		(2140648)	
Leave Encashment paid	(683593)		(464071)	
Fringe Benefit tax paid	(7860010)	61954418	(12692205)	25185089
<b>Net Cash Flow from Operating Activities</b>		123081023		(108669462)
<b>B) Cash flows from Operating activities</b>				
Inflows:				
Sale of Investments	53199		-	
Proceeds on disposal of Fixed Assets	697175		308824	
Interest Received	6010331		3560169	
Outflows:				
Additions to Fixed Assets	(19373643)		(199751928)	
Borrowing Cost Capitalised	-		(9429000)	
Additions to Fixed Assets- Capital WIP	(17010091)		(804725)	
Additions to Investments	(35000)			
Merger Expenses paid		(29658029)	(958409)	(207075069)
<b>C) Cash flows arising from finance activities</b>				
Inflows:				
Proceeds from issue of Share Capital	7940000		67620000	
Borrowings-Secured Loans	52674565		234135486	
Borrowings-Unsecured Loans	(60886843)		61830292	
Outflows:				
Interest & Bank Charges	(70835789)		(40482013)	
Expenses for Increment of Authorised Capital	-	(71108067)	(1115313)	321988452
Cash flow from all activities-(A+B+C)		22314927		6243920
Add: Cash & cash equivalents at beginning of the year	27450370		1536359	
Cash & cash equivalents on account of Demerger	-	27450370	19670090	21206450
Cash & cash equivalents at year end of the year		49765297		27450370

As per our Report of even date attached here to  
 For GRV & PK  
 Chartered Accountants

For and on Behalf of the Board

**H Ganpatlal Kawad**  
 Partner  
 Membership No.204840

**Deen Dayal Daga**  
 Chairman &  
 Managing Director

**Rajiv Daga**  
 Executive Director

Place : Bangalore

**Rajneesh Sharma**  
 Company Secretary

<b>ARCHIDPLY INDUSTRIES LTD</b>											
<b>BALANCESHEET ABSTRACT AND THE COMPANY'S BUSINESS PROFILE</b>											
<b>I</b>	<b>REGISTRATION DETAILS</b>										
	REGISTRATION NO	018710									
	STATE CODE	08									
	BALANCE SHEET DATE	31.03.2008									
<b>II</b>	<b>CAPITAL RAISED DURING THE YEAR (AMT IN RS THOUSANDS)</b>										
	PUBLIC ISSUE	NIL									
	RIGHTS ISSUE	NIL									
	BONUS ISSUE	NIL									
	PRIVATE PLACEMENT	7940									
<b>III</b>	<b>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (RS IN THOUSANDS)</b>										
	TOTAL LIABILITIES	967678									
	TOTAL ASSETS	967678									
	<b>SOURCES OF FUNDS</b>										
	PAID UP CAPITAL	153843									
	RESERVES AND SURPLUS	270729									
	SECURED LOANS	537470									
	UNSECURED LOANS	3800									
	<b>APPLICATION OF FUNDS</b>										
	NET FIXED ASSETS	409931									
	INVESTMENT	213									
	NET CURRENT ASSETS	556051									
	MISC EXPENDITURE	1483									
<b>IV</b>	<b>PERFORMANCE OF THE COMPANY ( AMOUNT IN RS THOUSAND)</b>										
	TURNOVER AND OTHERS INCOME	1482783									
	TOTAL EXPENDITURE	1322563									
	PROFIT/LOSS BEFORE TAX	160220									
	PROFIT/LOSS AFTER TAX	142320									
	EARNING PER SHARE (RS) DILUTED	9.27									
	DIVIDEND RATE (%)	NIL									
<b>V</b>	<b>GENERIC NAMES OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)</b>										
	ITEM CODE NO (ITC CODE)										
	PRODUCT DESCRIPTION	WOOD,									
		VENEER,									
		HIGHPRESSURE									
		LAMINATES									
		PARTICLE BOARDS									

As per our Report of even date attached here to  
For GRV & PK  
Chartered Accountants

For and on Behalf of the Board

**H Ganpatlal Kawad**  
Partner  
Membership No.204840

**Deen Dayal Daga**  
Chairman &  
Managing Director

**Rajiv Daga**  
Executive Director

Place : Bangalore

**Rajneesh Sharma**  
Company Secretary

## Our Branches

Archidply Industries Ltd  
2/9, 1st Floor, W.H.S. Kirti Nagar  
Near Kirti Nagar Police Station  
New Delhi - 110 015  
Tel: 25440411 / 65469893  
Email : delhi@archidply.com

Archidply Industries Ltd  
No.301, Apcon Chambers, Behind Sahara Chambers  
Near Times of India, Lalkoti Tonk Road  
Jaipur - 302 015  
Tel: 4019170  
Email : jaipur@archidply.com

Archidply Industries Ltd  
No.277/40, Balarampur Quarters Road  
Naka Hindola  
Lucknow - 226 004  
Email : lucknow@archidply.com

Archidply Industries Ltd  
Ideal Plaza, North Wing, N-312,  
11 / 1, Sarat Bose Road  
Kolkata - 700 020  
Phone:22831850  
E-mail : kolkata@archidply.com

Archidply Industries Ltd  
A-68, Industrial Area  
Kharavel Nagar, Unit III  
Bhubaneshwar - 751 001  
Tel: 0674-2380678

Archidply Industries Ltd  
Bhagwati Jaisesaria  
Radhey Shyam Lane  
O.C.C. Compound  
Ranchi - 834 001

Archidply Industries Ltd  
2nd Floor, Prem Chandra Complex  
Janakbada  
Raipur - 792 001

Archidply Industries Ltd  
2011, 272/2, Shukla Nagar, Garha,  
Jabalpur

Archidply Industries Ltd  
307, SHAIL Building  
Opp. Madhusudan House, Near Navarangpura  
Telephone Exchange, Off C.G.Road,  
Ahmedabad - 380 006  
Email : ahmedabad@archidply.com

Archidply Industries Ltd  
135, Kuber Complex, Opp. Laxmi Industrial  
Estate, New Link Road, Andheri (West)  
Mumbai - 400 053  
Tel:40166680/40166681  
E-mail : mumbai@archidply.com

Archidply Industries Ltd  
209-B, Ashoka Pavilion, Ambedkar Road, Camp  
Pune - 411 001  
Phone: 66083281  
E-mail: pune@archidply.com

Archidply Industries Ltd  
Chamber No.17, 2nd Floor,  
Office Space, Dhantoli,  
Nagpur - 440 012

Archidply Industries Ltd  
401/2, (Old No.131) Subedar Chatram Road,  
Sheshadripuram, 1st Main Road, Corporation  
Division 19,  
Bangalore - 560 009  
Ph : 2344 0257  
Email : bangalore@archidply.com

Archidply Industries Ltd  
1st Floor (Above Sheetal Plywoods)  
5-5-1049, Darusalam, Goshamahal  
Hyderabad - 500 012  
Phone:55993311  
E-mail: hyderabad@archidply.com

Archidply Industries Ltd  
Nehru Timber Market,  
281/1, Sydenhams Road, Chennai - 600 112  
Tel:45126103/45126105  
E-mail:chennai@archidply.com

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## Attendance Slip

**ARCHIDPLY INDUSTRIES LIMITED**  
Registered office: 29/2, IST Floor, G.K. Manor, Seshadripuram, Nehru Nagar Circle, Bangalore 560 100, India

### ATTENDANCE SLIP

Annual General Meeting 20th June, 2008

Regd. Folio No.

No. of shares held

I certify that I am a member / proxy for the member of the Company.....  
I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at 29/2, IST Floor, G.K. Manor, Seshadripuram, Nehru Nagar Circle, Bangalore 560 100, India, at 11.00 a.m. On 20th, June, 2008.

Name of the member / proxy  
(in BLOCK letters)

Signature of the member / proxy

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.*

**ARCHIDPLY INDUSTRIES LIMITED**  
Registered office: 29/2, IST Floor, G.K. Manor, Seshadripuram, Nehru Nagar Circle, Bangalore 560 100, India

### PROXY

Annual General Meeting 20th June, 2008

Regd. Folio No.

I/We..... of .....in the district  
of.....being a member / members of the  
Company hereby appoint..... of.....  
.....in the district of.....  
.....or failing him / her.....  
.....of..... in the  
district of .....  
as my / our proxy to vote for me / us on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held at at 29/2, IST Floor, G.K. Manor, Seshadripuram, Nehru Nagar Circle, Bangalore 560 100, India, at 11.00 a.m. on 20th, June, 2008 and at any adjournment(s) thereof.

Signed this ..... day of ..... 2008.

Affix 15 Paisa  
Revenue Stamp

Signature .....

*Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.*

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