



## Duroply Industries Limited

(Formerly: Sarda Plywood Industries Limited)  
113 Park Street, North Block 4th Floor  
Kolkata-700016, Ph.: (033) 22652274



Ref: 5404/

September 28, 2020

Bombay Stock Exchange Ltd.  
Corporate Relationship Department  
Rotunda Building, 1<sup>st</sup> Floor  
New Trading Ring, P.J. Towers  
Dalal Street, Mumbai - 400 001

Scrip Code : BSE : 516003

### Sub.: Corrigendum to the Notice of the 63rd Annual General Meeting of Duroply Industries Limited (“the Company”)

Dear Sirs,

Please find enclosed herewith the Corrigendum to the Notice of the 63rd Annual General Meeting of the Company scheduled to be held on Saturday, October 17, 2020 at 11:00 A.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

The said Corrigendum will be sent only by electronic mode to those Shareholders of the Company whose email addresses are registered with the Company / Depository Participants / Registrar and Share Transfer Agent, i.e., M/s. Maheshwari Datamatics Private Limited.

The same is also available on the website of the Company at [www.duroply.in](http://www.duroply.in).

Request you to take the same on records.

Thanking you,

Yours faithfully,  
For DUROPLY INDUSTRIES LIMITED

[RAVI KUMAR MURARKA]  
CFO & Company Secretary

Toll Free: 1800-345-3876 (Duro) | E-Mail: [corp@duroply.com](mailto:corp@duroply.com) | Website: [www.duroply.in](http://www.duroply.in)

Find us on: [duroplyindia](http://duroplyindia)

Regd. Office: 9, Parsee Church Street, Kolkata-700001 • CIN: L20211WB1957PLC023493



**DUROPLY INDUSTRIES LIMITED**  
(Formerly Sarda Plywood Industries Limited)  
Regd. Office: 9, Parsee Church Street, Kolkata - 700 001  
Corp. Office: 113, Park Street, North Block, 4<sup>th</sup> Floor, Kolkata-700 016  
Phone: (033) 2265 2274 E-mail: [corp@duroply.com](mailto:corp@duroply.com); Website: [www.duroply.in](http://www.duroply.in)  
CIN: L20211WB1957PLC023493

**CORRIGENDUM TO THE NOTICE OF 63<sup>rd</sup> ANNUAL GENERAL MEETING (“AGM”)**  
**AND THE ANNUAL REPORT**

Dear Member(s),

Duroply Industries Limited (“The Company”) had issued Notice dated September 24, 2020 (“AGM Notice”) for convening the 63<sup>rd</sup> AGM of the members of the Company which is scheduled to be held on Saturday, 17<sup>th</sup> October, 2020 at 11.00 A.M. through video conferencing / other audio visual means to transact the businesses mentioned in the AGM Notice.

The AGM Notice alongwith Annual Report for FY 2019-20 was circulated only through e-mails to those members whose email IDs are registered with the Company/Depository Participant(s)/ Registrar and Share Transfer Agent and holding Equity Shares of the Company as on September 18, 2020. The dispatch of Notice of AGM was completed on September 25, 2020. Subsequent to issuance and circulation of the AGM Notice and Annual Report, the Company wants to inform the change in Book Closure dates from “9<sup>th</sup> October, 2020 to 17<sup>th</sup> October, 2020” to “21<sup>st</sup> September, 2020 to 28<sup>th</sup> September, 2020”.

In this regard now, Corrigendum to the AGM Notice is hereby given to the shareholders of the Company that the Register of Members and Share Transfer Books will remain closed from 21<sup>st</sup> September, 2020 to 28<sup>th</sup> September, 2020 (both days inclusive) for the purpose of 63<sup>rd</sup> AGM. As a consequence to this Corrigendum, Note No. 9 forming part of Notes annexed with the AGM Notice dated September 24, 2020, 2020 should be read as follows:

“9. Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2020 to 28<sup>th</sup> September, 2020 (both days inclusive) for the purpose of 63<sup>rd</sup> AGM.”

All other information and content as set out in the AGM Notice dated September 24, 2020 including the resolutions to be considered thereat remain unchanged. Members may note that the AGM Notice, the Corrigendum to the Notice and Annual Report for the financial year 2019-20 will also be available on the Company’s website [www.duroply.in](http://www.duroply.in) and on website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).

This corrigendum to the AGM Notice shall form an integral part of the Notice circulated to the Shareholders of the Company. Accordingly, all the concerned shareholders, stock exchange, depositories, registrar and share transfer agent, agencies appointed for e-voting, other authorities, regulators and all other concerned persons are requested to take note of the aforesaid correction.

We request you to kindly take the aforesaid Corrigendum to Notice on your record.

For DUROPLY INDUSTRIES LIMITED

SD/-

[RAVI KUMAR MURARKA]  
CFO & Company Secretary  
ACS-20659

Dated: September 28, 2020

Place: Kolkata



## Duroply Industries Limited

(Formerly: Sarda Plywood Industries Limited)  
113 Park Street, North Block 4th Floor  
Kolkata-700016, Ph.: (033) 22652274



Ref: 5404/

September 25, 2020

Bombay Stock Exchange Ltd.  
Corporate Relationship Department  
Rotunda Building, 1<sup>st</sup> Floor  
New Trading Ring, P.J. Towers  
Dalal Street, Mumbai - 400 001

Scrip Code : BSE : 516003

Sub: Annual Report 2019-2020

Dear Sirs,

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the company for the financial year 2019-2020 for your intimation and records please.

Thanking you,

Yours faithfully,  
For DUROPLY INDUSTRIES LIMITED

*Ravikumar*

[RAVI KUMAR MURARKA]  
CFO & Company Secretary

Toll Free: 1800-345-3876 (DURO) | E-Mail: [corp@duroply.com](mailto:corp@duroply.com) | Website: [www.duroply.in](http://www.duroply.in)

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Regd. Office: 9, Parsee Church Street, Kolkata-700001 • CIN: L20211WB1957PLC023493



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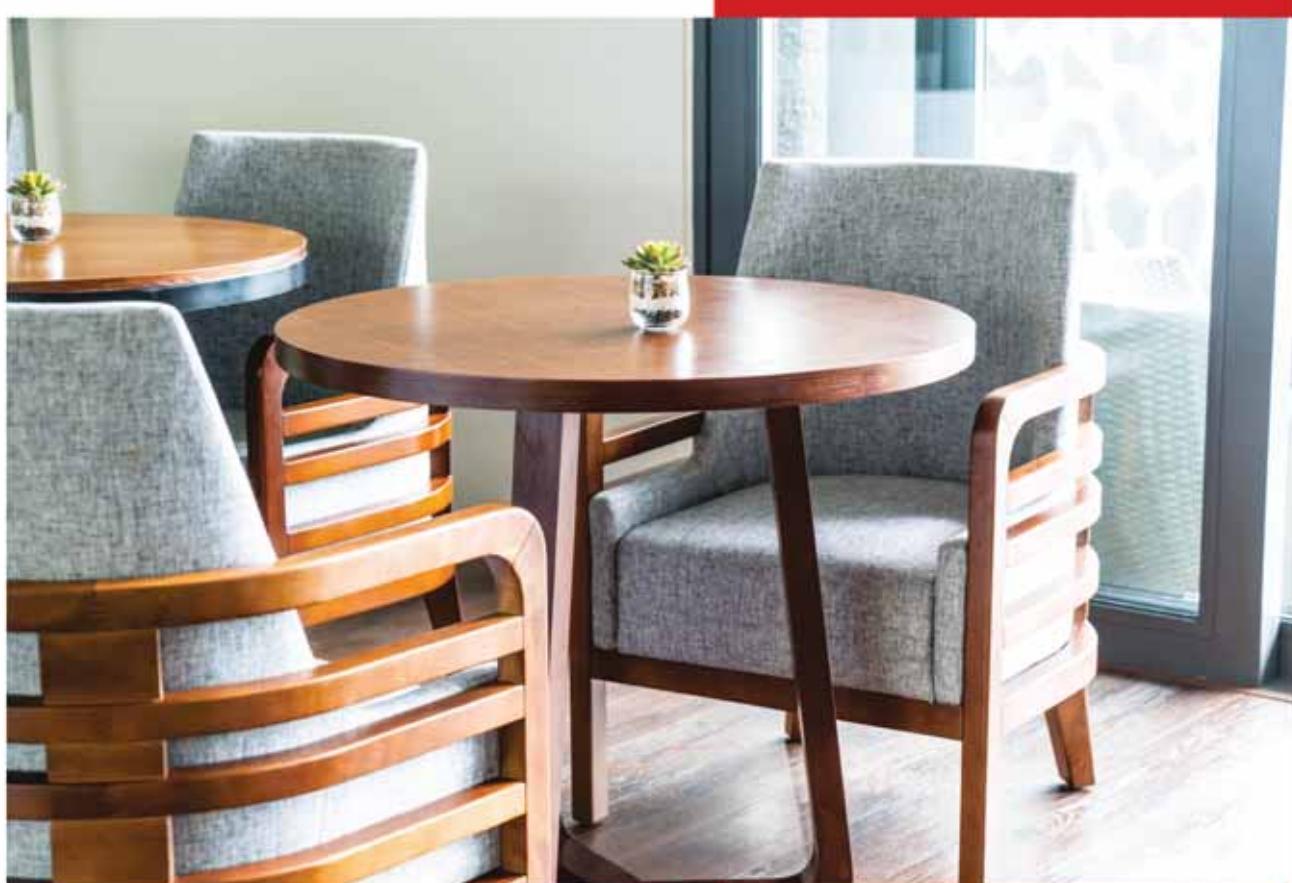
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**Duroply Industries Limited**  
(Formerly: Sarda Plywood Industries Ltd.)

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Email: [corp@duroply.com](mailto:corp@duroply.com) | Website: [www.duroply.in](http://www.duroply.in) | Find us on duroplyindia



## **Duroply Industries Limited**

(Formerly Sarda Plywood Industries Ltd.)

### **Board of Directors**

Shri Sujit Chakravorti  
Dr. Kali Kumar Chaudhuri  
Smt. Sheela Chitlangia  
Shri Ratan Lal Gaggar  
Shri Probir Roy  
Shri Sohan Lal Yadav

Shri Sudeep Chitlangia  
*Managing Director*

### **Chief Financial Officer & Company Secretary**

Shri Ravi Kumar Murarka

### **Bankers**

Punjab National Bank  
State Bank of India

### **Auditors**

S K Agrawal And Co.  
*Chartered Accountants*

### **Registered Office**

9, Parsee Church Street, Kolkata – 700 001  
CIN : L20211WB1957PLC023493

### **Corporate Office**

North Block, 4<sup>th</sup> Floor  
113 Park Street, Kolkata – 700 016

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## Notice to the Members

**NOTICE** is hereby given that the 63<sup>rd</sup> Annual General Meeting of DUROPLY INDUSTRIES LIMITED will be held on Saturday, the 17<sup>th</sup> October 2020 at 11.00 A.M through video conferencing / other audio visual means to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sudeep Chitlangia (DIN: 00093908) who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. **Re-appointment of Mr. Sudeep Chitlangia as Managing Director**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 ('Act') and on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the Members of the Company be and is hereby accorded for the re-appointment and payment of remuneration to Shri Sudeep Chitlangia (DIN : 00093908), as Managing Director of the Company, who is liable to retire by rotation, for a period of three years with effect from 1<sup>st</sup> April, 2020 upto 31<sup>st</sup> March, 2023 on the terms and conditions as mentioned below and specifically approved with powers to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof:

- (a) Basic Salary of ` 3,15,000/- per month which may be revised, within the limits laid down in Schedule V, by the Nomination and Remuneration Committee at any time during the tenure of his appointment.
- (b) Perquisites & Allowances:

### PART – A

- (i) House Rent Allowance of ` 1,89,000/- per month, subject to a ceiling of 60% of the Basic Salary, with an authority to the Board of Director to determine any increase from time to time as recommended by the Nomination and Remuneration Committee.
- (ii) Medical Benefits: Reimbursement of medical expenses (including medical insurance) for himself and his family subject normally to a ceiling of one month's salary in a year or three months' salary over a period of three years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for himself and his family may be reimbursed on actual basis subject to the approval by the Nomination and Remuneration Committee.

**Notice (Contd.)**

- (iii) Leave Travel Concession : For self and family as per Company's Rules once in a year.
- (iv) Personal Accident Insurance : Premium not to exceed ` 15000/- per annum.
- (v) Club Fees : Fees of Clubs subject to a maximum of two Clubs excluding the admission fee.

**PART – B**

- (vi) Company's contribution towards Provident/Pension Fund: Subject to a ceiling of 12% of the salary or such other rate as may be prescribed under the Employees' Provident Fund and Miscellaneous Scheme, 1952.
- (vii) Company's contribution towards Superannuation Fund: Such contribution shall not exceed 15% of the salary or such other rate as may be laid down in the Income Tax Rules, 1962 from time to time.
- (viii) Gratuity: Not exceeding 15 days' salary for each completed year of service.
- (ix) Encashment of leave at the end of the tenure.

**PART – C**

- (x) Car on Company's business: Provision of cars for use on Company's business will not be considered as perquisites.
- (xi) Telephone/fax: Provision for telephones/fax at residence and provision for cell phones will not be considered as perquisites.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limit specified in Schedule V of the Act.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution.”

**4. Continuation of Mr. Kali Kumar Chaudhuri as an Independent Non-Executive Director**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions, if any, consent of the members of the Company be and is hereby accorded for continuation of directorship of Shri Kali Kumar Chaudhuri (DIN : 00206157), who was appointed as Independent Non-Executive Director of the Company at the 62<sup>nd</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2019 and who has attained the age of 75 Years in the year 2020.”

**5. Sale / Lease or Dispose off Tea Processing Unit of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 read with rules related thereto (including any statutory modification(s) or re-enactment thereof for the time being in force and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard), approval and consent of the members of the Company



### Notice (Contd.)

be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”) for sale and transfer, as a going concern on as and where basis, by way of slump sale (as defined in Section 2(42C) of Income Tax Act, 1961) of the tea processing business (“Tea Division”) of the Company situated at P.O. Jeypore Dist: Dibrugarh, Assam – 786614 and comprising of movables and immovable demarcated assets thereof in the form of an unit/undertaking with other contingencies and liabilities attached thereto to Teloijan Techno Agro Limited (CIN : U01100WB2010PLC156029) having its registered office P46A, Radha Bazar Lane Kolkata -700001 (“the said Party”) at such price and on such terms and conditions (including the receipt of the consideration thereof) with effect from such date, and in such manner, as contained in the Business Transfer Agreement dated 24<sup>th</sup> September, 2020 and the Board is hereby authorized to finalize and execute all the required documents, memorandum, deeds of assignments/conveyance and any other incidental documents with such modification or amendments thereto as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in its discretion for consummation of the transaction as aforesaid.

RESOLVED FURTHER THAT Board of Directors of the Company is also authorized with authority to authorize any other officer of the Company, to sign, execute and deliver for and on behalf of the Company, any documents in relation to the sale of business undertaking as contemplated under the Business Transfer Agreement together with any such modification or amendment thereto as such signatory may deem fit in his / her discretion and to do such acts, deeds, matters and things as necessary or desirable including delegating the aforesaid mention power(s) to other officials of the Company and persons wherever required in connection with or incidental to giving effect to the above resolution, including, but not limited to making any necessary filing with any governmental authority.”

By order of the Board

RAVI KUMAR MURARKA  
Chief Financial Officer  
& Company Secretary  
ACS-20659

Date: 24<sup>th</sup> September, 2020

Place: Kolkata

## Notice (Contd.)

### NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item Nos. 3 to 5 which sets out details relating to Special Business at the Meeting and considered unavoidable by the Board, is annexed hereto and forms part of the Notice.
2. In view of the outbreak of the COVID-19 pandemic and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”), Order No. ROC/WB/2020/2717 dated 08th September 2020 issued by office of the Registrar of Companies, West Bengal and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 63<sup>rd</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. Hence Members can attend and participate in the ensuing AGM through VC/ OAVM. The deemed venue for the 63<sup>rd</sup> AGM shall be the Corporate Office of the Company.
3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 63rd AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

The Board of Directors of the Company has appointed Sri. A.K. Labh, Practicing Company Secretary, (FCS-4848), as Scrutinizer to scrutinize the Voting process in a fair and transparent manner.

4. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 63<sup>rd</sup> AGM and hence the attendance slip, proxy forms and route map are not attached with the notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 63<sup>rd</sup> AGM through VC/OAVM Facility and e-Voting during the 63<sup>rd</sup> AGM.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee,

## **Notice (Contd.)**

Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Attendance of the Members participating in the 63<sup>rd</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the MCA Circulars and SEBI Circular, the Notice of the 63<sup>rd</sup> AGM will be available on the website of the Company at [www.duroply.in](http://www.duroply.in), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 9<sup>th</sup> October, 2020 to 17<sup>th</sup> October, 2020 (both days inclusive) for the purpose of 63<sup>rd</sup> AGM.
10. The Annual Report for 2019–20 will be available on the Company’s website at [www.duroply.in](http://www.duroply.in). The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and all the relevant documents pertaining to the resolutions proposed vide this notice of Annual General Meeting will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [investors@duroply.com](mailto:investors@duroply.com).
11. Members are requested to intimate change in their addresses, if any, to the Registrar and Share Transfer Agent in respect of equity shares held by them in physical mode and to their Depository Participant(s) in respect of shares held in dematerialized form.
12. Pursuant to Section 72 of the Companies Act, 2013 members holding shares in physical form are advised to file nomination with the RTA. In respect of shares held in Electronic/ Demat form, Members may please contact their Respective Depository Participants(s).
13. In line with the abovementioned MCA Circulars and SEBI Circular, the Notice of the AGM, Annual Report 2019-20 and e-voting instructions are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
  - i. Members holding shares in physical mode are requested to register their e-mail address with the Company or RTA.
  - ii. Members holding shares in demat mode are requested to register their e-mail address with their respective Depository Participants (DPs).

## Notice (Contd.)

- iii. If there is any change in the e-mail address already registered, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
- 14. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished and forms a part of the Notice. The Directors have furnished the requisite consents/ declarations for their appointment/re-appointment.
- 15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Maheshwari Datamatics Pvt. Ltd. / Company.
- 16. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018 amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that from 1<sup>st</sup> April, 2019 transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately. However, Members can continue to make request for transmission or transposition of securities held in physical form.
- 17. Members holding shares in physical or demat form as on the cut-off date i.e. 9<sup>th</sup> October, 2020 shall only be eligible to vote on the resolutions mentioned in the Notice of Annual General Meeting. Those who become Members of the Company after dispatch of AGM Notice but on or before 9<sup>th</sup> October, 2020 (Cut-off date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or to the Company at [investors@duroply.com](mailto:investors@duroply.com). However, those already registered with CDSL for e-voting can use their existing user Id and password for Login.
- 18. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
  - i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to Company at [investors@duroply.com](mailto:investors@duroply.com)/RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or visit RTA website.
  - ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to Company at [investors@duroply.com](mailto:investors@duroply.com)/RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
  - iii. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

## **Notice (Contd.)**

### **19. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:-**

- i. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii. Shareholders are encouraged to join the Meeting through Laptops / iPads and use camera for better experience.
- iii. Further shareholders will be required to use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@duroply.com](mailto:investors@duroply.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@duroply.com](mailto:investors@duroply.com).
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### **20. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- iv. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### **21. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](https://www.evotingindia.com) and register themselves in the “Corporates” module.

## **Notice (Contd.)**

- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@duroply.com](mailto:investors@duroply.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **22. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

- I. The voting period begins on 14<sup>th</sup> October, 2020 at 9:00 a.m. (IST) and ends on 16<sup>th</sup> October, 2020 at 5:00 p.m. (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 9<sup>th</sup> October, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Those who becomes Members of the Company after dispatch of AGM Notice but on or before 9<sup>th</sup> October, 2020 (Cut-off date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or to the Company at [investors@duroply.com](mailto:investors@duroply.com). However, those already registered with CDSL for remote e-voting can use their existing user ID and password for Login.
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- IV. Click on “Shareholders” tab to caste your votes;
- V. Now, select the Electronic Voting Sequence Number “EVSN” along with Duroply Industries Limited from the drop-down menu and click on “SUBMIT”;
- VI. Now Enter your User ID;
  - (a) For CDSL: 16 digits beneficiary ID.
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VII. Next enter the Image Verification as displayed and Click on Login.

## Notice (Contd.)

VIII. If you are holding shares in Demat form and had logged on to [www.Evotingindia.com](http://www.Evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

IX. If you are a first-time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field..</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. <b>OR</b></p> <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p>
Dividend Bank Details	<ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (VI)</li> </ul>

X. After entering these details appropriately, click on “SUBMIT” tab.

XI. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote if company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

XIII. Click on the EVSN for the relevant Duroply Industries Limited on which you choose to vote.

XIV. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

XV. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

XVI. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

## Notice (Contd.)

XVII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

XVIII. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

XIX. If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on ‘Forgot Password’ & enter the details as prompted by the system.

XX. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

23. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

24. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

The Board of Directors have re-appointed Shri Sudeep Chitlangia as Managing Director of the Company for the period of three years with effect from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2023 on the remuneration and other terms and conditions as contained in the resolution. The payment of remuneration, as per details given in the resolution, to Shri Sudeep Chitlangia has also been approved by the Nomination and Remuneration Committee of the Company.

The additional information as required by Schedule V to the Act is given below:

#### I. General Information

- 1) Nature of Industry: The Company is engaged in the business of manufacturing of Plywood and Tea.
- 2) Date or expected date of commencement of commercial production: Company is in operation since 1957.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- 4) Financial performance based on given indicators:

(` in Lakhs)

Particulars	2019-20	2018-19	2017-18
Total Revenue from Operations	20653.60	22848.49	22137.16
Profit/(Loss) before tax	(231.76)	126.14	(471.88)
Profit/(Loss) after tax	(407.60)	98.23	(474.79)

- 5) Foreign investments or collaborations, if any : Nil



### II. Information about the appointee:

- 1) **Background details:** Shri Sudeep Chitlangia is a commerce graduate and working with the Company since August, 1986. On 27<sup>th</sup> May, 1988, he was appointed in the Board of Directors of the Company.
- 2) **Past remuneration:** His last drawn remuneration as Managing Director of the Company during the financial year 2019-20 was Rs. 60,77,219/- (inclusive of all perquisites).
- 3) **Recognition or awards:** NIL
- 4) **Job profile and his suitability:** Shri Sudeep Chitlangia has been actively associated in company's business operation. He has played a pivotal role in all strategic business policies/ decisions of the Company.
- 5) **Remuneration proposed:** As mentioned in the text of the resolution.
- 6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Taking into account the size of the company, profile, position and involvement of Shri Sudeep Chitlangia in the Company, the proposed remuneration to the appointee is reasonable and in line with the remuneration level in the Industry.
- 7) **Pecuniary Relationship directly or indirectly with the company, or relationship with managerial personnel, if any:** Shri Sudeep Chitlangia holds 3,65,668 equity shares in the company and he is the son of Smt. Sheela Chitlangia, director of the Company.

### III. Other information:

- 1) **Reasons of loss or inadequate profits:** The overall production and sales volumes of the company has decreased as compared to previous year. As the Plywood business environment has passed through a tough phase with declining growth rates. There were positive signs of improvement observed in 4th quarter of 2019-20. But the same was short lived as lockdown of the country due to COVID-19 virus halted the growth momentum. The lockdown imposed in the country as a result of COVID-19 virus has had an unprecedented impact on the entire economy of the country.
- 2) **Steps taken or proposed to be taken for improvement:** Various steps are being taken to improve the profitability of the Company. However, the following measures are always being taken care of, to sustain its predominance in the market.
  - i) Focus on high quality performance delivery and good relationship with existing customers to generate rapid new order flows.
  - ii) Conscious efforts for the development of customer base in the respective business segments.
  - iii) Focus on significant improvement in operating costs.
- 3) **Expected increase in productivity and profits in measurable term:** The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance and the company is working on various cost savings initiatives to reduce the impact of the Covid-19. These measures are targeted at improving productivity and optimizing manufacturing cost.

## Notice (Contd.)

Shri Sudeep Chitlangia is working with the Company since last 32 years and is having valuable experience in plywood and tea businesses. Your Directors are of the opinion that his continued association with the Company and his rich experience will be beneficial to the Company.

The Board recommends the Resolution at Item No.3 for approval of the members

Except Smt. Sheela Chitlangia, (being relative of the appointee), none of the other Directors and key managerial personnel of the Company or their relatives are interested, financially or otherwise, in the above resolution.

### **Item No. 4**

SEBI has amended the Listing Obligations and Disclosure Requirements Regulations, 2015 vide circular dated 9<sup>th</sup> May, 2018 which requires reappointment/continuance of any Non-Executive Director who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution.

Shri Kali Kumar Chaudhuri, who was reappointed as an Independent Director of the Company at the 62<sup>nd</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2019 for a period of five years by way of special resolution, has attained the age of 75 years in September, 2020. He has served as Dean of the MBA programme at the Indian Institute of Social Welfare and Business Management under Calcutta University for more than fifteen years. Dr. Chaudhuri served as Research Fellow and Research Assistant in Indian Institute of Management, Calcutta. He has attended professional trainings in the Tata Institute of Social Sciences, Mumbai and Council for Social Development, Delhi and Institute of Directors, Delhi. Dr. Chaudhuri has a Master degree in Science and a Doctorate in Anthropology from the Calcutta University.

Shri Kali Kumar Chaudhuri has relevant experience and his valuable guidance is beneficial to the Company.

The Board recommends the Resolution at Item No. 4 for approval of the members.

No Director is interested or concerned in the above resolution.

### **Item No. 5**

The operations of the Company are divided into 2(two) segments, namely, (i) manufacturing of plywood, blockboard, doors and other decorative manufacturing items (“Plywood Division”); (ii) processing of tea leaves purchased from small growers and selling it in the packaged form, i.e., tea processing business (“Tea Division”).

The Company has its core competency in manufacturing of plywood and is a renowned name in the field of plywood and decorative industries. The production facility of the Company is technologically sophisticated with advanced equipment, processes and support services for production of the entire spectrum of plywood. Company has an established and renowned brand of “DUROPLY”. The other unit of the Company, i.e., Tea Processing (Tea Division) is very volatile and depends upon host of factors, viz, supply of good leaves, rain, quality labour, plucking quality, distribution, etc. The Tea Division has roughly contributed to 11% approx to the Company’s turnover in average in last five years. The management would like to focus on the plywood & its allied products.

In order to achieve rationalization as explained above, it is felt desirable to dispose off the Tea Division with the objective to optimize the operational performance. The Board of Directors of the Company vide its meeting held on 24<sup>th</sup> September, 2020 has entered into an Agreement with Teloijan Techno Agro Limited



## Notice (Contd.)

(CIN : U01100WB2010PLC156029) having its registered office P46A, Radha Bazar Lane Kolkata -700001, for sale of the Tea Division of the Company, comprising of movable and immovable demarcated assets thereof in the form of an unit/undertaking with other contingencies and liabilities attached thereto, on as is and where is basis as a going concern by way of slump sale to the said party, subject to approval of shareholders of the Company, and on the terms and conditions as mentioned in the said Agreement. In terms of Section 180 (1) (a) of the Companies Act, 2013, approval of Members is required by way of a Special Resolution for selling, leasing or otherwise disposing of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially the whole of such undertakings, if the investment of the company in the said unit/undertaking exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent. of the total income of the company during the previous financial year. The draft agreement will be available for online inspection to the members in terms of the procedure as elaborated elsewhere in the Notes as attached to the Notice of the Annual General Meeting.

Some of the significant terms of the Agreement are set out below:

Name of the Buyer : Teloijan Techno Agro Limited

(CIN : U01100WB2010PLC156029)

Registered Office - P46A, Radha Bazar Lane Kolkata -700001

Purchase Consideration: Rs. 22.00 Crores

Division to be transferred : Tea Division situated at P.O. Jeypore Dist: Dibrugarh, Assam – 786614 and comprising of movable and immovable demarcated assets.

Location : P.O. Jeypore Dist: Dibrugarh, Assam – 786614

It is clarified that “slump sale” shall mean the transfer of one or more undertakings as a result of the sale for a lump sum consideration, without values being assigned to the individual assets and liabilities in such sales, as defined in Section 2(47) of the Income Tax Act, 1961 and as stipulated vide Annexure I to SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

The Board expects that hiving of the Tea Division will streamline the financial performance of the Company and will provide an opportunity to the Company to focus on its core business and accordingly place the resolution for your approval. The purchase consideration received by the Company would be utilized to reduce the debt burden of the Company and to improve the overall financial health of the Company.

No Director, Key Managerial Personnel or their relatives, is interested or concerned, financially or otherwise, in the proposed resolution. As per Section 102(2) of the Companies Act, 2013 it is clarified that the proposed resolution does not relate to or affect any other Company.

Your directors place the resolution for your approval.

By order of the Board

RAVI KUMAR MURARKA

Chief Financial Officer

& Company Secretary

ACS-20659

Date: 24<sup>th</sup> September, 2020

Place: Kolkata

## Notice (Contd.)

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY

Particulars	Shri Sudeep Chitlangia	Shri Kali Kumar Chaudhuri
Date of Birth	14.05.1966	18.09.1945
Date of Appointment on the Board	27.05.1988	24.01.2006
Qualification	B.Com	M.Sc. Phd.
Expertise in Specific functional area	Experience in the area of Manufacturing of Plywood and Tea business	Business Management
Terms and Conditions of Appointment	Managing Director, liable to retire by rotation	Independent Director, not liable to retire by rotation
Number of Board meetings attended out of four Board meetings held during the year	4	4
Remuneration details	As per the resolution stated above	NIL
Directorship held in other Public Companies	NIL	1. Manaksia Limited 2. Manaksia Steels Limited 3. Mark Steels Limited.
Committee membership/Chairmanship held in other Companies	NIL	<b>Chairman</b> 1. Manaksia Limited – Nomination and remuneration Committee 2. Manaksia Steels Limited – Nomination and Remuneration Committee & Stakeholder Relationship Committee <b>Member</b> 3. Manaksia Limited – Audit Committee 4. Manaksia Steels Limited – Audit Committee & Corporate Social Responsibility.
Relationship with other Directors/KMP	Son of Smt. Sheela Chitlangia, Director	NA
Number of shares held in the Company	3,65,668	NIL



## **Directors' Report to the Members**

Your Directors present their 63<sup>rd</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2020.

### **FINANCIAL RESULTS**

(` in Lakhs)

<b>PARTICULARS</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
Turnover	<b>20653.60</b>	22848.49
Other Income	<b>78.28</b>	72.48
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	<b>653.31</b>	1057.61
Less: Finance Charges	<b>748.83</b>	708.78
Profit before Depreciation/ Amortization (PBTDA)	<b>(95.52)</b>	348.83
Less: Depreciation	<b>308.94</b>	222.69
Profit before Tax and Exceptional Items	<b>(404.46)</b>	126.14
Net profit before taxation (PBT)	<b>(231.76)</b>	126.14
Provision for taxation	<b>175.84</b>	27.91
Profit/ (Loss) after Taxation (PAT)	<b>(407.60)</b>	98.23
Other Comprehensive Income	<b>(38.08)</b>	(74.19)
Total Comprehensive Income	<b>(445.68)</b>	24.04

### **STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company has achieved a net turnover of ` 206.54 Crores as against ` 228.48 Crores in the preceding financial year, a decrease of 9.60%. The company has incurred a net loss of Rs. 4.46 Crores as against a net profit of ` 0.24 Crores in the preceding year.

Plywood Segment revenue decreased from ` 202.63 Crores to ` 184.98 Crores i.e. a decrease of 8.71%. Tea Segment revenue during the year was ` 21.56 crores as against ` 25.85 Crores in the preceding financial year representing a decrease of 16.60%.

### **CHANGES IN THE NATURE OF BUSINESS**

There was no change in the nature of the business of the Company during the year.

### **DIVIDEND**

Due to loss during the year under review, the Directors regret their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March 2020.

### **RESERVES**

Due to loss, no amount is proposed to be transferred to general reserve for the year ended 31<sup>st</sup> March 2020.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2020 was ` 6.46 Crores. During the year under review, the Company has neither issued any shares or any convertible instruments, nor has bought back any of its securities.

### **BORROWINGS**

The total borrowings stood at ` 5603.34 Lakhs as at 31<sup>st</sup> March, 2020 as against ` 4958.86 Lakhs as on 31<sup>st</sup> March, 2019, i.e. an increase of ` 644.48 Lakhs.

### **DEPOSITS**

The Company has not accepted any deposits from public during the year and as such, there is no outstanding deposit in terms of Companies (Acceptance of Deposits) Rules, 2014.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company. However, the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily like providing scholarship to poor brilliant students, sponsoring sports program etc.

## Directors' Report (Contd.)

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Regulations"), the Management Discussion and Analysis Report is attached herewith as "Annexure-1".

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Retirement by Rotation

In accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Shri Sudeep Chitlangia (DIN: 00093908), Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

#### Appointment/Re-appointment of Directors

Pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any read with Schedule V of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and any other applicable rules, if any including any statutory modification(s) or re-enactment thereof for the time being in force and applicable clauses of the Articles of association of the company, and subject to the approval of the members, Shri Sudeep Chitlangia (DIN:00093908) whose term was expiring on 31<sup>st</sup> March, 2020, has been re-appointed as Managing Director of the Company, liable to retire by rotation, by the board in its meeting held on 12<sup>th</sup> February, 2020 for a period of 3 (three) years with effect from 1<sup>st</sup> April 2020 till 31<sup>st</sup> March, 2023.

#### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that, they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Regulations.

### BOARD MEETINGS

During the year under review, four Board Meetings were convened and held. The details of which are given in Corporate Governance Report forming part of this Report. The provisions of the Companies Act, 2013 and SEBI Regulations were adhered to while considering the time gap between two meetings.

### ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Directors was completed during the year under review. The Independent Directors of the Company have held one meeting during the year on February 12, 2020, without the presence of Non-Independent Directors and members of the management to review the performance of Non-Independent Directors and the Board of Directors as a whole; review the performance of the Managing Director of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors.

The Board of Directors expressed their satisfaction with the evaluation process.

### MANAGERIAL REMUNERATION

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the company are attached herewith as "Annexure-2".

### SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

As on 31<sup>st</sup> March, 2020 the company is not having any associate, subsidiary or joint venture.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY

All related party transactions that were entered into during the financial year under review were at arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly there is no transaction to be reported in **Form AOC-2**.

All related party transactions are placed before the Audit Committee and also the Board for approval. The detail of the policy on Related Party Transactions as approved by the Board of Directors and Audit Committee is available on the Company's website [www.duroply.in](http://www.duroply.in).



### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has in place a Vigil Mechanism/Whistle Blower Policy to deal with unethical behavior and to provide a framework to promote responsible and secured reporting of undesired activities. The Vigil Mechanism/ Whistle Blower Policy is available on the website of the Company at [www.duroply.in](http://www.duroply.in). During the year, no case was reported under this policy.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any guarantees or given new loans or made any new investments in securities of any other body corporate during the year under review. Details of the existing loans and investments made by the Company are given in the notes to the financial statements.

### **REMUNERATION POLICY**

The Company has formulated a policy on director's selection and appointment, payment of remuneration, directors qualifications, positive attributes, independence of directors, selection and appraisal of performance of Key Managerial Personnel and Senior Management and their remuneration and other related matters as applicable under Section 178(3) of the Companies Act, 2013. The Company's Criteria for payment of remuneration to the Non Executive Directors and Familiarization Programme undertaken for Independent Directors are available on the Company's website [www.duroply.in](http://www.duroply.in) and the Remuneration Policy is separately attached herewith as "**Annexure-3**".

### **RISK MANAGEMENT POLICY**

The Company has a defined risk management framework to identify, assess, monitor and mitigate risks involved in its business. The Company understands that risk evaluation and risk mitigation is an ongoing process within the organization and is fully committed to identify and mitigate the risks in the business. The Company has formulated and implemented a risk management policy in accordance with SEBI Regulations, to identify and monitor business risk and assist in measures to control and mitigate such risks. In accordance with the policy, the risk associated with the Company's business is always reviewed by the management team and placed before the Audit Committee. The Audit Committee reviews these risks on periodical basis and ensures that mitigation plans are in place. The Board is briefed about the identified risks and mitigation plans undertaken.

The risk management policy as approved by the Board of Directors is available on the Company's website [www.duroply.in](http://www.duroply.in).

### **INTERNAL FINANCIAL CONTROL**

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures. The Internal Financial Control (IFC) system ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly.

Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3) (i) of the Companies Act, 2013 forms part of the Audit Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the year ended 31<sup>st</sup> March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and of the profit/loss of the Company for the year on that date;
- (iii) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the year ended 31<sup>st</sup> March 2020 on a 'going concern' basis.
- (v) That the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (vi) That the Directors incorporated proper systems to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

The Company has in place the SEBI guidelines pertaining to Corporate Governance. The Corporate Governance Report giving

## Directors' Report (Contd.)

the details as required under SEBI Regulations is given separately as "**Annexure-4**".

The Corporate Governance Certificate for the year ended on 31<sup>st</sup> March, 2020 issued by Mr. Vivek Agarwal partner of M/s S. K. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company, is also attached herewith as "**Annexure-5**".

Shri Sudeep Chitlangia, the Managing Director has given his certificate under SEBI Regulations regarding compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2020, which is attached herewith as "**Annexure-6**". Certificate Pursuant to Regulation 17(8) of the SEBI Regulations is attached herewith as "**Annexure-7**".

### **COMMITTEES OF BOARD OF DIRECTORS**

As on the date of this Report, the Board has five Committees out of which three have been mandatorily constituted in compliance with the requirements of Companies Act, 2013 and SEBI Regulations while two non-mandatory Committees have been constituted to assist it in the management of the day-to-day affairs of the Company and to increase the efficacy of governance. The Board has adopted charters setting forth the roles and responsibilities of each of the Committees. The Board has constituted following Committees to deal with matters and to monitor activities falling within their respective terms of reference:-

#### **MANDATORY COMMITTEES**

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

#### **NON-MANDATORY COMMITTEES**

- Investor Committee
- Borrowing Committee

Details of composition of the above Committees, their terms of reference, number of meetings held during the year, attendance therein and other related aspects are provided in the Corporate Governance Report forming part of the Annual Report. There has been no instance where the Board has not accepted the recommendations of its Committees.

### **AUDITORS**

#### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder M/s. S. K. Agrawal & Co., Chartered Accountants (Firm Registration No.306033E) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 19<sup>th</sup> September, 2017 for a term of five consecutive years.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S. K. Agrawal & Co., Chartered Accountants (Firm Registration No.306033E), Statutory Auditors, in their report.

The Statutory Auditors has not reported any incident of fraud to the Audit Committee of the Company during the year under review as required under section 143(12) of the Companies Act, 2013 & Rules made thereunder.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Rashmi Sharma, Company Secretary was appointed as the Secretarial Auditor of the Company for the FY 2019-2020. The Secretarial Audit report for the financial year ended 31<sup>st</sup> March, 2020 is attached herewith as "**Annexure-8**". The said report does not contain any qualification, reservation or adverse remarks.

Based on the consent received and on recommendation of the Audit Committee, the Board has re-appointed M/s. Rashmi Sharma as the secretarial auditor for the financial year 2020-21.

#### **COST AUDITORS**

Company is required to maintain Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

Pursuant to provisions of Companies Act, 2013 and the Rules thereunder, requirement of Cost Audit is not applicable to the Company.

#### **INVESTOR EDUCATION & PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 is not applicable for the Company as no dividend was declared in the last financial year.



### STOCK EXCHANGE LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Company has paid the listing fee to the Bombay Stock Exchange Limited for the year 2020-2021.

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

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in “Annexure-9” attached herewith.

### ANNUAL RETURN

Pursuant to the Provisions of Section 92(3) of the Companies Act, 2013, the extract of Annual Return as on 31<sup>st</sup> March, 2020, in the prescribed form MGT - 9 is attached herewith as “Annexure - 10” and the same has been placed on the website of the Company and can be accessed at [www.duroply.in](http://www.duroply.in).

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material change and commitment affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of the Report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace. During the year under review, no complaint was reported to the Board.

### COVID-19 IMPACT ON THE COMPANY

The outbreak of the deadly Covid-19 pandemic, followed by the lockdown in the country has adversely affected the business operations of the Company. Due to the rapid spread of the Covid-19 in the Country, the health of the employees and workers of the Company has become priority of the Company over the business operations. This unproductive lockdown is resulting in the financial burden for the Company. Covid-19 is significantly impacting the performance of FY 20-21 and the company is working on various cost savings initiatives to reduce the impact. These measures are targeted at improving productivity and optimizing manufacturing cost.

### ISO CERTIFICATION

The Company's factory at Rajkot, Gujarat have been certified ISO 14001:2004 for Environmental Management Systems Standards.

### ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the dealers, agents, suppliers, investors and bankers for their continued support, co-operation and their valuable guidance to the Company and for their trust reposed in the Company's management. Your Directors also place on record their sincere appreciation to employees at all levels for their hard work, dedication and continuous contribution to the Company.

For and on behalf of the Board

**SUJIT CHAKRAVORTI**  
Director  
(DIN: 00066344)

Registered Office:  
9, Parsee Church Street,  
Kolkata – 700001

Date : 03<sup>rd</sup> July, 2020

**SUDEEP CHITLANGIA**  
Managing Director  
(DIN: 00093908)

## Annexure-1

### Management Discussion and Analysis Report

#### OVERVIEW

Duroply Industries Limited (DIL) is one of the oldest plywood manufacturers in India. It principally operates in two segments – Plywood and allied products and Tea. The Company owns a plywood and allied products unit at Rajkot, Gujarat and bought leaf tea processing factory at Jeypore, Assam. The Company is utilizing the best available raw materials for its products. Company's DURO range of products are increasingly gaining acceptance in the market and the company continues with its efforts of further growing the market.

#### Indian Economy

During 2019-20, the Indian economy has passed through a tough phase with declining growth rates. India witnessed a dismal 5.1% GDP growth during first 3 quarters of FY 19-20 against 6.3% in the same period of FY19. There were positive signs of improvement observed in 4th quarter of 2019-20. But the same was short lived as lockdown of the country due to COVID-19 virus halted the growth momentum. The lockdown imposed in the country as a result of COVID-19 virus has had an unprecedented impact on the entire economy of the country. The month of April 20 was virtually a complete standstill.

The Government undertook unique measure of rationalizing income tax rates to boost fresh investments by corporate in the country. This measure is yet to yield its results. RBI on its part also undertook much needed measures of rationalizing its policy rates and increased the liquidity in the banking system. However, this did not lead to meaningful contraction of interest rates for majority of borrowers.

There is uncertainty as to how long the impact of lockdown is expected to continue and when one can witness normalcy returning to the economy. Overall, outlook for the economy in the near term is not encouraging. However, in past also, Indian economy showed strong recovery in the face of global financial crisis. With our robust and large consumer base, expected fiscal stimulus from the Government and timely interventions from RBI, India will soon be on rapid recovery path. We, therefore, believe that in the medium to long term the Indian economy will emerge stronger from this crisis.

#### SEGMENTWISE PERFORMANCE

##### Plywood

During the year 2019-20, segment revenue decreased from ` 202.63 Crores to ` 184.98 Crores i.e. a decrease of 8.71%.

During 1<sup>st</sup> Quarter of Financial Year 2020-21, the outbreak of the deadly Covid-19 pandemic, followed by the lockdown in the country has adversely affected the business operations of the Company. Due to the rapid spread of the Covid 19 in the Country, the health of the employees and workers of the Company has become priority of the Company over the business operations. The Management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be from short to medium term in nature.

##### Tea

Segment revenue during the year was ` 21.56 Crores as against ` 25.85 Crores in the preceding financial year representing a decrease of 16.60%.

The lockdown in the wake of Covid -19, at the onset of new season, has dealt a big blow to production of tea in Assam and West Bengal which is estimated to have declined by 65% for the period of March and April and by 50% during May 20. This has affected the company operations severely in 1<sup>st</sup> Quarter of Financial Year 2020-21 and the further impact on our business will depend on future developments that cannot be reliably predicted.

#### INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

#### OPPORTUNITIES & THREATS

##### Opportunities:

Some of the key opportunities based on the recent scenario of the economy are as follows:

- One of the fastest-growing economies in the world
- Consistent cost optimization initiatives



## Management Discussion and Analysis Report (Contd.)

- Decades-long experience
- Deep distribution network

Your company is well positioned to take advantage of the opportunities in the market in the upcoming years.

### Threats

- Non-availability of raw materials
- Price volatilities of raw materials
- Competition from the unorganised sector
- Cheaper substitutes

### DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key Financial Ratios and any changes in Return on Net worth of the Company including explanations thereof are given below:

Ratio	March-20	March-19	% Changes	Explanation
Debtors Turnover Ratio (days)	37	38	-2	-
Inventory Turnover Ratio (days)	67	53	27	Finished Stock was Increased due to Lockdown in March 20
Interest Coverage Ratio (times)	0.69	1.18	-41	Decrease due to lower operating profits.
Current Ratio(times)	0.84	0.88	-4	-
Debt Equity Ratio(times)	1.95	1.66	17	-
Operating Profit Margin (%)	4.00	4.65	-14	-
Net Profit Margin (%)	-1.97	0.43	-557	Due to lower operating profit and increased cost of goods sold.
Return on Net Worth (%)	-6.12	0.31	-2076	Decreased on account of decrease in net profits due to increase of cost of Goods Sold.

### BUSINESS RISK MANAGEMENT

Risks are integral part for a business to grow. However, an effective risk management framework helps the organisation in mitigating the risks effectively and ensures business sustainability. Effective risk management comprises reducing the element of surprise, improve services, ensure proactive change management, source resources efficiently, optimize utilisation levels, prevent leakages and reduce wastages. Duroply has an efficient risk management process in place and the same is periodically reviewed by the Board for measuring their effectiveness. The process evaluates each risk associated with various business transactions and undertakes effective mitigation strategies to minimise impact.

### FINANCIAL PERFORMANCE

During the year under review, the gross turnover of the Company has decreased from ` 228.48 Crores to ` 206.54 Crores i.e, a decrease of 9.60%. The Company has incurred a net loss of ` 4.46 Crores as against a net profit of ` 0.24 Crores in the preceding financial year. In view of losses incurred by the Company during the year, the Board of Directors did not recommend any dividend.

### HUMAN RESOURCES MANAGEMENT

People management is the backbone of your Company and it is regarded as one of the important resources for the success of the organisation. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. HR processes are fine-tuned and updated to attract and recruit talent into the Company. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.

### CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis, describing the Company's objectives, outlook and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Several factors make a significant difference to the Company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and such other factors over which the Company does not have any direct control.

## Annexure-2

### Particulars of Remuneration

#### Part A : Information pursuant to Section 197(12) of the Companies Act, 2013

Read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### Requirement of Rule 5(1)

	<b>Details</b>
(i) The ratio of each Director to the median remuneration of the employees of the Company for the financial year	<p><b>Independent Directors</b></p> <p>Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil</p> <p><b>Non Executive Directors</b></p> <p>Smt. Sheela Chitlangia : Nil Shri Sohan Lal Yadav : Nil</p> <p><b>Executive Director</b></p> <p>Shri Sudeep Chitlangia : 15.09</p>
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<p><b>Independent Directors</b></p> <p>Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil</p> <p><b>Non Executive Directors</b></p> <p>Smt. Sheela Chitlangia : Nil Shri Sohan Lal Yadav : Nil</p> <p><b>Executive Director</b></p> <p>Shri Sudeep Chitlangia : 5.85% (Managing Director)</p> <p><b>CFO &amp; Company Secretary</b></p> <p>Shri Ravi Kumar Murarka : 10.59%</p> <p>: 12.67%</p>
(iii) The percentage increase in the median remuneration of employees in the financial year	
(iv) The number of permanent employees on the rolls of the Company	: 630 permanent employees as on 31 <sup>st</sup> March, 2020
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	: Average salary increase of managerial employees 7.08% Average salary increase of non-managerial employees 13.54% There has been no exceptional increase in managerial remuneration.
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company	: Remuneration paid during the year ended 31 <sup>st</sup> March, 2020 is as per the Remuneration Policy of the Company.

Note: 1) Sitting Fees paid to the Independent Directors is not considered as remuneration paid to the Independent Directors.



## Particulars of Remuneration (Contd.)

**Part A : Information pursuant to Section 197(12) of the Companies Act, 2013**

**Read with Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Employee Name	Designation	Remuneration received (₹)	Qualification	Total years of Experience	Date of commencement of employment	Age	Last employment
1	Sudeep Chitlangia	Managing Director	60,77,219	B.Com	32	27-05-1988	54	Nil
2	Devesh Ahluwalia	Vice- President Sales	37,20,540	B.Sc., PGDBM	29	03-07-2014	53	Sheela Foam Pvt. Ltd.
3	Akhilesh Chitlangia	President- Sales & Marketing	33,10,920	B.Sc., B.A	10	01-07-2010	32	Nil
4	Shashank Hissaria	General Manager	27,19,380	B.Com	31	15-12-1988	51	Nil
5	Harender Verma	Regional Manager	24,68,364	M.Sc., MBA	23	26-09-2015	49	Lafarge India Pvt. Ltd.
6	Somnath Roychoudhury	General Manager- Sales & Marketing	24,12,530	B.E. (Electrical)	35	15-11-2012	60	Free Lancer Trainer Consultant
7	Pawan Kumar Verma	General Manager, Accounts	22,97,087	B.Com., ACA	13	18-12-2008	40	Reliance Retail Ltd.
8	Ravi Kumar Murarka	Chief Financial Officer & Company Secretary	22,14,409	B.Com, C.W.A., A.C.S, F.C.A., D.I.S.A.	22	01-05-2009	46	Jessop & Co. Ltd.
9	Neeraj Gupta	General Manager- Commercial	21,42,144	B.Com, ICWA (Inter)	27	15-11-1998	51	Chembra Peak Estate Ltd
10	Abhishek Chitiangla	General Manager	18,24,000	BBA. BSE (industrial)	5	01-04-2017	28	Bain & Company

## Annexure-3

### REMUNERATION POLICY

#### a) Remuneration Policy for Non Executive Directors/ Independent Directors

Levels of remuneration to directors are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully. With changes in the corporate governance norms, the role of the Non-Executive Directors (NEDs) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time.

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “SEBI Regulations”), every company to publish its criteria of making payments to NEDs in its Annual Report. Alternatively, this may be put up on the Company’s website and reference may be drawn thereto in its Annual Report. Section 197 of the Companies Act, 2013 and the SEBI Regulations require the prior approval of the shareholders of a Company for making payment to its NEDs.

Further, in order to be consistent with globally accepted governance practices, the company has ushered in flexibility in respect of payment of remuneration to NEDs. It has linked the remuneration paid to NEDs to their attendance at the meetings of the Board or Committees thereof, their contributions at the meetings or otherwise, and on their position in various Committees of the Board, whether as the Chairman or Member.

All board level compensation (including to the NEDs) is approved by the shareholders and disclosed separately in the financial statements. Appropriate disclosures are also made in the Annual Report of the company. The board approves the commission paid to the directors.

In addition, the company also pays a sitting fee on a per meeting basis to the NEDs for attending the meetings of the board and other committees.

#### b) Remuneration Policy for Executive Directors

The remuneration policy for the Executive Directors has been formulated, considering the following key principles including but not limited to the basic principle to have long term relationship with the Company:

##### Key Principles:

- Linked to strategy: A substantial portion of the Executive Director’s remuneration is linked to success in developing and implementing the Company’s strategy.
- Performance related: A part of the total remuneration varies with performance, aligning with the shareholder’s interest.
- Long term: The structure of remuneration is designed to reflect the long term nature of the Company and significance of the protection of interest of the shareholders.
- Fair treatment: Total overall remuneration takes account of both the external market and Company’s condition to achieve a balanced “fair outcome”.

##### Elements of the Remuneration structure of Executive Directors:

The remuneration to key managerial personnel shall include:

- Fixed Salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice and industry analysis.

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.



## Remuneration Policy (Contd.)

The remuneration to any one Managing Director or Whole Time Director or Manager shall not exceed five percent of the net profits of the Company and if there is more than one such director total remuneration shall not exceed ten percent of the net profits of the Company to all such directors and Manager together. The total remuneration to its directors, including Managing Director and Whole-time Director, and its Manager in respect of any financial year shall not exceed eleven percent of the net profits of that financial year.

In case of no profits, or inadequate profits, the Company shall pay remuneration to its Managing or Whole-time Director or Manager in accordance with the provisions of Schedule V of the Companies Act 2013.

### c) Remuneration Policy for Key Managerial Personnel (KMP)

The remuneration to Key Managerial Personnel's of the Company i.e. Managing Director/Chief Executive Officer/ Whole Time Director, Company Secretary and Chief Financial Officer as defined under Companies Act, 2013 read with related rules issued thereon, will be fixed after taking into account educational and professional qualification, experience & expertise of the personnel and the competitive market practices.

#### **Key Principles:**

- Remuneration should be sufficient to attract, retain and motivate best non-executive talent suits to the requirement of the Company.
- Remuneration practice should be consistent with the recognized best standard practices for Key Managerial Personnel's.

#### **Elements of the Remuneration structure of KMP's:**

The remuneration to key managerial personnel shall include:

- Fixed salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.

### d) Remuneration Policy for Senior Management Personnel and other Executives:

The remuneration to Senior Management personnel shall be fixed considering internal, external and individual equity; and also procedural equity.

- Remuneration to Senior Management Personnel shall include –
- Fixed Salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, Company Performance, market environment and future plans.

## Annexure-4

### REPORT ON CORPORATE GOVERNANCE

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance is based on trusteeship, transparency, accountability and ethical corporate citizenship. As a responsible corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

#### 2. BOARD OF DIRECTORS

##### a) Composition of the Board :

The Board consists of seven Directors comprising:

- One Managing Director-Promoter
- One Non-Executive Woman Director - Promoter
- One Non-Executive, Non-Independent Director
- Four Non-Executive Independent Directors

##### b) The Composition and category of Board of Directors and other details are as follows:

Name of Directors	Category of Directorship	Date of Appointment in the current term/ cessation	*Tenure (in months)	No. of Board Meetings attended	Attendance at last AGM on 25.09.2019	No. of Directorship(s) in Listed entities including this listed entity	No. of member-ship(s) in #Committee(s) including this listed entity	No. of post of Chair-person in #Committee held in listed entities including this listed entity
Shri Sudeep Chitlangia	Managing Director-Promoter	27.05.1988	–	4	Yes	1	1	–
Smt. Sheela Chitlangia	Non-Executive Director	29.09.2015	–	4	No	1	–	–
Shri Sohan Lal Yadav	Non-Executive Director	27.11.1996	–	1	No	1	–	–
Dr. Kali Kumar Chaudhuri	Non-Executive & Independent Director	01.04.2019	170	4	Yes	3	4	1
Shri Probir Roy	Non-Executive & Independent Director	01.04.2019	106	4	Yes	3	7	2
Shri Ratan Lal Gaggar	Non-Executive & Independent Director	01.04.2019	525	4	Yes	5	9	2
Shri Sujit Chakravorti	Non-Executive & Independent Director	01.04.2019	210	4	Yes	3	4	3

\* Tenure would mean total period from which Independent Director is serving on the Board of Directors of the listed entity in continuity without any cooling off period.

# Only Audit Committee and Stakeholders Relationship Committee have been considered.



**Report on Corporate Governance (Contd.)**

**c) Name of other listed entities where Directors of the company are Directors and the Category of Directorship:**

Sl. No.	Name of Director	Name of the Listed entities in which the concerned Director is a Director	Category of Directorship
1	Shri Sudeep Chitlangia DIN: 00093908	—	—
2	Smt. Sheela Chitlangia DIN: 00174354	—	—
3	Shri Sohan Lal Yadav DIN: 00207333	—	—
4	Dr. Kali Kumar Chaudhuri DIN: 00206157	Manaksia Limited Manaksia Steels Limited	Independent director Independent director
5	Shri Probir Roy DIN: 00033045	Industrial and Prudential Investment Co. Ltd. Century Plyboards (India) Ltd.	Independent director Independent director
6	Shri Sujit Chakravorti DIN: 00066344	Deepak Industries Limited WEBFIL Limited	Independent director Independent director
7	Shri Ratan Lal Gaggar DIN: 00066068	TIL Limited	Independent director
		Sumedha Fiscal Service Ltd.	Independent director
		International Combustion Limited	Independent director
		Shree Cement Limited	Independent director

Shri. Sudeep Chitlangia is related to Smt. Sheela Chitlangia. There is no inter-se relationship among the other Directors of the Company. In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013 and are independent of the management.

**d) Board meetings held during the year ended 31<sup>st</sup> March 2020**

During the year four Board Meetings were held on 30<sup>th</sup> May 2019, 14<sup>th</sup> August 2019, 12<sup>th</sup> November 2019 and 12<sup>th</sup> February 2020.

**e) Information placed before the Board of Directors**

As required under the Regulation 17(7) read with Part – A of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the information were placed before the Board.

**f) Code for prevention of Insider-Trading practices and Fair Disclosures**

The Company has in place an Insider Trading Code for compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Shri Ravi Kumar Murarka, Chief Financial Officer and Company Secretary of the Company is the Compliance Officer and responsible for compliance with the Insider Trading policies. Details of security transactions by insiders, if any, are placed before the Board of Directors of the Company and also notified to the Stock Exchange.

**g) Shareholding of Non-Executive Directors**

Except Smt. Sheela Chitlangia, none of the Non-Executive Directors hold any shares in the Company. Smt. Sheela Chitlangia holds 2,71,650 Equity Shares of ` 10/- each of the Company as on 31<sup>st</sup> March, 2020.

**h) Details of Familiarisation Programmes imparted to Independent Directors**

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the Independent Directors through various programs about the Company. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company's operations, function, strategy and risk management plan of the Company.

The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company at the web-link at [https://www.duroply.in/pdf/Familiarization\\_Program\\_for\\_Directors.pdf](https://www.duroply.in/pdf/Familiarization_Program_for_Directors.pdf).

## Report on Corporate Governance (Contd.)

### i) Skill/Expertise/Competencies of the Board of Directors

The Following is the list of core skills/ expertise/competencies identified by the Board of Directors as required in the context of the company's business and that the said skills are available with the Board Members:

- I. Experience in and Knowledge of the industries in which company operates.
- II. Behavior Skills – The attributes and competencies enabling individual Board Member to use their knowledge and skill to function well as team member and to interact with the key stakeholders.
- III. Financial and management Skill
- IV. Technical/professional skills and specialist knowledge to assist with ongoing aspects of the board's role.
- V. Business Strategy, Sales, & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills:

Area of Expertise	Name of Directors						
	Shri Sudeep Chitlangia	Shri Sohan Lal Yadav	Dr.Kali Kumar Chaudhuri	Shri Probir Roy	Shri Ratan Lal Gaggar	Shri Sujit Chakravorti	Smt. Sheela Chitlangia
Industry knowledge/experience	✓	✓	✓	✓	✓	✓	✓
Technical skills/experience	✓	✓	–	✓	✓	–	–
Behavioural competencies/personal attributes	✓	✓	✓	✓	✓	✓	✓
Strategic expertise	✓	✓	✓	✓	✓	✓	–
Financial expertise	✓	–	✓	✓	✓	✓	–

### j) Independent Directors:

The company is having four non-executive independent directors and company has received the declaration from Independent Directors as required under section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and on the basis of such declaration it is in the opinion of the Board of Directors of the company, that all the Independent Directors fulfill the condition as specified under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 3. AUDIT COMMITTEE

### a) Composition of the Committee

The Audit Committee has been constituted by Board in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Shri Sujit Chakravorti (Chairman of the Committee), Shri Ratan Lal Gaggar and Shri Probir Roy. The Managing Director is permanent invitee in all meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

### b) Terms of Reference

The terms of reference of the Committee as specified in Regulation 18 read with part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 are as follows:

- i) The Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.



## Report on Corporate Governance (Contd.)

- ii) the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any Related Party Transactions;
  - g) Modified opinion(s) in the draft audit report;
- iii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- v) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- vi) Reviewing with the management, the statement of users/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii) Approval or any subsequent modification of transactions of the Company with related parties;
- ix) Scrutiny of inter-corporate loans and investments;
- x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv) Discussion with internal auditors of any significant findings and follow up there on;
- xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii) To review the functioning of the whistle blower mechanism;
- xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx) The Audit Committee shall mandatorily review the following information:
  - a) management discussion and analysis of financial condition and results of operations;
  - b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) internal audit reports relating to internal control weaknesses; and
  - e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - f) statement of deviations: quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
  - g) it should also review (as and when it becomes applicable) the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date.

## Report on Corporate Governance (Contd.)

### c) Audit Committee Meetings held during the year ended 31<sup>st</sup> March 2020

During the year under review, four Audit Committee Meetings were held on 30<sup>th</sup> May 2019, 14<sup>th</sup> August 2019, 12<sup>th</sup> November 2019 and 12<sup>th</sup> February 2020.

### d) Attendance at the Audit Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Probir Roy	4	4
Shri Ratan Lal Gaggar	4	4
Shri Sujit Chakravorti	4	4

## 4. NOMINATION & REMUNERATION COMMITTEE

### a) Composition of the Committee

The Nomination & Remuneration Committee has been constituted by Board in accordance with the section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Nomination & Remuneration Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Dr. Kali Kumar Chaudhuri (Chairman of the Committee), Shri Ratan Lal Gaggar and Shri Sujit Chakravorti.

### b) Terms of Reference

The terms of reference of the Committee as specified in Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors,
- Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- Devising a policy on diversity of the board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and remuneration payable to them.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

### c) Nomination & Remuneration Committee Meeting held during the year ended 31<sup>st</sup> March 2020

During the year under review, one Nomination & Remuneration Committee Meeting was held on 12<sup>th</sup> February, 2020.

### d) Attendance at the Nomination & Remuneration Committee Meeting

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	1	1
Shri Ratan Lal Gaggar	1	1
Shri Sujit Chakravorti	1	1

### e) Details of remuneration to Directors

Name	Salary & Perks	Sitting Fees	Total
Shri Sudeep Chitlangia	60,77,219	-	60,77,219
Smt. Sheela Chitlangia	-	40,000	40,000
Shri Sohan Lal Yadav	-	-	-
Dr. Kali Kumar Chaudhuri	-	63,500	63,500
Shri Ratan Lal Gaggar	-	93,500	93,500
Shri Probir Roy	-	70,000	70,000
Shri Sujit Chakravorti	-	76,000	76,000



## Report on Corporate Governance (Contd.)

Notes:

- (a) The Company does not pay any commission or performance linked incentives to any of its Directors.
- (b) The company pays sitting fees to Independent Directors for attending the Board and Committee meetings. Other than that, Independent Directors have no pecuniary relationships or transactions with the Company.

### f) Performance Evaluation criteria for Independent Directors

The following are the evaluation criteria for the Performance evaluation of the Independent Directors.

- Compliance with Articles of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of Company
- Assistance in implementing corporate governance practices
- Rendering independent, unbiased opinion
- Attendance & presence in meetings of Board & committees
- Attendance & presence in general meetings
- Disclosure of independence, if exists
- Review of integrity of financial information & risk management
- Safeguard of stakeholders' interests
- Updation of skills and knowledge (Awareness program through presentation at the Board and Committee meetings)
- Information regarding external environment
- Raising of concerns to the Board
- Safeguarding interest of whistle blowers under vigil mechanism
- Reporting of frauds, violation etc.
- Safeguard of confidential information

### g) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and as per requirement of Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted the criteria for evaluation of its own performance, its committees and individual directors and carried out the required annual evaluation.

In respect of each of the evaluation factors, various aspects covering general parameters in respect of all the directors and its committees have been considered and set out in the Performance Evaluation Policy in accordance with their respective functions and duties. Self-appraisal by the directors, based on their delegated specific responsibilities has also been carried out.

Further, the Independent directors have evaluated the performance of Executive Chairman, Non-Independent Directors and the Board of Directors as a whole as per requirement of Regulation 25 (3) & (4) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee had also evaluated performance of each of the Directors based on the aforesaid evaluation factors.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

### a) Composition of the Committee

The Stakeholders Relationship Committee has been constituted by Board in accordance with the section 177(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee consists of Dr. Kali Kumar Chaudhuri, Non-Executive Independent Director and Chairman of the Committee, Shri Ratan Lal Gaggar, Non-Executive Independent Director and Shri Sudeep Chitlangia, Managing Director. The Company Secretary acts as the Secretary to the Committee.

### b) Terms of Reference

The Committee performs amongst others the role/functions as are set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes:

- to consider, review and redress grievances of shareholders, debenture holders and other security holders of the Company;
- to consider and resolve the grievances of the shareholders / Investor's like transfer of shares, debenture, non receipt of balance sheet, non receipt of declared dividends;

## Report on Corporate Governance (Contd.)

- to deal with all aspects relating to issue and allotment of shares and debentures and / or other securities of the Company;
- to consider and approve subdivision, consolidation, transfer and issue of duplicate shares and debenture certificate;
- to delegate any of the powers mentioned above to the Company executives;
- authority to take a decision in any other matter in relation to the above functions / powers; and
- to do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.
- To specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.

### c) Stakeholders Relationship Committee Meetings held during the year ended 31<sup>st</sup> March 2020

During the year under review, seven Stakeholders Relationship Committee Meetings were held on 5<sup>th</sup> April, 2019, 19<sup>th</sup> April, 2019, 10<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 1<sup>st</sup> October, 2019, 8<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020.

### d) Attendance at Stakeholders Relationship Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	7	7
Shri Sudeep Chitlangia	7	5
Shri Ratan Lal Gaggar	7	7

### e) Compliance Officer

Shri Ravi Kumar Murarka, CFO & Company Secretary is the Compliance Officer of the Company.

### f) Shareholders' Complaints

During the year ended 31<sup>st</sup> March 2020, the Company had received 4 complaints from its shareholders. No complaints were pending at the beginning and at the closing of the year except those under litigation, dispute or Court orders.

## 6. INVESTOR COMMITTEE

### a) Composition of the Committee

The Investor Committee has been constituted by Board to deal with all the activities/terms of reference of Stakeholder Relationship Committee. The Investor Committee consists of Shri Sudeep Chitlangia, Managing Director, Dr. Kali Kumar Chaudhuri, Non-Executive Independent Director and Chairman of the Committee, Shri Ravi Kumar Murarka, Chief Financial officer, Company Secretary and Compliance officer of the company.

### b) Terms of Reference

The Committee performs the role/functions as are set out for the Stakeholder Relationship Committee and includes:

- to consider, review and redress grievances of shareholders, debenture holders and other security holders of the Company;
- to consider and resolve the grievances of the shareholders / Investor's like transfer of shares, debenture, non receipt of balance sheet, non receipt of declared dividends;
- to deal with all aspects relating to issue and allotment of shares and debentures and / or other securities of the Company;
- to consider and approve subdivision, consolidation, transfer and issue of duplicate shares and debenture certificate;
- to delegate any of the powers mentioned above to the Company executives;
- authority to take a decision in any other matter in relation to the above functions / powers; and
- to do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.
- To specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.

### c) Investor Committee Meetings held during the year ended 31<sup>st</sup> March 2020

During the year under review, no Investor Committee Meeting was held.

## 7. BORROWING COMMITTEE

### a) Composition of the Committee

The Borrowing Committee has been constituted by Board in accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and any other applicable law for the time being in force. The Borrowing Committee



## Report on Corporate Governance (Contd.)

consists of Dr. Kali Kumar Chaudhuri, Non-Executive Independent Director and Chairman of the Committee, Smt. Sheela Chitlangia, Non-Executive & Non-Independent Director and Shri Sudeep Chitlangia, Managing Director. The Company Secretary acts as the Secretary to the Committee.

### b) Terms of Reference

The Committee performs the role/functions as follows:

- To borrow monies (otherwise than by issue of debentures) within the limits approved by the Board and taking necessary actions connected therewith including refinancing for optimization of borrowing costs.
- To give guarantees within the limits approved by the Board.
- To borrow monies by way of loan, for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
- To provide corporate guarantee by the Company within the limits approved by the Board.
- To file the necessary forms with the Statutory Authority

### c) Borrowing Committee Meetings held during the year ended 31<sup>st</sup> March 2020

During the year under review, no Borrowing Committee Meetings was held.

## 8. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are as under:

Financial Year	Location	Date	Nature	Time	Number of special resolutions passed
2016-2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	19.09.2017	AGM	11.00 A.M.	One
2017-2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	24.09.2018	AGM	11.00 A.M.	Four
2018-2019	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	25.09.2019	AGM	11.00 A.M.	Four

Notes:

- (i) One Special resolution was passed through postal ballot during the year 2017-18 as per the order dated 28<sup>th</sup> July, 2017 passed by the National Company Law Tribunal (NCLT), Kolkata Bench.
- (ii) One Special resolution was passed through postal ballot during the year 2018-19 for changing the name of the Company from Sarda Plywood Industries Limited to Duroply Industries Limited.
- (iii) No special resolution is proposed to be put through postal ballot in the ensuing Annual General Meeting.

## 9. DISCLOSURES

- a) There is no materially significant related party transaction entered into by the Company that may have potential conflict with the interests of the Company at large. Details of the related party transactions are presented in the notes to the financial statements. The Company's policy on related party transactions is available at the website of the Company [www.duroply.in](http://www.duroply.in).
- b) There were no instances of non-compliance nor have any penalties or strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- c) The Company has followed the applicable guidelines of Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## Report on Corporate Governance (Contd.)

- d) The Company has adopted Vigil Mechanism/Whistle blower policy. No personnel were denied access to the Audit Committee.
- e) The Company has complied with all the mandatory requirement and discretionary requirement of unqualified financial statements.
- f) The Company does not have any subsidiary.
- g) The Company has complied with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations & Disclosure Requirements)Regulations, 2015.

### 10. MEANS OF COMMUNICATION

- a) Quarterly, half yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are approved by the Board.
- b) Financial results are normally published in all editions of the Financial Express in English language and in Ekdn in Bengali language.
- c) Financial results of the company are displayed on its website [www.duroply.in](http://www.duroply.in).
- d) No presentations were made to institutional investors or analysts.

### 11. Fee to Statutory Auditor

During the year, an amount of ` 4,50,000/- (Rupees Four Lakhs Fifty Thousand only) was paid to M/s. S.K. Agrawal & Co. the statutory auditors of the Company for the services rendered by it to the Company.

### 12. GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting	:	As per the Annual General Meeting Notice.
II. Financial Calendar for the year 2020-2021		
Particulars of Quarter	:	Tentative Dates
Results for the first quarter	:	On or before second week of August
Results for the second quarter	:	On or before second week of November
Results for the third quarter	:	On or before second week of February
Annual Audited Results	:	On or before last week of May
III. Book Closure Date	:	As per the Annual General Meeting Notice.
IV. Dividend Payment Date	:	Not Applicable
V. Listing on Stock Exchange	:	Bombay Stock Exchange Ltd.  Corporate Relationship Department  Rotunda Building, 1 <sup>st</sup> Floor  New Trading Ring, P.J. Towers  Dalal Street, Mumbai-400 001
VI. Scrip Code		516003



**Report on Corporate Governance (Contd.)**

**VII. Market Price Data**

Month	Stock Prices on BSE		SENSEX	
	High	Low	High	Low
April 2019	97.80	68.55	39487.45	38460.25
May 2019	86.95	70.00	40124.96	36956.10
June 2019	79.65	63.00	40312.07	38870.96
July 2019	85.50	51.00	40032.41	37128.26
August 2019	69.55	48.55	37807.55	36102.35
September 2019	68.85	51.10	39441.12	35987.80
October 2019	64.90	50.00	40392.22	37415.83
November 2019	59.80	50.10	41163.79	40014.23
December 2019	55.00	45.00	41809.96	40135.37
January 2020	59.80	43.00	42273.87	40476.55
February 2020	54.00	36.00	41709.30	38219.97
March 2020	38.00	20.00	39083.17	25638.90

**VIII. Share Transfer System**

M/s. Maheshwari Datamatics Private Limited are the Share Transfer Agents/Registrars (both for physical as well as demat segments) of the Company. The Board of Directors of the Company has authorized Shri Sudeep Chitlangia, Managing Director and Shri Ravi Kumar Murarka, Chief Financial Officer and Company Secretary of the Company to approve all valid share transfer requests on regular basis and accordingly all valid transfers are effected within a fortnight. Details of approved share transfers are submitted to the Stakeholders Relationship Committee.

**IX Credit Rating:** Infomerics Valuation And Rating Pvt. Ltd. has given the following credit ratings to the Company at present.

Sr. No.	Particulars	Credit rating
1.	Long Term Bank Facilities	IVR BB-
2.	Short Term Bank Facilities	IVR A4

**X. Distribution of Shareholding as on 31<sup>st</sup> March 2020**

No. of shares of ` 10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6403	94.4674	787485	12.1888
501-1000	183	2.6999	143642	2.2233
1001-2000	81	1.1950	116136	1.7976
2001-3000	24	0.3541	60162	0.9312
3001-4000	14	0.2066	48409	0.7493
4001-5000	11	0.1623	48970	0.7580
5001-10000	27	0.3983	200233	3.0992
10001 & above	35	0.5164	5055705	78.2527
<b>TOTAL</b>	<b>6778</b>	<b>100.0000</b>	<b>6460742</b>	<b>100.0000</b>

## Report on Corporate Governance (Contd.)

### XI. Categories of Shareholding as on 31<sup>st</sup> March 2020

Categories of Shareholders	No. of shares held	Percentage
Indian Promoters	4076308	63.09
Banks and Mutual Funds	11000	0.17
Body Corporates	498526	7.71
Individuals	1841569	28.5
Clearing Members	9800	0.15
Non-Resident Indian	23539	0.36
<b>TOTAL</b>	<b>6460742</b>	<b>100.00</b>

### XII. Dematerialisation of shares

: The Company's shares are available for Dematerialisation and liquidity with NSDL and CDSL. The ISIN allotted to the Company's Equity Shares is INE932D01010. As on 31<sup>st</sup> March 2020, 93.46% of the Share Capital has been dematerialised.

### XIII. Outstanding GDR/ADR/Warrants

: Not Applicable

### XIV. Plant locations

: 1. Tea Unit  
P.O. Jeypore - 786614  
Dist. Dibrugarh, Assam  
2. Plywood Unit  
Rajkot Gondal Highway  
Shapar - 360024,  
Dist. Rajkot, Gujarat

### XV. Address for Correspondence

: Maheshwari Datamatics Private Limited  
23<sup>rd</sup> R N Mukherjee Road, 5<sup>th</sup> Floor  
Kolkata – 700001  
Phone: (033) 2243 5029/2243 5809  
Fax : (033) 2248 4787  
E-mail: mdpldc@yahoo.com

### XVI. E-mail id for investor grievances

: investors@duroply.com

For and on behalf of the Board

**SUJIT CHAKRAVORTI**

Director

(DIN: 00066344)

Registered Office

9, Parsee church Street  
Kolkata – 700001  
Date: 3<sup>rd</sup> July 2020

**SUDEEP CHITLANGIA**

Managing Director

(DIN: 00093908)



## Report on Corporate Governance (Contd.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of**  
**Duroply Industries Limited**  
9, Parsee Church Street  
Kolkata – 700001  
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Duroply Industries Limited** having CIN : L20211WB1957PLC023493 and having registered office at 9, Parsee Church Street, Kolkata – 700001, West Bengal (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Probir Roy	00033045	09.05.2011
2.	Ratanlal Gaggar	00066068	28.06.1976
3.	Sujit Chakravorti	00066344	27.09.2002
4.	Sudeep Chitlangia	00093908	27.05.1988
5.	Sheela Chitlangia	00174354	06.02.2015
6.	Kali Kumar Chaudhuri	00206157	24.01.2006
7.	Sohan Lal Yadav	00207333	27.11.1996

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date : 3<sup>rd</sup> July 2020

Signature :  
Name : Atul Kumar Labh  
Membership No. : FCS 4848  
CP No. : 3238  
UDIN : F004848B000651441

**Annexure-5****Certificate of Corporate Governance  
to the Members of Duroply Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Duroply Industries Limited for the year ended on 31<sup>st</sup> March, 2020 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2020.

We 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 **S. K. AGRAWAL AND CO.**  
Chartered Accountants  
(F.R. No.306033E)

**CA VIVEK AGARWAL**  
Partner  
(Membership No.301571)  
UDIN: 20301571AAAACZ8132

**Annexure-6****Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct**

This is to confirm that the Board has adopted a Code of Conduct for its Directors and Senior Management of the Company and the same is available on the Company's website.

I confirm that the company has received from the Senior Management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct, as applicable to them, during the financial year ended 31<sup>st</sup> March 2020.

**SUDEEP CHITLANGIA**  
Managing Director  
(DIN: 00093908)

Place: Kolkata  
Date: 03<sup>rd</sup> July, 2020



**Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**CERTIFICATION**

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief, we state that:
  1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  1. Significant changes, if any, in internal control over financial reporting during the year;
  2. Significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For DUROPLY INDUSTRIES LIMITED**

**SUDEEP CHITLANGIA**  
Managing Director  
(DIN: 00093908)

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

Place : Kolkata  
Date: 03<sup>rd</sup> July, 2020

**Annexure-8****Secretarial Audit Report  
For The Financial Year Ended 31<sup>st</sup> March, 2020**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

**The Members**

**Duroply Industries Limited**

9, Parsee Church Street

Kolkata – 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Duroply Industries Limited having its Registered Office at 9, Parsee Church Street, Kolkata – 700001, West Bengal(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

We have relied upon the accuracy of the documents and information as shared by the Company with us through appropriate Information Technology tools to assist us in completing the secretarial audit work during lock down period due to unprecedented situation prevailing in the Country due to CoVID-19 virus pandemic and the same is subject to physical verification by us post normalization of the situation.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

***I report that,*** I have examined the books, papers, minute books, forms and returns filed and other records maintained by the



## Secretarial Audit Report (Contd.)

Company for the financial year ended 31.03.2020 according to the provisions of (as amended):

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

*I further report that*, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Food Safety And Standards Act, 2006;
2. Tea Waste Control Order, 1959;
3. Tea (Marketing) Control Order, 2003;
4. Tea (Distribution & Export) Control Order, 2005; and
5. Plant Protection Code (Formulated by Tea Board of India)
6. The Indian Forest Act, 1927;
7. Bureau of Indian Standards Act, 1986
8. Wood-Based Industries (Establishment and Regulation) Guidelines, 2016

to the extent of its applicability to the Company during the financial year ended 31.03.2020 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

## **Secretarial Audit Report (Contd.)**

- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

### ***I further report that :***

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### ***I further report that :***

- (a) In the light of heightened concern on spread of COVID-19 across the nation and as per the notifications issued by the Central / State Government(s), the Company had temporarily suspended operational activities at all its Works and moved to Work from Home Policy for all its office employees. However, the Company had partially resumed its operations at all its works (factories) since 8th May, 2020 with due permission of the local district authorities as applicable and in accordance with the guidelines stipulated by the Ministry of Home Affairs of the Government of India and the local authorities.

Place : Kolkata  
Date : 03<sup>rd</sup> July, 2020

**(RASHMI SHARMA)**

Practicing Company Secretary  
FCS No.-8660 / CP No.-8051  
UDIN: F008660B000439301



**Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule – 8(3) of the Companies (Accounts) Rules, 2014 and forming part of Directors' Report.**

**(A) CONSERVATION OF ENERGY**

- a) **Energy Conservation measures taken:** Energy conservation, wherever possible, have already been implemented and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.
- b) Form –A in respect of tea operation is enclosed.

**(B) TECHNOLOGY ABSORPTION**

- a) Efforts made in technology absorption : Form B is enclosed.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) **Efforts:** the Company has not exported any of its products during the year.

b) <b>Earnings and Outgo:</b>	( in Lakhs)
(i) Foreign Exchange earnings	NIL
(ii) Foreign exchange outgo (imports and other expenditure in foreign currency)	1978.26

**FORM – A**

(See rule 2)

(For Bought Leaf Tea Processing Factory)

**Disclosure of particulars with respect to conservation of energy**

**A. POWER AND FUEL CONSUMPTION** 2019-2020 2018-2019

**1. Electricity**

(a) Purchased

Unit	Kwh	847680	834973
Total amount	~	7653005	7408940
Rate/Unit	/Kwh	9.03	8.87

(b) Own generation

(i) Through gas generator

Unit	Kwh	624120	655800
Unit per SCUM of natural gas	Kwh/SCUM	1.56	1.75
Cost/unit	/Kwh	8.32	6.40

(ii) Through Diesel Generator

Unit	Kwh	48604	84400
Unit per Litre of Diesel Oil	Kwh/ltr.	3.05	3.17
Cost/unit	/Kwh	21.98	22.57

**2. Natural Gas**

Quantity

SCUM	893738	1087192
~	11347962	12009876
/SCUM	12.70	11.05

Total cost

Rate

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Electricity	Kwh/Kg.	0.86	0.75
Natural Gas	SCUM/Kg.	0.50	0.52

**Annexure-9 (contd.)****FORM - B****Disclosure of particulars with respect to technology absorption**

**I. Research and Development**

1. Specific Areas : Efforts are being taken for improving input / output ratio, optimization of equipment efficiency and improvement in quality.
2. Benefits derived : Improvement in quality, productivity and performance.
3. Future plan of action : Efforts would be taken for further improvement in quality and capacity utilization.
4. Expenditure on R & D : It has not been accounted for separately.

**II. Technology absorption, adoption and innovation**

1. Efforts made : The Company is carrying out in-house research to develop new and better products and also to improvise the quality of existing products.
2. Benefits : Improved product quality and quantity, Cost reduction, technology up-gradation
3. Particulars of technology imported during the last three years : Nil



**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March 2020**

*[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	:	L20211WB1957PLC023493
ii) Registration Date	:	26 <sup>th</sup> June 1957
iii) Name of the Company	:	Duroply Industries Limited
iv) Category/Sub-Category of the Company	:	Public Company limited by shares
v) Address of the Registered office and contact details	:	9, Parsee Church Street, Kolkata – 700 001; Contact No. (033) 2265 2274
vi) Whether listed company	:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Maheshwari Datamatics Private Limited, 23, R.N. Mukherjee Road, 5th Floor, Kolkata–700001 Contact No.(033) 2243-5029,2248-2248

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Plywood & Veneer	1621	89.57
2	Tea	10791	10.43

**III. PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES:**

Sl . No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Sec- tion
Nil					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	2334181	0	2334181	36.13	2334181	0	2334181	36.13	0.00	
b) Central Government										
c) State Government										
d) Bodies Corporate	1742127	0	1742127	26.96	1742127	0	1742127	26.96	0.00	
e) Banks / Financial Institutions										
f) Any Other										
<b>Sub-Total (A) (1) :-</b>	<b>4076308</b>	<b>0</b>	<b>4076308</b>	<b>63.09</b>	<b>4076308</b>	<b>0</b>	<b>4076308</b>	<b>63.09</b>	<b>0.00</b>	

**Annexure-10 (Contd.)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
<b>Sub-Total (A) (2) :-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) (A) = (A)(1)+(A)(2)</b>	<b>4076308</b>	<b>0</b>	<b>4076308</b>	<b>63.09</b>	<b>4076308</b>	<b>0</b>	<b>4076308</b>	<b>63.09</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	8600	8600	0.13	0	8600	8600	0.13	0.00
b) Banks / Financial Institutions	200	2000	2200	0.03	400	2000	2400	0.04	0.00
c) Central Government(s)									
d) State Government(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors									
h) Foreign Venture Capital Funds									
i) Others									
<b>Sub-total (B) (1):-</b>	<b>200</b>	<b>10600</b>	<b>10800</b>	<b>0.17</b>	<b>400</b>	<b>10600</b>	<b>11000</b>	<b>0.17</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	505831	4550	510381	7.90	494326	4200	498526	7.72	-0.18
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	912801	421619	1334420	20.65	921187	407113	1328300	20.56	-0.09
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	496719	0	496719	7.69	513269	0	513269	7.94	0.26
c) Others									
1. Non Resident Indians	24609	0	24609	0.38	23539	0	23539	0.36	-0.02
2. Qualified Foreign Investor									
3. Custodian of Enemy Property									
4. Foreign Nationals									
5. Clearing Member	6504	0	6504	0.10	9800	0	9800	0.15	0.05
6. Trusts									
7. Foreign Bodies-D R									
8. Foreign Portfolio Investor									
9. NBFCs registered with RBI	1001	0	1001	0.02	0	0	0	0.00	-0.02
10. Employee Trusts									
11. Domestic Corporate Unclaimed Shares Account									
12. Investor Education and Protection Fund Authority									
<b>Sub-total(B) (2) :-</b>	<b>1947465</b>	<b>426169</b>	<b>2373634</b>	<b>36.74</b>	<b>1962121</b>	<b>411313</b>	<b>2373434</b>	<b>36.74</b>	<b>0.00</b>
<b>Total Public Shareholding (B) (B) = (B) (1) + (B) (2)</b>	<b>1947665</b>	<b>436769</b>	<b>2384434</b>	<b>36.91</b>	<b>1962521</b>	<b>421913</b>	<b>2384434</b>	<b>36.91</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>6023973</b>	<b>436769</b>	<b>6460742</b>	<b>100.00</b>	<b>6038829</b>	<b>421913</b>	<b>6460742</b>	<b>100.00</b>	<b>0.00</b>



**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Sudeep Chitlangia	365668	5.66	0.00	365668	5.66	0.00	0.00
2	Jaydeep Chitlangia	351614	5.44	0.00	351614	5.44	0.00	0.00
3	Sheela Chitlangia	271650	4.20	0.00	271650	4.20	0.00	0.00
4	Nikhilesh Chitlangia	210314	3.26	0.00	210314	3.26	0.00	0.00
5	Sudeep Chitlangia (HUF)	90786	1.41	0.00	90786	1.41	0.00	0.00
6	Purushottam Das Chitlangia (HUF)	90175	1.40	0.00	90175	1.40	0.00	0.00
7	Jaydeep Chitlangia (HUF)	65604	1.02	0.00	65604	1.02	0.00	0.00
8	Akhilesh Chitlangia	169628	2.63	0.00	169628	2.63	0.00	0.00
9	Abhishek Chitlangia	176428	2.73	0.00	176428	2.73	0.00	0.00
10	Archana Chitlangia	220865	3.42	0.00	220865	3.42	0.00	0.00
11	Shreya Kanoria	164628	2.55	0.00	164628	2.55	0.00	0.00
12	Sunita Chitlangia	156821	2.43	0.00	156821	2.43	0.00	0.00
13	Madhya Bharat Papers Limited	55100	0.85	0.00	55100	0.85	0.00	0.00
14	Chitlangia Medical Society	72200	1.12	0.00	72200	1.12	0.00	0.00
15	Chitperi Farm Private Limited	21942	0.34	0.00	21942	0.34	0.00	0.00
16	Abhinandan Fintex Private Limited	275000	4.26	0.00	275000	4.26	0.00	0.00
17	Aashray Enterprises Pvt. Ltd.	723657	11.20	0.00	723657	11.20	0.00	0.00
18	Poushali Sales Pvt. Ltd.	594228	9.20	0.00	594228	9.20	0.00	0.00
<b>Total</b>		<b>4076308</b>	<b>63.09</b>	<b>0.00</b>	<b>4076308</b>	<b>63.09</b>	<b>0.00</b>	<b>0.00</b>

**iii) Change in Promoters' Shareholding**

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Chitlangia Medical Society				
	At the beginning of the year	72200	1.12		
	At the end of the year	72200	1.12	72200	1.12

**Annexure-10 (Contd.)**

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	<b>Chitperi Farm Private Limited</b>				
	At the end of the year	21942	0.34		
	At the end of the year	21942	0.34	21942	0.34
3	<b>Jaydeep Chitlangia (HUF)</b>				
	At the Beginning of the year	65604	1.02		
	At the end of the year	65604	1.02	65604	1.02
4	<b>Poushali Sales Pvt. Ltd.</b>				
	At the beginning of the year	594228	9.20		
	At the end of the year	594228	9.20	594228	9.20
5	<b>Aashray Enterprises Pvt. Ltd.</b>				
	At the beginning of the year	723657	11.20		
	At the end of the year	723657	11.20	723657	11.20
6	<b>Abhinandan Fintex Private Limited</b>				
	At the beginning of the year	275000	4.26		
	At the end of the year	275000	4.26	275000	4.26
7	<b>Madhya Bharat Papers Limited</b>				
	At the beginning of the year	55100	0.85		
	At the end of the year	55100	0.85	55100	0.85
8	<b>Purushottam Das Chitlangia (HUF)</b>				
	At the beginning of the year	90175	1.40		
	At the end of the year	90175	1.40	90175	1.40
9	<b>Archana Chitlangia</b>				
	At the beginning of the year	220865	3.42		
	At the end of the Year	220865	3.42	220865	3.42
10	<b>Sudeep Chitlangia (HUF)</b>				
	At the beginning of the year	90786	1.41		
	At the end of the year	90786	1.41	90786	1.41
11	<b>Sudeep Chitlangia</b>				
	At the beginning of the year	365668	5.66		
	At the end of the year	365668	5.66	365668	5.66
12	<b>Sheela Chitlangia</b>				
	At the beginning of the year	271650	4.20		
	At the end of the year	271650	4.20	271650	4.20
13	<b>Sunita Chitlangia</b>				
	At the beginning of the Year	156821	2.43		
	At the end of the Year	156821	2.43	156821	2.43



Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
14	<b>Jaydeep Chitlangia</b>				
	At the beginning of the year	351614	5.44		
	At the end of the year	351614	5.44	351614	5.44
15	<b>Akhilesh Chitlangia</b>				
	At the beginning of the year	169628	2.63		
	At the end of the year	169628	2.63	169628	2.63
16	<b>Nikhilesh Chitlangia</b>				
	At the beginning of the year	210314	3.26		
	At the end of the year	210314	3.26	210314	3.26
17	<b>Shreya Kanoria</b>				
	At the beginning of the year	164628	2.55		
	At the end of the year	164628	2.55	164628	2.55
18	<b>Abhishek Chitlangia</b>				
	At the beginning of the year	176428	2.73		
	At the end of the year	176428	2.73	176428	2.73

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Cuckoo Fiscal Services Ltd</b>				
	At the beginning of the year	366374	5.67		
	At the end of the year	366374	5.67	366374	5.67
2	<b>Niraj Investment Co (P) Ltd</b>				
	At the beginning of the year	50372	0.78		
	At the end of the year	50372	0.78	50372	0.78
3	<b>Porinju V Veliyath</b>				
	At the beginning of the year	158725	2.46		
	21/06/2019 - Transfer	5999	0.09	164724	2.55
	28/06/2019 - Transfer	2750	0.04	167474	2.59
	18/10/2019 - Transfer	16364	0.25	183838	2.85
	At the end of the year	183838	2.85	183838	2.85
4	<b>Dia Properties LLP</b>				
	At the beginning of the year	20000	0.31		
	At the end of the year	20000	0.31	20000	0.31

**Annexure-10 (Contd.)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	<b>Paras Kesharmal Bathia</b>				
		At the beginning of the year	23030	0.36	
		31/05/2019 - Transfer	-10	0.00	23020
		21/06/2019 - Transfer	-10000	0.15	13020
		02/08/2019 - Transfer	-1300	0.02	11720
		06/09/2019 - Transfer	-3291	0.05	8429
6	<b>Suman Rathi</b>	At the end of the year	8429	0.13	8429
		At the beginning of the year	21525	0.33	
		31/01/2020 - Transfer	-21525	0.33	0
		At the end of the year	0	0	0
7	<b>Anand L.</b>				
		At the beginning of the year	22000	0.34	
		At the end of the year	22000	0.34	22000
8	<b>Narsingh Das Rathi</b>				
		At the beginning of the year	4783	0.07	
		07/06/2019 - Transfer	500	0.01	5283
		31/01/2020 - Transfer	21892	0.34	27175
		At the end of the year	27175	0.42	27175
9	<b>Litty Thomas</b>				
		At the beginning of the year	79763	1.23	
		31/05/2019 - Transfer	3350	0.05	83113
		07/06/2019 - Transfer	1000	0.02	84113
		06/09/2019 - Transfer	4806	0.07	88919
		At the end of the year	88919	1.38	88919
10	<b>Varsha Chugh</b>				
		At the beginning of the year	29327	0.45	
		26/04/2019 - Transfer	210	0.00	29537
		12/07/2019 - Transfer	836	0.01	30373
		18/10/2019 - Transfer	3226	0.05	33599
		At the end of the year	33599	0.52	33599
11	<b>Dheeraj Kumar Lohia</b>				
		At the beginning of the year	5325	0.08	
		05/04/2019 - Transfer	3042	0.05	8367
		12/04/2019 - Transfer	47	0.00	8414



Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	10/05/2019 - Transfer	500	0.01	8914	0.14
	24/05/2019 - Transfer	9732	0.15	18646	0.29
	31/05/2019 - Transfer	11	0.00	18657	0.29
	21/06/2019 - Transfer	4219	0.07	22876	0.35
	30/08/2019 - Transfer	639	0.01	23515	0.36
	27/09/2019 - Transfer	280	0.00	23795	0.37
	25/10/2019 - Transfer	300	0.00	24095	0.37
	17/01/2020 - Transfer	1621	0.03	25716	0.40
	At the end of the year	25716	0.40	25716	0.40
	<b>Mohit Gangwani</b>				
13	At the beginning of the year	16726	0.26		
	03/05/2019 - Transfer	1	0.00	16727	0.26
	21/06/2019 - Transfer	4000	0.06	20727	0.32
	At the end of the year	20727	0.32	20727	0.32
	<b>Bharathi S</b>				
14	At the beginning of the year	0	0.00		
	21/06/2019 - Transfer	65500	1.01	65500	1.01
	22/11/2019 - Transfer	-100	0.00	65400	1.01
	At the end of the year	65400	1.01	65400	1.01
	<b>Singaraju R</b>				
15	At the beginning of the year	66000	1.02		
	07/06/2019 - Transfer	-500	0.01	65500	1.01
	21/06/2019 - Transfer	-65500	1.01	0	0.00
	At the end of the year	0	0.00	0	0.00

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Details of Directors:					
1	<b>Sudeep Chitlangia</b>				
a)	At the beginning of the year	365668	5.66		
b)	Changes during the year	-	-		
c)	At the end of the year	365668	5.66	365668	5.66

**Annexure-10 (Contd.)**

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	<b>Sheela Chitlangia</b>				
a)	At the beginning of the year	271650	4.20		
b)	Changes during the year	-	-		
c)	At the end of the year	271650	4.20	271650	4.20
3	<b>Shri Sujit Chakravorti</b>				
a)	At the beginning of the year	-	-	-	-
b)	Changes during the year	-	-	-	-
c)	At the end of the year	-	-	-	-
4	<b>Shri Kali Kumar Chaudhuri</b>				
a)	At the beginning of the year	-	-	-	-
b)	Changes during the year	-	-	-	-
c)	At the end of the year	-	-	-	-
5	<b>Shri Ratan Lal Gaggar</b>				
a)	At the beginning of the year	-	-	-	-
b)	Changes during the year	-	-	-	-
c)	At the end of the year	-	-	-	-
6	<b>Shri Probir Roy</b>				
a)	At the beginning of the year	-	-	-	-
b)	Changes during the year	-	-	-	-
c)	At the end of the year	-	-	-	-
7	<b>Shri Sohan Lal Yadav</b>				
a)	At the beginning of the year	-	-	-	-
b)	Changes during the year	-	-	-	-
c)	At the end of the year	-	-	-	-
<b>Details of Key Managerial Personnel (KMP)</b>					
1	<b>Shri Ravi Kumar Murarka</b>				
a)	At the beginning of the year	-	-	-	-
b)	Changes during the year	-	-	-	-
c)	At the end of the year	-	-	-	-



**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. in Lakhs)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4022.87	849.00	—	4871.87
ii) Interest due but not paid	—	83.46	—	83.46
iii) Interest accrued but not due	3.53	—	—	3.53
<b>Total (i + ii + iii)</b>	<b>4026.40</b>	<b>932.49</b>	<b>—</b>	<b>4958.86</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	1328.91	291.21	—	1620.12
- Reduction	651.17	324.47	—	975.64
<b>Net Change</b>	<b>677.74</b>	<b>(33.26)</b>	<b>—</b>	<b>644.48</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4677.68	809.00	---	5486.68
ii) Interest due but not paid	26.35	90.20	----	116.55
iii) Interest accrued but not due	0.11	---	---	0.11
<b>Total (i + ii + iii)</b>	<b>4704.14</b>	<b>899.20</b>	<b>---</b>	<b>5603.34</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs.)

<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD</b>
		<b>Sudeep Chitlangia, Managing Director</b>
1.	Gross Salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,63,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit	-
5.	Others – Club membership	14,219
<b>Total</b>		<b>60,77,219</b>
<b>Ceiling as per the Act</b>		<b>84,00,000</b>

\*As per Cost to the Company

**Annexure-10 (Contd.)**

**B. Remuneration to other directors:**

(Amount in Rs.)

Sl. no	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Sujit Chakravorti	Shri Ratan Lal Gaggar	Dr. Kali Kumar Chaudhuri	Shri Probir Roy	Shri Sohan Lal Yadav	Shri Sheela Chitlangia	
1.	Independent Directors Fee for attending board/ committee meetings commission others	76,000	93,500	63,500	70,000	-	-	3,03,000
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	Total (1)	76,000	93,500	63,500	70,000	-	-	3,03,000
2	Other Non-Executive Directors Fee for attending board/ committee meetings commission others						40,000	40,000
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	<b>Total (2)</b>					-	<b>40,000</b>	<b>40,000</b>
	<b>Total (1+2)</b>	<b>76,000</b>	<b>93,500</b>	<b>63,500</b>	<b>70,000</b>	<b>-</b>	<b>40,000</b>	<b>3,43,000</b>

**C. Remuneration to KEY Managerial Personnel other than MD/ WTD:**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of KMP
		Ravi Kumar Murarka, CFO & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,15,514
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,98,895
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit	-
5.	Others	-
	<b>Total</b>	<b>22,14,409</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.



## Independent Auditor's Report

**To the Members of DUROPLY INDUSTRIES LIMITED  
(Formerly Sarda Plywood Industries Limited)**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Duroply Industries Limited (Formerly Sarda Plywood Industries Limited) ("the Company"), which comprises the Balance sheet as at 31<sup>st</sup> March 2020, and the Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, read with our comments in the Emphasis of Matter paragraph below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the loss and total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial Statements.

#### Emphasis of Matter

We draw your attention to Note 37 to the Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## Independent Auditors' Report (Contd.)

S. No	Key Audit Matter	Auditor's Response
1.	<p><b><i>Allowance for Credit Losses</i></b></p> <p>The company determines the allowance for credit losses based on historical loss experience adjusted to reflect the current and future economic conditions.</p> <p>In calculating the expected credit loss, the company has considered the credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>We identified allowance for credit losses as a key audit matter because the Group exercises significant judgement in calculating the expected credit losses.</p> <p>Refer Notes 9 to the financial statements.</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>Our audit procedures related to the allowance for credit losses for trade receivables included the following, among others:</p> <p>We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses.</p> <p>For a sample of customers:</p> <p>We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.</p> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the company.</p>
2.	<p><b><i>Implementation of Ind AS 116</i></b></p> <p>Effective 1<sup>st</sup> April 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lease accounting model, requiring lessees to recognise a right of use asset ("ROU asset") and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.</p> <p>The Company has applied Ind AS 116 using the modified retrospective approach.</p> <p>We considered the first-time application of the standard as a key audit matter due to the judgements needed in establishing the underlying key assumptions.</p> <p>Refer Notes 37 to the financial statements.</p>	<p>Our procedures included the following:</p> <p>Assessing the accounting regarding leases with reference to consistency with the definitions of Ind AS 116.</p> <p>This includes factors such as lease term, discount rate and measurement principles;</p> <p>Assessing the transition to Ind AS 116 by verifying consistency with the definitions and practical expedients of Ind AS 116;</p> <p>Examining the Company's judgement in establishing the underlying assumptions.</p> <p>This includes assessing the discount rate used in determining the lease liability.</p>



## Independent Auditors' Report (Contd.)

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act ("the Act") with respect to the preparation of these financial statements that gives a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on

## Independent Auditors' Report (Contd.)

the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare



## Independent Auditors' Report (Contd.)

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

We did not audit the financial statements/ information of Delhi branch included in the financial statements of the Company whose financial statements/financial information reflect total assets of Rs 2270.40 Lakhs as at 31<sup>st</sup> March 2020 and the total revenue of Rs. 8346.24 Lakhs for the year ended on that date, as considered in the financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash flows comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;
  - e. On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

## Independent Auditors' Report (Contd.)

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations which would impact financial position. (Refer Note 37.2 to the financial statement)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. K. AGRAWAL AND CO.**  
Chartered Accountants  
Firm's Registration No. 306033E

Place : Kolkata  
Date: 03<sup>rd</sup> July, 2020

**(CA VIVEK AGARWAL)**  
Partner  
Membership No. 301571  
UDIN: 20301571AAAACW1662



## Annexure to the Auditors' Report

### Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **Duroply Industries Limited** (Formerly Sarda Plywood Industries limited) (the Company') on the financial statements for the year ended on 31<sup>st</sup> March, 2020. We report that:

- i. In respect of the Company's fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to information and explanation given to us all the fixed assets have been physically verified by the management in a phased periodical manner. Which in our opinion is reasonable having regard to the size of the company and nature of the assets. No material discrepancies were noticed on such physical verification.
  - (c) According to information and explanation given to us and the records examined by us and the records examined by us including registered title deeds, we reports that ,the title deeds, comprising all the immovable properties of land and building are held in the name of company as at balance sheet date.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of sections 185 and 186 of the Companies Act, 2013 is applicable, and accordingly reporting under clause (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to Section 76 of the Companies Act,2013 during the year. Hence, the provisions of Clause (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, Goods and Service Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material dues of duty of customs, goods and service tax, value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanation give to us, the following dues of income tax, sales tax, duty of excise, Goods and Service Tax have not been deposited by the company on account of disputes:

**Annexure to the Auditors' Report (Contd.)**

Nature of the Statute	Nature of dues	Amount (' in Lakhs)	Period to which the matter pertains	Forum where matter is pending
Delhi Sales Tax Act, 1975	Sales Tax	77.87	1990-91	Additional Commissioner of sales tax
Central Sales Tax Act, 1956	Sales Tax	47.52	1990-91	Additional Commissioner of sales tax
Income Tax Act, 1961	Income Tax	0.87	1985-86	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	1,198.78	April, 2010 to Dec, 2016	Assistant Commissioner of Central Excise
Central Goods and Service Tax Act, 2017	CGST	37.38	July 2017	Assistant Commissioner

- viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by the provisions for managerial remunerations of Section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S.K. AGRAWAL AND CO.**  
 Chartered Accountants  
 Firm's Registration No. 306033E

**(CA VIVEK AGARWAL)**

Partner

Membership No. 301571

UDIN: 20301571AAAACW1662

Place : Kolkata  
 Date: 03<sup>rd</sup> July, 2020



## Annexure to the Auditors' Report

### Annexure - B to the Auditors' Report

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Duroply Industries Limited (Formerly Sarda Plywood Industries Limited) ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

## **Annexure to the Auditors' Report (Contd.)**

principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. K. AGRAWAL AND CO.**  
Chartered Accountants  
Firm's Registration No.306033E

**(CA VIVEK AGARWAL)**

Partner

Membership No. 301571

UDIN: 20301571AAAACW1662

Place: Kolkata

Date: 03<sup>rd</sup> July, 2020



**BALANCE SHEET as at 31<sup>st</sup> March, 2020**

in Lakhs

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>I. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, plant and equipment	3	<b>10,384.38</b>	10,101.29
(b) Capital Work-in-Progress	3	<b>49.67</b>	-
(c) Intangible assets	4	<b>30.34</b>	32.63
(d) Financial Assets			
Investments	5	<b>0.90</b>	1.55
Loans	6	<b>821.35</b>	618.37
(e) Other Non - Current Assets	7	<b>5.24</b>	<b>11,291.88</b>
			<b>5.53</b>
			10,759.37
<b>(2) Current assets</b>			
(a) Inventories	8	<b>6,915.42</b>	6,465.44
(b) Financial Assets			
Trade receivables	9	<b>2,097.62</b>	2,357.30
Cash and Cash Equivalents	10	<b>126.32</b>	32.36
Other Bank Balances	11	<b>275.32</b>	276.87
Loans	12	<b>43.68</b>	45.70
Others	13	<b>37.39</b>	25.55
(c) Current Tax Assets (Net)	14	<b>10.78</b>	37.58
(d) Other current assets	15	<b>648.91</b>	<b>10,155.44</b>
			<b>648.85</b>
			<b>21,447.32</b>
			<b>20,649.02</b>
<b>TOTAL</b>			
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	16	<b>646.36</b>	646.36
(b) Other Equity	17	<b>6,633.10</b>	<b>7,279.46</b>
			<b>7,114.60</b>
			7,760.96
<b>(2) Non - current liabilities</b>			
(a) Financial Liabilities			
Borrowings	18	<b>808.35</b>	751.50
Other Financial Liabilities	19	<b>240.11</b>	50.00
(b) Provisions	20	<b>313.64</b>	199.24
(c) Deferred Tax Liabilities (Net)	21	<b>630.89</b>	468.91
(d) Other Non - Current Liabilities	22	<b>107.04</b>	<b>2,100.03</b>
			<b>119.89</b>
			1,589.54
<b>(3) Current liabilities</b>			
(a) Financial Liabilities			
Borrowings	23	<b>4,421.47</b>	3,981.49
Trade payables	24	<b>6,502.86</b>	6,423.77
Other Financial Liabilities	25	<b>972.31</b>	543.85
(b) Other current liabilities	26	<b>139.21</b>	300.86
(c) Provisions	27	<b>31.98</b>	<b>12,067.83</b>
			<b>48.55</b>
			<b>21,447.32</b>
			<b>20,649.02</b>
<b>TOTAL</b>			
<b>Significant accounting policies</b>	2		
<b>Other Disclosures</b>	37		

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date attached.

For **S. K. AGRAWAL AND CO.**

Chartered Accountants  
(F.R. NO. 306033E)

**CA VIVEK AGARWAL**

(Membership No.301571)

Partner, (UDIN : 20301571AAAACW1662)

Place : Kolkata

Date : 03<sup>rd</sup> July, 2020

On behalf of the Board

**SUJIT CHAKRAVORTI**

Director

DIN. 00066344

**RAVI KUMAR MURARKA**

Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**

Managing Director  
DIN. 00093908

**STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2020**

in Lakhs

	Note No.	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>I. Revenue from operations</b>			
Sale of goods	28	<b>20,650.13</b>	22,752.47
Other operating Income	29	<b>3.47</b>	96.02
<b>Total Revenue from Operations</b>		<b>20,653.60</b>	22,848.49
<b>II. Other income</b>	30	<b>78.28</b>	72.48
<b>III. Total revenue ( I+II)</b>		<b>20,731.88</b>	22,920.97
<b>IV. Expenses:</b>			
Cost of materials consumed	31	<b>9,756.14</b>	10,357.70
Purchases of stock-in-trade	32	<b>2,034.12</b>	2,283.12
Changes in inventories of finished goods, work -in-progress and stock-in-trade	33	<b>(499.50)</b>	520.11
Employee benefits expense	34	<b>2,725.69</b>	2,507.56
Finance costs	35	<b>748.83</b>	708.78
Depreciation and amortization expense	3 & 4	<b>308.94</b>	222.69
Other expenses	36	<b>6,062.12</b>	6,194.87
<b>Total expenses</b>		<b>21,136.34</b>	22,794.83
<b>V. Profit/(Loss) before exceptional items and tax (III - IV)</b>		<b>(404.46)</b>	126.14
<b>VI. Exceptional items (Refer Note No. 16)</b>		<b>172.70</b>	-
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>(231.76)</b>	126.14
<b>VIII. Tax expense :</b>			
Current tax		<b>0.05</b>	0.01
Deferred tax		<b>175.79</b>	27.90
<b>IX. Profit/(Loss) for the year (VII - VIII)</b>		<b>(407.60)</b>	98.23
<b>X. Other Comprehensive Income</b>			
i) Items that will not be reclassified to Profit and Loss			
- Remeasurement of Defined Benefit Liabilities		<b>(38.08)</b>	(74.19)
<b>XI. Total Comprehensive Income for the year (IX+X)</b>		<b>(445.68)</b>	24.04
<b>Earnings per equity share of ` 10/- each</b>			
Basic		<b>(6.31)</b>	1.52
Diluted		<b>(6.31)</b>	1.52
<b>Significant accounting policies</b>	2		
<b>Other Disclosures</b>	37		

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date attached.

For **S. K. AGRAWAL AND CO.**

Chartered Accountants  
(F.R. NO. 306033E)

**CA VIVEK AGARWAL**

(Membership No.301571)

Partner, (UDIN : 20301571AAAACW1662)

Place : Kolkata

Date : 03<sup>rd</sup> July, 2020

On behalf of the Board

**SUJIT CHAKRAVORTI**

Director

DIN. 00066344

**RAVI KUMAR MURARKA**

Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**

Managing Director  
DIN. 00093908



**STATEMENT OF CHANGE IN EQUITY for the year ended 31<sup>st</sup> March, 2020**

**A) Equity Share Capital**

<b>Equity Shares of ` 10 each subscribed and fully paid</b>	<b>Number of Shares</b>	<b>in Lakhs</b>
On 1 <sup>st</sup> April, 2018	45,17,885	451.79
Changes in equity share capital during the year	19,42,857	194.29
Balance as at 31 <sup>st</sup> March, 2019	64,60,742	646.08
Changes in equity share capital during the year	-	-
Balance as at 31 <sup>st</sup> March, 2020	64,60,742	646.08

**B) Shares to be issued in pursuant to scheme of Amalgamation**

	<b>Number of Shares</b>	<b>in Lakhs</b>
On 1 <sup>st</sup> April, 2018	19,42,857	194.29
Issued in pursuant to scheme of Amalgamation	(19,42,857)	(194.29)
Balance as at 31 <sup>st</sup> March, 2019	-	-
Changes in equity share capital during the year	-	-
Balance as at 31 <sup>st</sup> March, 2020	-	-

**C) Other Equity**

**in Lakhs**

<b>Particulars</b>	<b>Reserves and Surplus</b>				
	<b>Securities Premium Reserve</b>	<b>General Reserve</b>	<b>Retained Earning</b>	<b>Other Comprehensive Income</b>	<b>Total</b>
Balance as at 1 <sup>st</sup> April, 2018	754.15	1,216.84	5,236.82	(117.25)	7,090.56
Profit for the year	-	-	98.23	-	98.23
Other Comprehensive Income for the year	-	-	-	(74.19)	(74.19)
Balance as at 31 <sup>st</sup> March, 2019	<b>754.15</b>	<b>1,216.84</b>	<b>5,335.05</b>	<b>(191.44)</b>	<b>7,114.60</b>
Profit for the year	-	-	(407.60)	-	(407.60)
Transition Impact of IND AS 116 (Net of Tax)	-	-	(35.82)	-	(35.82)
Other Comprehensive Income for the year	-	-	-	(38.08)	(38.08)
Balance as at 31 <sup>st</sup> March, 2020	<b>754.15</b>	<b>1,216.84</b>	<b>4,891.63</b>	<b>(229.52)</b>	<b>6,633.10</b>

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date attached.

For **S. K. AGRAWAL AND CO.**  
Chartered Accountants  
(F.R. NO. 306033E)

**CA VIVEK AGARWAL**  
(Membership No.301571)  
Partner, (UDIN : 20301571AAAACW1662)  
Place : Kolkata  
Date : 03<sup>rd</sup> July, 2020

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

On behalf of the Board  
**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908

**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2020**

in Lakhs

	<u>Year ended 31<sup>st</sup> March, 2020</u>	<u>Year ended 31<sup>st</sup> March, 2019</u>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before tax	(231.76)	126.14
<b>Adjustments for:</b>		
Depreciation and Amortisation expenses	308.94	222.69
Provision for fair value of Investments	0.65	0.61
Unspent Liabilities Written Back	(0.58)	(5.57)
Government Grant	(12.84)	(12.84)
Loss/(Profit) on Sale of Property, Plant and Equipment	7.97	(5.59)
Interest Income	(56.22)	(43.59)
Finance Costs	748.83	708.78
Dividend Income	(0.01)	(0.67)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>764.98</b>	989.96
Decrease/(Increase) in Non Current Financial Assets - Loan	(202.98)	(38.89)
Decrease/(Increase) in Current Financial Assets - Loan	2.02	17.63
Decrease/(Increase) in Non Current Financial Assets - Others	-	0.15
Decrease/(Increase) in Current Financial Assets - Others	-	10.80
Decrease/(Increase) in Other Non Current Assets	0.29	16.30
Decrease/(Increase) in Other Current Assets	(0.06)	18.60
Decrease/(Increase) in Inventories	(449.98)	(466.32)
Decrease/(Increase) in Trade Receivables	259.67	(221.02)
Increase/(Decrease) in Long Term Provisions	76.24	(46.38)
Increase/(Decrease) in Short Term Provisions	(16.57)	26.17
Increase/(Decrease) in Other Financial Liabilities	191.62	(37.37)
Increase/(Decrease) in Other Current Liabilities	(161.65)	(51.64)
Increase/(Decrease) in Trade Payables	79.09	1,233.24
<b>Cash generated from Operating activities</b>	<b>542.68</b>	1,451.23
Direct Taxes Paid (Net of Refund)	26.75	(14.93)
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>569.43</b>	1,436.30
<b>B. Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment	(305.48)	(134.87)
Additions to Intangible Fixed Assets	(5.93)	(5.89)
Addition to Fixed Deposits	1.55	(229.45)
Sale of Property, Plant and Equipment	28.82	87.04
Sale of Long Term Investments	0.65	0.60
Interest Income	44.37	21.41
Dividend Income	0.01	0.67
<b>Net Cash flow from/(used in) Investing activities</b>	<b>(236.01)</b>	(260.49)



**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2020 (contd.)**

in Lakhs

	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Working Capital Loan	479.98	184.75
Proceeds of Buyers Credit	-	(918.74)
Proceeds from Other Short Term Borrowings	(40.00)	(19.00)
Proceeds from Term Loan	174.83	299.22
Principal Paid on Lease Liabilities	(102.02)	-
Interest Paid on Lease Liabilities	(51.47)	-
Interest Paid other than on Lease Liabilities	(650.52)	(688.38)
Other Borrowing Costs	(50.26)	(21.43)
<b>Net Cash Flow from/(Used in) Financing Activities</b>	<b>(239.46)</b>	<b>(1,163.58)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>93.96</b>	<b>12.23</b>
Opening Cash and Cash Equivalents	32.36	20.13
<b>Closing Cash and Cash Equivalents as per Note No. 10</b>	<b>126.32</b>	<b>32.36</b>

**Note:**

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the IND As 7 on 'Statement of Cash Flow'.
- 2) Figures in brackets represent cash outflow.
- 3) Cash equivalents does not include any amount which is not available for use by the Company.
- 4) Disclosure of changes in liabilities arising from financing activities including both changes arising from cash flows and non cash changes are given below

Particulars	As at 1 <sup>st</sup> April 2019	Net Cash flows	Change in fair values/ Accruals	Unsecured Perpetual Securities	Others	As at 31 <sup>st</sup> March 2020
Non Current Borrowings	890.38	174.83	-	-	-	1,065.21
Current Borrowings	3,981.49	439.98	-	-	-	4,421.47
Interest Accrued	3.53	(3.42)	-	-	-	0.11

Particulars	As at 1 <sup>st</sup> April 2018	Net Cash flows	Change in fair values/ Accruals	Unsecured Perpetual Securities	Others	As at 31 <sup>st</sup> March 2019
Non Current Borrowings	591.16	299.22	-	-	-	890.38
Current Borrowings	4,734.48	(752.99)	-	-	-	3,981.49
Interest Accrued	4.56	(1.03)	-	-	-	3.53

On behalf of the Board

For S. K. AGRAWAL AND CO.

Chartered Accountants

(F.R. NO. 306033E)

**SUJIT CHAKRAVORTI**

Director

DIN. 00066344

**CA VIVEK AGARWAL**

(Membership No.301571)

Partner, (UDIN : 20301571AAAACW1662)

Place : Kolkata

Date : 03<sup>rd</sup> July, 2020

**RAVI KUMAR MURARKA**

Chief Financial Officer &

Company Secretary

**SUDEEP CHITLANGIA**

Managing Director

DIN. 00093908

## Notes to Accounts

### Note No. 1

#### 1. Company Overview

Durophy Industries Limited ('the company') is a public limited company incorporated and domiciled in India in 1957 under the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The Company is primarily engaged in manufacturing and sale of Plywood, Decorative Veneers, Block boards, Doors, Tea etc. The registered office of the Company is at 9, Parsee Church Street, Kolkata – 700 001.

### Note No. 2

#### 2. Significant Accounting Policies

##### a. Statement of compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

##### b. Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs, except otherwise stated.

##### c. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted and unquoted equity shares
- Financial instruments

##### d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is



treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### e. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

### f. Property, plant and equipment

#### *Recognition and initial measurement*

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with carrying value of all its property, plant and equipment (except free hold land which is recognised at fair value) recognised as at 1<sup>st</sup> April 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or

## Notes to Accounts (Contd.)

when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

### g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

The Company has intangible assets with finite useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets (Computer Software) are amortised on Straight Line method over a period of 5 years.

### h. Depreciation and amortisation property plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a Straight Line Method, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, or, as per technical assessment, or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful life of the Property Plant and Equipment is given below: -

Asset Group	Useful Life (in years)
Factory Building	30
Non - Factory Building	60
Plant & Equipment	8-15
Electrical Installation	10
Furniture & Fixtures	10
Office Equipment and Vehicle	5-8
Computers	3

#### Freehold land is not depreciated.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### i. Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An



impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### j. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **The Company as lessee**

- (i) **Operating lease** – Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.
- (ii) **Finance lease** – Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

#### **The Company as lessor**

- (i) **Operating lease** – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term. For change in lease accounting policy refer note 2.1

### k. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

#### **Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

#### **Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### **Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

## Notes to Accounts (Contd.)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Fair Value through Other Comprehensive Income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Company has measured quoted equity instruments at fair value through profit or loss.

### Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

#### Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

#### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### Derivative financial instruments

The company uses Derivative Financial Instruments such as forward contracts to hedge its foreign currency risks. Such Derivative financial instruments are initially recognized and subsequently measured at Fair Value through profit or loss



## Notes to Accounts (Contd.)

(FVTPL). Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains/ losses arising from changes in the fair value of derivative financial instrument are recognized in the statement of Profit or Loss and reported with foreign exchange gains/ (loss) not within results from operating activities. Changes in fair value gains/ (losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## I. Employee benefits

### 1. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

### 2. Other long term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### 3. Post-employment obligations

The company operates the following post-employment schemes:

#### Defined contribution plans

The company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid.

#### Defined benefit plans

Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

### 4. Bonus Plans

The company recognizes a liability and an expense for bonuses. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## m. Inventories

Inventories are valued at the lower of cost and net realizable value.

## Notes to Accounts (Contd.)

Cost incurred in bringing each product to its present location and condition are accounted as follows:

- i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- ii. Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Finished Goods also include the applicable Excise Duty.
- iii. Stores and spares & Chemicals: Cost is determined on FIFO/weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion.

### n. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### o. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to revenue are recognized in statement of Profit and Loss under the heading 'Other Operating Revenue'.

### p. Income taxes

Tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current tax & deferred tax.

#### Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax asset shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Company has not recognized deferred tax assets during the year as the existence of unused tax losses are the evidence that future taxable profit may not be available against which these unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.



## Notes to Accounts (Contd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### q. Revenue

Ind AS 115 was issued on 28<sup>th</sup> March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1<sup>st</sup> April 2018.

In terms of the requirement of the new standard, revenue is recognised net of trade schemes, discounts and incentives payable to distributors/dealers and retailers.

The specific recognition criteria described below must also be met before revenue is recognized.

#### Sale of goods

Revenue from sale of goods is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In the context of the sale of the products, separate performance obligations may arise from freight and transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred. In a few exceptional cases, the freight and transport services are performed after the control of the products has been transferred. In accordance with IND AS 115, the revenue relating to these freight and transport services is realised later than the corresponding product revenue. In determining the transaction price, the Company considers the effects of variable consideration such as discounts, volume rebates, or other contractual price reductions, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

In case of domestic sales, the company believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms. Variable consideration in the form of volume rebates is recognized at the time of sale made to the customers and are offset against the amounts payable by them. The adaption of Ind AS 115 did not have significant impact for the company.

#### Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

#### Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

#### Insurance Claims

Insurance and other claims are accounted for as and when settled.

### r. Foreign currency transactions

Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year-end are translated at the year-end rate.

In case of items which are covered by forward exchange contracts, the premium or discount on forward exchange contracts is amortised over the period of the respective contract.

Any income or expense on account of exchange difference either on settlement or on translation at the year-end is recognised in the Statement of Profit and Loss.

## Notes to Accounts (Contd.)

### s. **Borrowing costs**

Borrowings costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

### t. **Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, by the weighted average number of shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### u. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables. The Company follows "simplified approach" for recognition of impairment loss allowances on trade receivables.

### v. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

### w. **Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### x. **Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### y. **Related party transactions**

Disclosure of transactions with related parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Clause 9 of Ind AS 24 have been identified on the basis of representations made by the management and information available with the company.

## 2.1 **Changes in accounting policies and disclosures**

### **New and amended standards**

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31<sup>st</sup> March 2019, except for (a) the adoption of new standard effective as of 1<sup>st</sup> April, 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In addition to Ind AS 116 - "Leases", which is applicable for the first time, several other amendments and interpretations apply for the first time from 1<sup>st</sup> April, 2019, but do not have an impact on the Financial Statements of the Company.

### **Ind AS 116 – Leases**

Effective from 1 April 2019, the Company has applied Ind AS 116, which replaces the existing lease standard,



## Notes to Accounts (Contd.)

Ind AS 17 Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Company at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. Lessor accounting remains similar to the accounting under the previous standard i.e. lessor continues to classify leases as finance or operating lease. This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

For contracts entered into before 1 April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings and other financial liabilities. In the comparative period, leases of property, plant and equipment where the Company, as lessee, had substantially all the risks and rewards of ownership was classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership was not transferred to the Company as lessee was classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) was charged to profit or loss on a straight line basis over the period of the lease unless the payments was structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### As a lessor

Lease income from operating leases, where the Company is a lessor, is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

**Notes to Accounts (Contd.)**

Note No : 3

**PROPERTY, PLANT AND EQUIPMENT**

in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2019 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2020	Upto 31.03.2019	for the Year	Sales/Ad- justment	Upto 31.03.2020	As at 31.03.2020
Freehold Land	8,450.78	42.66	-	8,493.44	-	-	-	-	8,493.44
Buildings	726.94	11.90	3.47	735.37	111.95	29.75	0.30	141.40	593.97
Right to Use - Building	-	364.78	-	364.78	-	115.14	-	115.14	249.64
Plant and Equipments	1,203.80	157.08	47.22	1,313.66	393.93	111.59	17.60	487.92	825.74
Motor Vehicles	122.92	32.54	7.52	147.94	34.58	15.04	3.83	45.79	102.16
Furniture and Fixtures	115.69	0.71	0.23	116.17	27.36	13.10	0.15	40.31	75.86
Office Equipments & Computer	91.12	10.92	3.09	98.95	42.14	16.10	2.86	55.38	43.57
<b>Sub - total</b>	<b>10,711.25</b>	<b>620.59</b>	<b>61.53</b>	<b>11,270.31</b>	<b>609.96</b>	<b>300.72</b>	<b>24.74</b>	<b>885.94</b>	<b>10,384.38</b>
Capital Work in Progress	-	49.67	-	49.67	-	-	-	-	49.67
<b>TOTAL</b>	<b>10,711.25</b>	<b>670.26</b>	<b>61.53</b>	<b>11,319.98</b>	<b>609.96</b>	<b>300.72</b>	<b>24.74</b>	<b>885.94</b>	<b>10,434.05</b>

**PROPERTY, PLANT AND EQUIPMENT - Previous Year**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2018 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2019	Upto 31.03.2018	for the Year	Sales/Ad- justment	Upto 31.03.2019	As at 31.03.2019
Freehold Land	8,450.78	-	-	8,450.78	-	-	-	-	8,450.78
Buildings	716.76	11.17	0.99	726.94	82.19	29.81	0.05	111.95	614.99
Plant and Equipments	1,230.40	90.46	117.06	1,203.80	298.05	138.80	42.92	393.93	809.87
Motor Vehicles	130.50	8.29	15.87	122.92	28.36	16.38	10.16	34.58	88.33
Furniture and Fixtures	103.99	12.51	0.81	115.69	14.99	12.91	0.54	27.36	88.33
Office Equipments & Computer	80.99	12.44	2.31	91.12	27.77	16.29	1.92	42.14	48.98
<b>Sub - total</b>	<b>10,713.42</b>	<b>134.87</b>	<b>137.04</b>	<b>10,711.25</b>	<b>451.36</b>	<b>214.19</b>	<b>55.59</b>	<b>609.96</b>	<b>10,101.29</b>
<b>TOTAL</b>	<b>10,713.42</b>	<b>134.87</b>	<b>137.04</b>	<b>10,711.25</b>	<b>451.36</b>	<b>214.19</b>	<b>55.59</b>	<b>609.96</b>	<b>10,101.29</b>



**Notes to Accounts (Contd.)**

Note No : 4

**INTANGIBLE ASSETS**

in Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2019 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2020	Upto 31.03.2019	for the Year	Sales/Ad- justment	Upto 31.03.2020	As at 31.03.2020
Computer Softwares (Acquired)	64.51	5.93	-	70.44	31.88	8.22	-	40.10	30.34
<b>TOTAL</b>	<b>64.51</b>	<b>5.93</b>	<b>-</b>	<b>70.44</b>	<b>31.88</b>	<b>8.22</b>	<b>-</b>	<b>40.10</b>	<b>30.34</b>

**INTANGIBLE ASSETS- Previous Year**

in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2018 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2019	Upto 31.03.2018	for the Year	Sales/Ad- justment	Upto 31.03.2019	As at 31.03.2019
Computer Softwares (Acquired)	58.62	5.89	-	64.51	23.38	8.50	-	31.88	32.63
<b>Sub - total</b>	<b>58.62</b>	<b>5.89</b>	<b>-</b>	<b>64.51</b>	<b>23.38</b>	<b>8.50</b>	<b>-</b>	<b>31.88</b>	<b>32.63</b>

Note No : 5

**Non-current investments**

in Lakhs

Particulars	Face value	Number of shares	As at 31 <sup>st</sup> March, 2020	Number of shares	As at 31 <sup>st</sup> March, 2019
<b>Investments measured at Fair Value through Profit &amp; Loss</b>					
<b>Investments in Equity Shares</b>					
<b>a) Quoted, Fully paid up</b>					
Assam Petro-Chemicals Ltd.	10	-	-	-	-
Rampur Fertilizers Limited	10	61	-	61	-
SMIFS Capital MarketsLtd.	10	3,500	0.74	3,500	1.37
United Credit Ltd.	10	1,000	0.16	1,000	0.18
			<b>0.90</b>		<b>1.55</b>
<b>b) Unquoted, Fully Paid up :</b>					
Other Companies					
Orissa Tea Plantations Ltd.	10	100	-	100	-
Albion Plywood Ltd.	10	300	-	300	-
Rajkot Nagrik Sahakari Bank Ltd.	50	1	-	1	-
<b>c) Unquoted, Partly paid up</b>					
Partly paid up ( `60/- called and paid up)					
The Purbanchal Bank Limited	100	200	-	200	-
			<b>0.90</b>		<b>1.55</b>
Aggregate amount of quoted investments			<b>10.43</b>		<b>10.43</b>
Aggregate market value of quoted investments			<b>0.90</b>		<b>2.15</b>

Besides above, the Company holds following shares in relation to the shares already sold by it:

a) Rampur Fertilizers Ltd.

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**Notes to Accounts (Contd.)**

Note No : 6

	As at 31 <sup>st</sup> March, 2020	` in Lakhs As at 31 <sup>st</sup> March, 2019
<b>Loans</b>		
(Unsecured, considered good)		
Security deposits	128.37	111.61
Loan to Related Parties	466.22	280.00
Loan to Others	226.76	226.76
	<u>821.35</u>	<u>618.37</u>

Note No : 7

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Other Non-Current Assets</b>		
(Unsecured, considered good)		
Capital advances	2.69	2.69
Prepaid Expenses	2.55	2.84
	<u>5.24</u>	<u>5.53</u>

Note No : 8

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Inventories</b>		
(At lower of cost and net realizable value, unless stated otherwise)		
Raw Materials	2,716.79	2,631.49
Raw Materials in Transit	144.69	213.60
Work-in-Progress	1,065.98	1,032.67
Finished Goods	2,412.25	1,924.73
Finished Goods in Transit	39.89	-
Stock in Trade	279.29	330.15
Stock in Trade in Transit	-	10.35
Stores & Spares and Chemicals	253.60	320.34
Stores & Spares and Chemicals in Transit	2.93	2.11
	<u>6,915.42</u>	<u>6,465.44</u>

Note No : 9

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Trade receivables</b>		
Trade receivables considered good - Unsecured*	2,097.62	2,357.30
Trade receivables - Credit Impaired	20.39	24.27
Less:- Provision for Expected credit loss	20.39	24.27
	<u>2,097.62</u>	<u>2,357.30</u>

\* includes ` 85.89 Lakhs/- (Previous year ` 106.61 Lakhs) under litigation.

Note No : 10

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Cash and bank balances</b>		
Cash and cash equivalents		
Balances with banks	118.49	9.31
Cheques, drafts on hand	0.98	17.76
Cash on hand	6.85	126.32
	<u>126.32</u>	5.29
	<u>126.32</u>	<u>32.36</u>

Note No : 11

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Other bank balances</b>		
Fixed deposits with banks*	275.32	276.87
(Original maturity period above 3 Months but below 12 months)	<u>275.32</u>	<u>276.87</u>

\* includes ` 274.32 Lakhs/- (Previous year ` 276.24 Lakhs) towards margin money for letter of credit



**Notes to Accounts (Contd.)**

	As at 31 <sup>st</sup> March, 2020	` in Lakhs	As at 31 <sup>st</sup> March, 2019	
<b>Note No : 12</b>				
<b>Loans</b>				
(Unsecured, considered good)				
Security deposits	43.68	45.70		
	<u>43.68</u>	<u>45.70</u>		
<b>Note No : 13</b>				
<b>Other</b>				
Interest accrued	37.39	22.55		
	<u>37.39</u>	<u>22.55</u>		
<b>Note No : 14</b>				
<b>Current Tax Assets (Net)</b>				
Advance tax (net)	10.78	37.58		
	<u>10.78</u>	<u>37.58</u>		
<b>Note No : 15</b>				
<b>Other Current Assets</b>				
(Unsecured, considered good)				
Advance to suppliers and others	589.77	561.67		
Balance with Statutory Authorities	16.00	14.01		
Prepaid expenses	43.14	73.17		
	<u>648.91</u>	<u>648.85</u>		
<b>Note No : 16</b>				
<b>Equity Share capital</b>				
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019		
	No. of shares	Amount ` in lakhs	No. of shares	Amount ` in lakhs
<b>(a) Authorised:</b>				
Equity shares of ` 10/- each	25,000,000	<u>2,500.00</u>	25,000,000	<u>2,500.00</u>
<b>(b) Issued:</b>				
Equity shares of ` 10/- each	6,640,667	<u>664.08</u>	6,640,667	<u>664.08</u>
	<u>6,640,667</u>	<u>664.08</u>	<u>6,640,667</u>	<u>664.08</u>
<b>(c) Subscribed and Paid up:</b>				
Equity shares of ` 10/- each fully paid up	6,460,742	646.08	6,460,742	646.08
Forfeited Equity Shares of ` 10 each (Amount originally paid up)	5,625	0.28	5,625	0.28
	<u>6,460,742</u>	<u>646.36</u>	<u>6,460,742</u>	<u>646.36</u>
<b>(d) Shares to be issued in pursuant to scheme of amalgamation</b>				
Opening Balance	-	1,942,857	194.29	
Shares issued in pursuant to scheme of amalgamation	-	(1,942,857)	(194.29)	
Closing Balance	-	-	-	
<b>(e) Reconciliation of number and amount of equity shares outstanding :</b>				
At the beginning of the year	6,460,742	646.08	6,460,742	646.08
Shares to be issued pursuant to scheme of Amalgamation	-	-	(1,942,857)	(194.29)
Add: Shares issued in pursuant to scheme of amalgamation	-	-	1,942,857	194.29
At the end of the year	<u>6,460,742</u>	<u>646.08</u>	<u>6,460,742</u>	<u>646.08</u>
<b>(f)</b> The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>(g)</b> There are NIL (Previous year NIL) shares reserved for issue under option and contracts / commitment for the sale of shares/disinvestment.				

## Notes to Accounts (Contd.)

(h) During the period of five years immediately preceding the reporting date:

- Pursuant to the scheme of amalgamation, 1942857 shares were issued for consideration other than cash on 6th October 2018.
- No bonus shares were issued
- No shares were bought back

(i) There are NIL (Previous year NIL) securities convertible into Equity/ Preference Shares.

(j) There are NIL (Previous year NIL) calls unpaid including calls unpaid by Directors and Officers as on the balance sheet date.

(k) No shares were forfeited during the year or during the previous year. 5625 equity shares of ` 10/- on which ` 5/- each had been paid up, were forfeited in the year 1995-1996 and 1996-1997.

(l) Shareholders holding more than 5 % of the equity shares in the Company :

Name of Shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
i) Cuckoo Fiscal Services Ltd.	366374	5.67	366374	5.67
ii) Sudeep Chitlangia	365668	5.66	365668	5.66
iii) Jaydeep Chitlangia	351614	5.44	351614	5.44
iv) Aashray Enterprises (P) Ltd.	723657	11.20	723657	11.20
v) Poushali Sales (P) Ltd.	594228	9.20	594228	9.20
<b>TOTAL</b>	<b>2401541</b>	<b>37.17</b>	<b>2401541</b>	<b>37.17</b>

### Note No : 17

	As at 31 <sup>st</sup> March, 2020 ` in lakhs	As at 31 <sup>st</sup> March, 2019 ` in lakhs
<b>Other Equity</b>		
<b>(a) Securities premium</b>		
Balance as per last account	<b>754.15</b>	754.15
<b>(b) General reserve *</b>		
Balance as per last account	<b>1,216.84</b>	1,216.84
<b>(c) Retained Earning</b>		
Balance as per last account	<b>5,335.05</b>	5,236.82
Add: Transition Impact of IND AS 116 (Net of Taxes)	<b>(35.82)</b>	-
Add : Profit / (Loss) for the Year	<b>(407.60)</b>	<b>98.23</b>
	<b>4,891.63</b>	<b>5,335.05</b>
<b>(d) Other Comprehensive Income (OCI)</b>		
As per last Balance Sheet	<b>(191.44)</b>	(117.25)
Add: Movement in OCI(Net) during the year	<b>(38.08)</b>	<b>(74.19)</b>
	<b>(229.52)</b>	<b>(191.44)</b>
	<b>6,633.10</b>	<b>7,114.60</b>

\* General reserve is primarily created to comply with the requirements of section 123(1) of Companies Act, 2013. This is a free reserve and can be utilised for any general purpose.

### Note No : 18

#### Borrowings

##### Term Loans

##### Secured

From banks	<b>781.04</b>	30.23
From entities other than banks	<b>284.17</b>	860.15
	<b>1,065.21</b>	890.38
Less :- Current Maturities Long term Debt	<b>256.86</b>	138.88
	<b>808.35</b>	<b>751.50</b>



**(a) Nature of securities**

Term loan from entities other than banks is secured by first charge on the Company's immovable properties situated at Jeypore (Assam) and also by hypothecation of all plant and machinery and other fixed assets of the Company, both present & future, and is additionally secured by personal guarantee of the Managing Director. Term loan from Bank is secured by first charge on the Company's immovable properties situated at Kolkata by deposit of title deeds and is additionally secured by personal guarantee of the Managing Director.

**(b) Terms of repayment:**

Particulars	Amount outstanding as on Balance Sheet date		Period of maturity w.r.t. Balance Sheet date	Number of instalments Outstanding as on 31/03/2020	Amount of instalment
	Non-Current ` in lakhs	Current ` in lakhs			
Secured Loans from Banks**	384.53 (-)	70.05 (-)	6 Yrs 8 Months	80	573686
	261.61 (-)	42.24 (-)		81	378695
Secured Loans from entities other than Banks**	145.80 (255.27)	119.47 (97.20)	2 Yrs	12	1,000,000
				8	1,200,000
				4	1,250,000
	10.86 (-)	5.21 (-)	2 Yrs 10 Months	34	53,744 *
	(477.21)	(11.91)		-	-
Secured Loans from Banks	- (3.89)	3.89 (3.91)	11 Months	11	36,843 *
	1.51 (10.19)	8.68 (8.01)	1Yr 2 Months	14	76,583 *
	- (2.11)	2.11 (2.12)	11 Months	11	20,032 *
	4.04 (-)	2.38 (-)	2Yrs 6 Months	30	24,210 *
Secured Loans from entities other than Banks	- (0.74)	0.74 (4.14)	2 Months	2	37,760 *
	- (2.09)	2.09 (11.59)	2 Months	2	106,500 *
<b>Total</b>	<b>808.35 (751.50)</b>	<b>256.86 (138.88)</b>			

Figures in the brackets pertain to previous year.

\* Includes Interest

\*\* Processing fees amortise as per IND AS

As at  
**31<sup>st</sup> March, 2020**

As at  
**31<sup>st</sup> March, 2019**

**Note No :19**

**Other Financial Liabilities**

Others	<b>50.00</b>	50.00
Lease Liabilities	<b>190.11</b>	-
	<b>240.11</b>	<b>50.00</b>

**Note No :20**

**Provisions**

Provision for employee benefits	<b>313.64</b>	199.24
	<b>313.64</b>	<b>199.24</b>

## Notes to Accounts (Contd.)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Note No : 21</b>		
<b>Deferred tax Liabilities (Net)</b>		
<b>(a) Deferred tax assets :</b>		
Expenses allowable for tax purposes when paid	96.15	82.72
Carry Forward Loss	<u>1,114.02</u>	1,292.74
Transition Impact of IND AS 116	13.81	-
	<u><u>1,223.98</u></u>	<u><u>1,375.46</u></u>
<b>(b) Deferred tax liabilities :</b>		
Depreciation	227.10	216.60
Fair Valuation of Free Hold Land	<u>1,627.77</u>	1,627.77
	<u><u>1,854.87</u></u>	<u><u>1,844.37</u></u>
Deferred tax Liabilities (Net) *	<u><u>630.89</u></u>	<u><u>468.91</u></u>

\* Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

### Note No :22

#### Other Non - Current Liabilities

Deferred Government Grant	<u>107.04</u>	119.89
	<u><u>107.04</u></u>	<u><u>119.89</u></u>

### Note No : 23

#### Borrowings

##### Secured

From banks		
Working Capital Loan	3,612.47	3,132.49

##### Unsecured

From entities other than banks	<u>809.00</u>	849.00
	<u><u>4,421.47</u></u>	<u><u>3,981.49</u></u>

#### Nature of securities:

Working capital loan are secured by hypothecation of present & future stocks and book debts and second charge on the Company's immovable properties situated at Jeypore (Assam) by deposit of title deeds and also by second charge on all plant & machinery and other fixed assets of the Company, both present & future, and are additionally secured by personal guarantees of the Managing Director.

### Note No : 24

#### Trade Payables

Outstanding dues of micro enterprises and small enterprises	-	-
Outstanding dues other than of micro enterprises and small enterprises	<u>6,502.86</u>	6,423.77
	<u><u>6,502.86</u></u>	<u><u>6,423.77</u></u>

### Note No : 25

#### Other Financial Liabilities

Current maturities of long - term debt	256.86	138.88
Interest accrued and due on borrowings	26.40	0.03
Interest accrued but not due on borrowings	0.11	3.53
Unpaid salaries and other payroll dues	417.31	310.27
Lease Liabilities	122.29	-
Security deposits	149.34	91.14
	<u><u>972.31</u></u>	<u><u>543.85</u></u>



**Notes to Accounts (Contd.)**

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Note No : 26</b>		
<b>Other current liabilities</b>		
Advances from Agents and Customers	112.50	157.93
Statutory liabilities	22.31	141.02
Others	4.40	1.91
	<u>139.21</u>	<u>300.86</u>
	<u><u>139.21</u></u>	<u><u>300.86</u></u>
<b>Note No : 27</b>		
<b>Provisions</b>		
Provision for employee benefits	31.98	48.55
	<u>31.98</u>	<u>48.55</u>
	<u><u>31.98</u></u>	<u><u>48.55</u></u>
<b>Note No : 28</b>		
<b>Revenue from operations</b>		
Sale of goods (Gross)		
<b>A. Manufactured Goods</b>		
i) Plywood	15,899.97	16,962.15
ii) Tea	2,154.29	2,577.21
iii) Veneers	136.01	294.44
	<u>18,190.27</u>	<u>19,833.80</u>
<b>B. Stock-in-trade</b>		
i) Plywood	2,326.32	2,470.21
ii) Furniture	1.21	1.00
	<u>2,327.53</u>	<u>2,471.21</u>
<b>C. Others</b>		
	<u>132.33</u>	<u>447.46</u>
	<u><u>20,650.13</u></u>	<u><u>22,752.47</u></u>
<b>Note No : 29</b>		
<b>Other operating revenues</b>		
Interest Subsidy	-	81.38
Insurance Claims	3.47	14.64
	<u>3.47</u>	<u>96.02</u>
	<u><u>3.47</u></u>	<u><u>96.02</u></u>
<b>Note No : 30</b>		
<b>Other income</b>		
Interest income (Gross)		
Fixed deposits with banks	19.10	6.80
Others	37.12	36.79
	<u>56.22</u>	<u>43.59</u>
Dividend income	0.01	0.67
Government Grant	12.84	12.84
Profit on Sale / Discard of Property, Plant and Equipment	-	5.59
Rent	4.56	3.66
Unspent liabilities / balances written back	0.58	5.57
Miscellaneous income	0.19	0.56
Provision for Doubtful Debts Written Back	3.88	-
	<u>78.28</u>	<u>72.48</u>
	<u><u>78.28</u></u>	<u><u>72.48</u></u>
<b>Note No : 31</b>		
<b>Cost of materials consumed</b>		
Veneer	5,529.29	5,455.84
Planks & Beams	1,189.53	936.91
Green Leaf	1,356.90	1,781.04
Others	1,680.42	2,183.91
	<u>9,756.14</u>	<u>10,357.70</u>
	<u><u>9,756.14</u></u>	<u><u>10,357.70</u></u>

## Notes to Accounts (Contd.)

	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>Note No : 32</b>		
<b>Purchases of stock-in-trade</b>		
Plywood	1,924.32	1,855.19
Others	109.80	427.93
	<u>2,034.12</u>	<u>2,283.12</u>
<b>Note No : 33</b>		
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>A. Finished Goods</b>		
<b>Opening Stock</b>		
i) Plywood	1,346.96	1,737.55
ii) Tea	140.16	93.11
iii) Veneer	437.61	700.11
	<u>1,924.73</u>	<u>2,530.77</u>
<b>Closing Stock</b>		
i) Plywood	1,987.59	1,346.96
ii) Tea	26.94	140.16
iii) Veneer	437.61	437.61
	<u>2,452.14</u>	<u>(527.41)</u>
	1,924.73	606.04
<b>B. Stock-in-Trade</b>		
<b>Opening Stock</b>		
i) Plywood	296.71	381.09
ii) Furniture	43.80	47.87
	<u>340.51</u>	<u>428.96</u>
<b>Closing Stock</b>		
i) Plywood	275.43	296.71
ii) Furniture	3.86	43.80
	<u>279.29</u>	<u>61.22</u>
	340.51	88.45
<b>C. Work-in-Progress</b>		
<b>Opening Stock</b>		
i) Plywood	1,032.68	858.30
<b>Closing Stock</b>		
i) Plywood	<u>1,065.99</u>	<u>(33.31)</u>
	1,032.68	(174.38)
<b>NET (INCREASE) / DECREASE IN STOCKS</b>	<u>(499.50)</u>	<u>520.11</u>
<b>Note No : 34</b>		
<b>Employee benefits expense</b>		
Salaries and wages	2,474.26	2,278.22
Contribution to provident and other funds	218.71	194.56
Staff welfare expense	32.72	34.78
	<u>2,725.69</u>	<u>2,507.56</u>
<b>Note No : 35</b>		
<b>Finance costs</b>		
On long term borrowings	84.66	59.45
On short term borrowings	558.14	573.12
On others	4.30	25.97
On Lease Obligation	<u>51.47</u>	<u>698.57</u>
Exchange difference regarded as an adjustment to borrowing Costs	-	-
Other borrowing costs	50.26	21.43
	<u>748.83</u>	<u>708.78</u>



**Notes to Accounts (Contd.)**

	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>Note No : 36</b>		
Other expenses		
Chemicals Consumption	758.12	962.01
Consumption of stores and spare parts	143.75	140.64
Consumption of packing materials	85.45	90.80
Power and fuel	867.24	809.15
Repairs		
Buildings	7.33	2.98
Machinery	41.07	43.42
Others	6.75	5.98
Job Charges	1,076.82	1,053.71
Rent	30.01	188.94
Electricity	32.91	33.88
License Fees	2.43	9.88
Rates & Taxes (excluding taxes on income)	30.52	24.56
Watch and Ward Expenses	27.25	22.91
Insurance	30.83	28.76
Communication Expenses	34.97	40.72
Travelling & Conveyance	224.88	220.91
Vehicles Maintenance	72.89	77.16
Printing & Stationery	11.28	15.87
Legal and Professional Charges	314.80	295.23
Director Sitting Fees	3.43	3.66
Miscellaneous Expenses	180.58	169.99
Statutory Auditors' Remuneration		
Audit Fee	2.00	2.00
Branch Auditor	0.10	0.10
GST Audit Fees	1.90	0.50
Certification Fee	0.60	4.60
Charity & Donations	1.01	1.10
Bank charges	17.83	14.49
Forwarding, Freight and Delivery Charges	995.84	925.06
Commission on Sales	149.18	187.96
Brokerage on Sales	16.67	20.41
Forward Premium Expenses	0.22	9.23
Foreign Exchange Fluctuations	59.23	65.71
Advertisement, Publicity & Sales Promotion	776.29	686.35
Loss on Sale / Discard of Property, Plant and Equipment	7.97	-
Loss on Fair Value of Quoted Investments	0.65	0.61
Bad Debts	5.07	0.09
Provision for Doubtful Debts	-	1.35
Royalty Paid	44.25	37.75
	<b>6,062.12</b>	<b>6,194.87</b>

## Notes to Accounts (Contd.)

Note No. : 37

	As at 31 <sup>st</sup> March, 2020 ` in Lakhs	As at 31 <sup>st</sup> March, 2019 ` in Lakhs
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	0.06	4.50
2. Contingent Liabilities not provided for in respect of :		
a) Uncalled Capital against partly paid-up shares held as investment	0.08	0.08
b) Demand raised by Govt authorities in respect of Taxes and Duties and contested by the Company .	1,365.58	1,328.20
Amount Paid against above	-	-
3. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 <sup>st</sup> March 2020 as micro or small or medium enterprises. Consequently the amount due to micro and small enterprises as per section 22 of the abovesaid Act is ` Nil (Previous year ` Nil).		
4. The COVID-19 pandemic has rapidly spread across the world as well as in India and has caused shutdown of the plant and all offices from 23 <sup>rd</sup> March, 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be from short to medium term in nature. The management does not see long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Management has also evaluated the recoverability of receivables and realisability of inventory on hand based on subsequent realisations and customer orders respectively. However, given the uncertainties associated with the eventual outcome, nature and duration of the pandemic, the impact may be different from that estimated as on the date of approval of these financial statements.		

### 5. Transition to IND AS 116 Leases

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1<sup>st</sup> April, 2019, the Company have adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective cumulative method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31<sup>st</sup> March, 2019. There impact on retained earnings as on 1<sup>st</sup> April, 2019 is ` 49.63Lakhs.

The Company has elected below practical expedients on transition to Ind AS 116:

- (i) Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
- (ii) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- (iii) Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration,
- (iv) The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

### Company as a Lessee

The company has applied Ind As 116 Leases for the first time . The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 2.1 of Accounting Policies.

### Impact on Balance Sheet (Increase/Decrease)

Particulars	31st March 2020	1st April 2019	` in Lacs
<b>Assets</b>			
Right of Use Assets(Refer Note No. 3)	249.64	364.78	
<b>Liabilities</b>			
Lease Liabilities	312.40	414.42	



**Notes to Accounts (Contd.)**

**Impact on Statement of Profit and Loss (Decrease in Profit)**

(` in Lacs)

Particulars	31st March 2020
Depreciation and Amortisation	115.14
Other Expenses	(153.48)
Finance Cost	51.47
Income Tax Expenses	-
Negative Impact on Profit and Loss Statement	13.13

**Impact on Statement of Cash Flows**

(` in Lacs)

Particulars	31st March 2020
Payment of principal portion of lease liabilities	102.02
Payment of Interest portion of lease liabilities	51.47
Net Cash flows used in financial activities	153.48

The Company has lease contracts for Warehouse and office spaces used in its operations. These generally have lease terms between 1 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

(` in Lacs)

Particulars	31st March 2020
Initial recognition on adoption of Ind AS 116	364.78
Reclassified from PPE to ROU asset on adoption of Ind AS 116	-
<b>As at 1st April 2019</b>	<b>364.78</b>
Addition during the year	-
Depreciation Expense	115.14
<b>As at 31st March 2020</b>	<b>249.64</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(` in Lacs)

Particulars	31st March 2020
<b>As at 1st April 2019</b>	414.42
Addition during the year	-
Accretion of interest	51.47
Payments	153.48
<b>As at 31st March 2020</b>	<b>312.40</b>
Current	122.29
Non Current	190.11

The effective interest rate for lease liabilities is 14.52%, with maturity between 2021-2027

The following are the amounts recognised in statement of Profit and Loss:

(` in Lacs)

Particulars	31st March 2020
Depreciation expense of right-of used assets	115.14
Interest expenses on lease liabilities	51.47
Expense relating to other leases (including in other expenses)	-
Total amount recognised in Statement of Profit and Loss	166.61

Maturity analysis of lease liabilities are as follows:

	2019-2020
1 Year	122.28
2 to 5 Years	182.49

## Notes to Accounts (Contd.)

6. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company net debt includes interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

(` in Lacs)

Particulars	31st March 2020	31st March 2019
Borrowings (Note - 18 and 23)	5,486.68	4,871.87
Trade payables (Note-24)	6,502.86	6,423.77
Less: Cash and cash equivalents (Note-10 )	126.32	32.36
<b>Net debt</b>	<b>11,863.22</b>	<b>11,263.28</b>
Equity	7,279.46	7,760.96
<b>Capital and net debt</b>		
Gearing ratio	1.63	1.45

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2020 and 31st March 2019.

### 7. Financial instruments by category

(a) Fair value of financial assets and liabilities measured at amortised cost

(` in Lacs)

Particulars	31st March 2020		31st March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Non current financial assets</b>				
(i) Investments	0.90	821.35	1.55	618.37
(ii) Other non current financial assets				
<b>Current financial assets</b>				
(i) Trade receivables		2,097.62		2,357.30
(ii) Cash and cash equivalents		126.32		32.36
(iii) Bank Balance other than above		275.32		276.87
(iv) Other current financial assets		43.68		45.70
<b>Total Financial assets</b>	<b>0.90</b>	<b>3,364.29</b>	<b>1.55</b>	<b>3,330.60</b>
<b>Non Current financial Liabilities</b>				
(i) Borrowings		808.35		751.50
(ii) Other non current financial liabilities		107.04		119.89
<b>Current financial liabilities</b>				
(i) Borrowings		4,421.47		3,981.49
(ii) Trade payable		6,502.86		6,423.77
(iii) Other current financial liabilities		972.31		543.85
<b>Total financial liabilities</b>	<b>-</b>	<b>12,812.03</b>	<b>-</b>	<b>11,820.50</b>

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



(b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets

(` in Lacs)

Particulars	Fair value measurement using		
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020</b>			
Assets measured at fair value			
Investments	0.90		
Liabilities measured at fair value			
Derivative Liabilities		-	
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2019</b>			
Assets measured at fair value			
Investments	1.55		
Liabilities measured at fair value			
Derivative Liabilities	-		

**8. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investments, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each risk, which are summarised as below:

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include Trade payables and borrowings in foreign currencies.

**a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable and Fixed interest rates.

(` in Lacs)

Descriptions	31st March 2020	31st March 2019
Variable rate borrowings	3,612.47	3,132.49
Fixed rate borrowings	1,874.21	2,377.90

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(` in Lacs)

Descriptions	Effect on Profit before tax	
	31st March 2020	31st March 2019
Increase by 50 basis points	(18.06)	(15.66)
Decrease by 50 basis points	18.06	15.66

## Notes to Accounts (Contd.)

### b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in purchase of raw material through letter of credits. The Company is not restricting its exposure of risk in change in exchange rates. The Company expects the Indian Rupee to strengthen and accordingly the Company is carrying the risk of change in exchange rates.

#### Unhedged foreign currency exposure

(` in Lacs)

Descriptions	Effect on Profit before tax	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Trade creditors</b>		
Rs.	775.88	939.33
USD	8.82	11.61
EUR	1.35	1.82

#### Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD/EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(` In Lakhs)

Descriptions	Effect on Profit before tax	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>USD/EURO Sensitivity</b>		
Increase by 5%	38.79	46.97
Decrease by 5%	(38.79)	(46.97)

### B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

#### (i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

#### (ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 is the carrying amount as illustrated in Note 37(7).

#### Gross carrying amount of trade receivables

(` In Lakhs)

Descriptions	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Ageing</b>		
Not due	827.21	1,336.75
0-30 days past due	374.57	319.21
31-60 days past due	183.33	87.06
61-90 days past due	98.35	40.56
91-180 days past due	33.27	280.70
181-365 days past due	171.29	16.48
more than 365 days	429.99	300.81



**(C) Liquidity risk**

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

(` in Lakhs)

Descriptions	31st March 2020	31st March 2019
<b>Floating rate</b>		
(a) Expiring within one year (Bank overdraft and other facilities)		
<b>Secured</b>		
- Current maturities of long term debt	<b>256.86</b>	138.88
- Working capital loan	<b>3,612.47</b>	3,132.49
<b>Unsecured</b>		
-Short term loans	<b>809.00</b>	849.00
<b>(b) Expiring beyond one year (Bank loans)</b>		
<b>Secured</b>		
- Rupees term loan from banks	<b>651.69</b>	16.19
- Rupees term loan from financial institutions	<b>156.66</b>	735.31

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

(` in Lakhs)

Descriptions	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years
<b>Year ended 31st March 2020</b>					
Contractual maturities of borrowings	58.57	58.57	114.61	258.40	339.75
Contractual maturities of finance lease obligations	8.36	5.65	11.10	9.84	6.57
Contractual maturities of trade payables	1,899.49	830.62	-	-	-

Descriptions	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years
<b>Year ended 31st March 2019</b>					
Contractual maturities of borrowings	26.85	26.94	55.33	134.62	184.58
Contractual maturities of finance lease obligations	7.13	7.33	15.29	17.51	1.52
Contractual maturities of trade payables	1,384.14	1,298.69	-	-	-

**9. Disclosure pursuant to IND AS - 19 on "Employee Benefits"**

Defined Contribution Plan:

Employee benefits in the form of Provident Fund, Pension Scheme and Superannuation Fund are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year are as under:

	2019-20 (` in Lakhs)	2018-19 (` in Lakhs)
Employers' Contribution to Provident Fund & Pension Fund	<b>147.65</b>	130.15
Employers' Contribution to Superannuation Fund	<b>12.41</b>	11.81

## Notes to Accounts (Contd.)

### Defined Benefit Plan:

Post employment and other long-term employee benefits in the form of gratuity, sick leave and earned leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amounts recognised in the Profit & Loss Statement and Balance sheet and the movements in the net defined benefit obligation over the year are as follows::

### Gratuity and other post-employment benefit plans

(` in Lakhs)

Descriptions	31st March 2020	31st March 2019
Gratuity Plan	183.89	117.88
Sick Leave	11.02	9.88
Leave Encashment	150.71	120.03
<b>Total</b>	<b>345.62</b>	<b>247.79</b>

### Changes in defined benefit obligation

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the start of the year	400.52	9.88	120.03	393.08	6.84	111.16
Interest cost	25.65	0.66	6.98	26.72	0.53	6.64
Current service cost	40.17	1.32	18.84	38.95	1.03	17.71
Benefits paid	31.96	-	30.72	92.07	-	49.88
Actuarial loss/(gain) on obligations	38.74	(0.84)	35.58	33.84	1.48	34.40
<b>Present value obligation as at the end of the year</b>	<b>473.12</b>	<b>11.02</b>	<b>150.71</b>	<b>400.52</b>	<b>9.88</b>	<b>120.03</b>

### Change in fair value of plan assets

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Fair value of plan assets as at the start of the year	282.64	NA	NA	316.85	NA	NA
Return on plan assets	18.85	NA	NA	24.40	NA	NA
Actuarial loss/(gain)	(0.66)	NA	NA	(4.46)	NA	NA
Contribution	19.04	NA	NA	37.92	NA	NA
Benefits paid	31.96	NA	NA	92.07	NA	NA
<b>Fair value of plan assets as at the end of the year</b>	<b>289.23</b>			<b>282.64</b>		

### Breakup of Actuarial gain/loss:

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Actuarial (gain)/loss on arising from change in financial assumption	19.40	1.30	17.76	(5.06)	(0.16)	(25.35)
Actuarial (gain)/loss on arising from experience adjustment	19.34	(2.14)	17.82	38.90	1.64	59.75
Return on plan assets (greater)/less than discount rate	-	-	-	-	-	-

### Reconciliation of present value of defined benefit obligation and the fair value of plan assets

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the end of the year	473.12	11.02	150.71	400.52	9.88	120.03
Fair value of plan assets as at the end of the year	289.23	-	-	282.64	-	-
<b>Net asset/(obligation) recognized in balance sheet</b>	<b>183.89</b>	<b>11.02</b>	<b>150.71</b>	<b>117.87</b>	<b>9.88</b>	<b>120.03</b>



**Notes to Accounts (Contd.)**

Amount recognized in the statement of profit and loss

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Current service cost	40.17	1.32	18.84	38.95	1.03	17.71
Interest cost	25.65	0.66	6.98	26.72	0.53	6.64
Expected Return on the Plan Assets	18.85	NA	NA	24.40	NA	NA
Actuarial gain/ (loss) recognized in the year	38.08	(0.84)	35.57	29.38	1.48	34.40
(Income)/Expense recognised in the statement of profit and loss	46.97	1.14	61.40	41.27	3.04	58.75

Amount recognised in the statement of Other Comprehensive Income

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Actuarial Gain/(Loss) for the year on PBO	(38.74)	-	-	(33.84)	-	-
Actuarial Gain/(Loss) for the year on Asset	0.66	-	-	4.46	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	(38.08)	-	-	(29.38)	-	-

Actuarial assumptions

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Discount rate	6.67%	6.67%	6.67%	7.70%	7.70%	7.70%
Future salary increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
<b>Impact of the change in discount rate</b>						
Present value of obligation at the end of the year	473.12	11.02	150.71	400.52	9.88	120.03
a) Impact due to increase of 0.5 %	451.16	10.36	141.66	376.10	9.28	112.71
b) Impact due to decrease of 0.5 %	496.90	11.75	160.69	428.33	10.57	128.37
<b>Impact of the change in salary increase</b>						
Present value of obligation at the end of the year	473.12	11.02	150.71	400.52	9.88	120.03
a) Impact due to increase of 0.5 %	497.17	11.76	160.77	432.38	7.53	122.27
b) Impact due to decrease of 0.5 %	450.74	10.35	141.52	353.77	6.16	100.04

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the reporting period.

## Notes to Accounts (Contd.)

The following payments are expected contributions to the defined benefit plan in future years:

(` in Lakhs)

Descriptions	31st March 2020			31st March 2019		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Within next 12 months	25.80	-	-	47.19	-	-

### 10. Segment information as per IND AS - 108 on 'Segment Reporting' :

The Company has identified two business segments viz. Plywood and Tea. Segments have been identified on the basis of the products of the company. Operating segment disclosed are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM).

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent assets and liabilities of respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- Information about Primary Business Segments :

(` in Lakhs)

	Plywood	Tea	Others	Unallocated	Total
Segment Revenue	18,365.64	2,155.73	132.23	-	20,653.60
	(19,837.14)	(2,585.46)	(425.89)	-	(22,848.49)
Segment Results	573.22	(156.41)	(19.70)	-	397.11
	(852.03)	(30.38)	(3.46)	-	(878.95)
Less : Finance Cost					748.83
					(708.78)
Other unallocable expenditure net of unallocable income					(52.74)
					(-44.03)
Total Profit / (Loss) before exceptional item and tax					-404.46
					(126.14)
Exceptional Items					172.70
					(-)
Total Profit / (Loss) before tax					(231.76)
					(126.14)
<b>Other Information</b>					
Segment Assets	20,671.61	671.24	55.40	49.07	21,447.32
	(19,666.72)	(817.99)	(101.18)	(63.13)	(20,649.02)
Segment Liabilities	7,918.69	131.49	-	6,117.68	14,167.86
	(7,336.36)	(207.39)	-	(5,344.31)	(12,888.06)
Capital Expenditure	309.90	1.51	-	-	311.41
	(-156.80)	(26.81)	(-)	(-)	(129.99)
Depreciation & Amortisation	262.74	44.96	1.24	-	308.94
	(175.53)	(45.91)	(1.25)	(-)	(222.69)

Notes :

- There are no transactions between segments. Common costs are apportioned on a reasonable basis.
- Since the Company's activities / operations are primarily within the country, there is only one geographical segment.
- Figures in the brackets ( ) pertain to previous year.



**Notes to Accounts (Contd.)**

	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019			
<b>11. In calculating Earnings per share</b>					
a) Numerator used :					
Profit / (Loss) after tax (₹ in Lakhs)	(407.60)	98.23			
b) Denominator used in computing Basic Earning per Share:					
Weighted Average Number of Equity Shares	6,460,742	6,460,742			
c) Denominator used in computing Diluted Earning per Share:					
Weighted Average Number of Equity Shares including potential Equity Shares	6,460,742	6,460,742			
d) Nominal value of equity shares (₹)	10.00	10.00			
e) Basic Earnings per share (a/b) (₹)	(6.31)	1.52			
f) Diluted Earnings per share (a/c) (₹)	(6.31)	1.52			
<b>12. Details of loan given during the year under section 186(4) of the Companies Act 2013 are given under :-</b>		(₹ in Lakhs)			
	Particulars	Balance as at 1 <sup>st</sup> April, 2019	Loan Given During the year	Repaid/ adjusted during the year	Balance as at 31 <sup>st</sup> March, 2020
Aashray Enterprises Private Limited	72.00	-	-	-	72.00
Arunachal Plywood Industries Limited	226.76	-	-	-	226.76
Poushali Sales Private Limited	208.00	202.65	16.43	394.22	
<b>Total</b>	<b>506.76</b>	<b>202.65</b>	<b>16.43</b>	<b>692.98</b>	

**13. Related Party Disclosures**

**Names of related parties & description of relationship**

Enterprises over which KMP and his relatives have significant influence:

Abhinandan Fintex Private Ltd.  
Aishani Infotech Private Ltd.  
Aashray Enterprises Private Ltd.  
Calcutta Technicians & Advisers Private Ltd.  
Chitperi Farm Pvt. Ltd.  
J S M & Company  
Madhya Bharat Papers Ltd.  
Poushali Sales Private Limited  
Sujay Management Services LLP  
Shri Sudeep Chitlangia (Managing Director)  
Shri Ravi Kumar Murarka (CFO & Company Secretary)  
Shri Sohan Lal Yadav (Director with effect from 01.04.2018)  
Smt. Sheela Chitlangia (Non Executive Director)  
Shri Sujit Chakravorty (Independent Director)  
Dr. Kali Kumar Chaudhuri (Independent Director)  
Shri Ratan Lal Gaggar (Independent Director)  
Shri Probir Roy (Independent Director)

Key Management Personnel :

## Notes to Accounts (Contd.)

Particulars of transactions during the year ended 31st March 2020

(` in Lakhs)

Nature of Transactions	Associates/Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
Rent Received	<b>4.56</b>	-	<b>4.56</b>
	(3.66)	-	(3.66)
Remuneration to KMP	-	<b>82.92</b>	<b>82.92</b>
	-	(77.43)	(77.43)
Sales	<b>113.72</b>	-	<b>113.72</b>
	(448.25)	-	(448.25)
Interest Received	<b>31.16</b>	-	<b>31.16</b>
	(28.10)	-	(28.10)
Purchase	<b>6.98</b>	-	<b>6.98</b>
	(-)	-	(-)
Interest Paid	<b>5.80</b>	-	<b>5.80</b>
	(3.44)	-	(3.44)
Rent Paid	<b>6.12</b>	-	<b>6.12</b>
	(7.32)	-	(7.32)
Royalty Paid	<b>44.25</b>	-	<b>44.25</b>
	(38.90)	-	(38.90)
Loan Taken	-	-	-
	(58.00)	-	(58.00)
Loan Given	<b>202.65</b>	-	<b>202.65</b>
	(42.00)	-	(42.00)
Refund of Loan Given	<b>16.43</b>	-	<b>16.43</b>
	(32.00)	-	(32.00)
Outstanding against Guarantees Obtained	-	<b>7,382.26</b>	<b>7,382.26</b>
	-	(6,167.79)	(6,167.79)
Balance Outstanding at the Balance Sheet Date	<b>740.75 Dr</b>	-	<b>740.75 Dr</b>
	(662.28 Dr)	-	(662.28 Dr)

Notes:

- Figures in the brackets pertain to previous year.
- The Company has neither written off nor written back any amount recoverable / payable from / to any related party during the year.
- The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

### Disclosure of Material Transactions with Related Parties

(` in Lakhs)

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Rent Received</b>		
Madhya Bharat Papers Ltd.	<b>0.66</b>	0.66
J S M & Company	<b>2.25</b>	3.00
Poushali Sales Private Limited	<b>1.65</b>	-
<b>Interest Received</b>		
Poushali Sales Private Limited	<b>24.68</b>	21.08
Aashray Enterprises Private Limited	<b>6.48</b>	7.02
<b>Remuneration to KMP</b>		
Shri Sudeep Chitlangia (Managing Director)	<b>60.77</b>	57.41
Short term employee benefit	54.29	51.29
Post employment benefit	6.48	6.12
Shri Ravi Kumar Murarka (CFO & Company Secretary)	<b>22.14</b>	20.02
Short term employee benefit	20.97	18.93
Post employment benefit	1.17	1.09
<b>Sales</b>		
Madhya Bharat Papers Ltd.	<b>113.72</b>	427.57
Sujay Management Service LLP	-	21.19



	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Purchase</b>		
Poushali Sales Private Limited	<b>6.98</b>	-
<b>Interest Paid</b>		
Chitperi Farm Private Ltd.	<b>5.80</b>	3.44
<b>Rent Paid</b>		
J S M & Company	<b>6.00</b>	7.20
Madhya Bharat Papers Ltd.	<b>0.12</b>	0.12
<b>Royalty Paid</b>		
Chitperi Farm Private Ltd.	<b>12.00</b>	12.00
Aishani Infotech Private Ltd.	<b>32.25</b>	26.90
<b>Loan Taken</b>		
Chitperi Farm Private Ltd.	-	58.00
<b>Loan Given</b>		
Poushali Sales Private Limited	<b>202.65</b>	42.00
<b>Refund of Loan Given</b>		
Aashray Enterprises Private Ltd.	-	25.00
Poushali Sales Private Limited	<b>16.43</b>	7.00
<b>Guarantees Obtained</b>		
Sudeep Chitlangia	<b>800.00</b>	-
<b>Outstanding against Guarantees Obtained</b>		
Sudeep Chitlangia	<b>7,382.26</b>	6,167.79
<b>Net Balance Receivable/(Payable)</b>		
J S M & Company	<b>0.12</b>	0.12
Madhya Bharat Papers Ltd.	<b>336.00</b>	290.14
Aashray Enterprises Private Ltd.	<b>74.93</b>	73.00
Aishani Infotech Private Ltd.	<b>(9.30)</b>	(1.35)
Chitperi Farm Private Ltd.	<b>63.62</b>	(58.90)
Poushali Sales Private Limited	<b>409.44</b>	226.97
Shri Sudeep Chitlangia	<b>(3.23)</b>	(3.13)
Shri Ravi Kumar Murarka	<b>(3.59)</b>	(2.00)

- Extraordinary item includes ` 172.70 Lakhs received from Life insurance Corporation of India towards maturity of Key Man Insurance Policy of the Managing Director.
- Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :  
There are no transactions (except related party transactions) which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

On behalf of the Board

For **S. K. AGRAWAL AND CO.**

Chartered Accountants  
(F.R. NO. 306033E)

**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**CA VIVEK AGARWAL**

(Membership No.301571)  
Partner, (UDIN : 20301571AAAACW1662)  
Place : Kolkata  
Date : 03<sup>rd</sup> July, 2020

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908

### Note:

### Note:

# DURO<sup>TM</sup>



## Our Product Range





## Duroply Industries Limited

(Formerly: Sarda Plywood Industries Ltd.)

**Corporate Office:** 118 Park Street, North Block 4th Floor, Kolkata-700016

**Phone:** (033) 22652274 | **Toll Free:** 1800-345-3876 (**duro**) 10:00am-6:00pm/Monday-Friday

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**CIN:** L2021WB1957PLC023493

**Find us on:** [duroplyindia](http://duroplyindia)

