



Duroply Industries Limited

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Ref: 5404/22-23/0049

September 5, 2022

Department of Corporate Services

BSE Limited
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

Scrip Code : BSE : 516003

Sub: Annual Report for Financial Year 2021-22

Dear Sir/Madam,

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we are enclosing herewith the Annual Report of the company for the financial year 2021-22 along with the Notice dated August 09, 2022 convening the 65th Annual General Meeting of the Company scheduled to be held on Wednesday, September 28, 2022 at 12:00 NOON (IST).

The Annual Report is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Share Transfer Agent (RTA)/ Depository Participant(s).

The Annual Report is available on the website of the Company at <https://www.duroply.in/siteassets/pdf/Annual-Report-2021-2022.pdf>.

This is for your information and records.

Thanking you,

Yours faithfully,
For DUROPLY INDUSTRIES LIMITED

[KOMAL DHRUV]
Company Secretary

Encl: As Above

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Find us on:    [duroplyindia](https://www.duroplyindia.com)

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

THIS ANNUAL REPORT ANSWERS
WHERE OUR REINVENTED
COMPANY IS HEADED



DUROPLY INDUSTRIES LIMITED | ANNUAL REPORT FY 2021-22

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INTRODUCTION

A number of questions have been raised about the future of our company in the last few years.

Finally, we have the answers.

This is expected to inspire a sense of optimism of where the company is and where it is headed.

Disclaimer

This document contains statements about expected future events and financial and operating results of Duroply Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management’s discussion and analysis of the Duroply Industries Limited Annual Report FY 2021-22.



PART 1

What we are and what we do

5 principal messages of this Annual Report

01

The company turned around in Q1 FY 2022-23

02

The company has entered a new growth phase

03

The company addresses a large
operating headroom

04

The company is investing for multi-year growth

05

The company has transformed a manufacturing-
driven company to a marketing focused
organisation

CORPORATE SNAPSHOT

Duroply Industries Limited.

A transforming story in India's plywood sector.

Driven by extensive marketing, visible brand, wide distribution footprint and disciplined manufacture.

Now at the cusp of emerging bigger, bolder and better.

OUR VISION

To be the most admired wood-based company through innovation and excellence in customer service.

OUR MISSION

In the future, we aim to continuously invest in technology in Human Resources to bring innovative and sustainable products for our clients, rapidly grow our market share, create profitable growth in harmony, and at the same time play a bigger role in environmental sustainability and social responsibility.

OUR PROMISE

Duro uses the best raw materials sourced from across the world. All our products are sustainable and promote healthy living.

We do not use raw materials sourced from:

- Illegally harvested forests
- Harvested in violation of traditional or civil rights
- Harvested in forests where conservation values are threatened by the management's activities.
- Harvested in forests being converted to plantations or non-forest uses.
- From forests in which genetically modified trees are planted

Our products conform to the following:

- E1 emission levels i.e. low emission of formaldehyde
- E1 norms specified by European government agencies for plywood
- Safety for everyone - from carpenters to homeowners

Our network

BACKGROUND

For six decades, Duro has been a preferred destination for plywood and blockboards for every need, design and budget. Duro Plywood and Blockboards are synonymous with a versatile range and enduring quality. Made with the finest timbers hand-picked from forests across the globe, the Company's plywood is tested on high physic-mechanical parameters for strength, stiffness, outlook and load capacity. All our plywood varieties are chemically treated to enhance their durability and resistance to termites and borers.

WHAT ARE WE

Duroply Industries Limited, incorporated in 1957, began as Sarda Plywood Industries Pvt. Ltd. (name changed in December 2018). The manufacturing plant was located at Jeypore, Assam, making tea chests. In 1964, the company began to manufacture commercial plywood. The company entered the veneer segment in 1994 and commenced manufacturing in Rajkot, Gujarat, in the year 1999. The company operated in two segments until 2021: processing tea and manufacturing plywood. It exited the tea business thereafter through a slump sale to concentrate on its plywood business.

MANAGEMENT

Duroply Industries Limited's operations are conducted by Mr. Akhilesh Chitlangia, Executive Director & COO, who brings with him over 12 years of related experience. He is mentored by Mr. Sudeep Chitlangia, Managing Director, with over 35 years of experience. Mr Abhishek Chitlangia is responsible for the manufacturing operations and has more than 6 years of experience. The operating team understands the needs and lives of consumers, inspiring the workforce to respond with a broad portfolio of plywood, blockboard, veneer and doors.

PRODUCTS PORTFOLIO

The company possesses a diversified product range which can be broadly classified into three categories:

- Plywood & blockboards
- Decorative veneers
- Flush doors

LISTING

The company is listed on the BSE Limited. It enjoyed a market capitalization of ₹58.05 Crore as of 31 March 2022.

PEOPLE

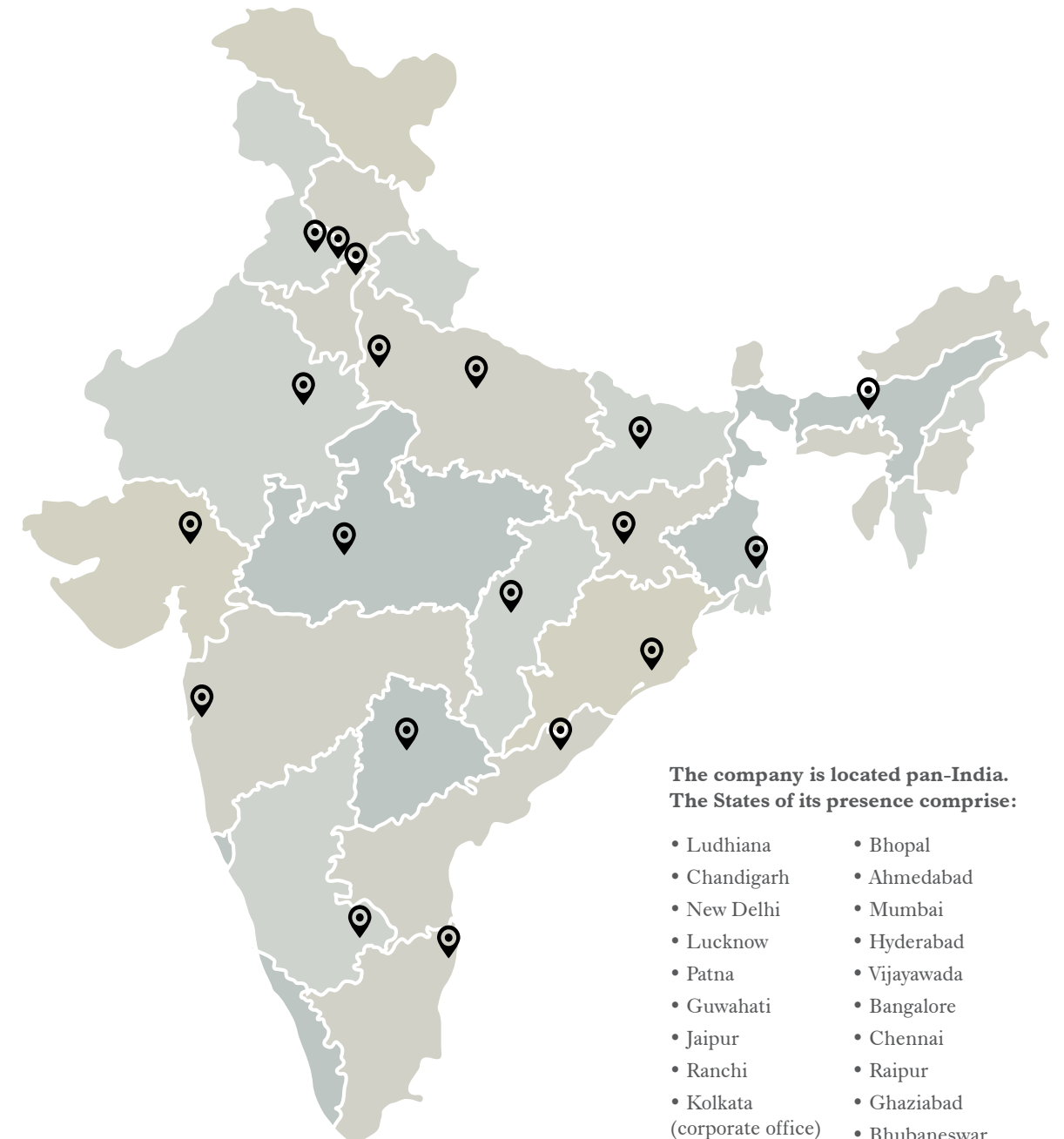
The company employed 482 individuals as on 31 March 2022. The average employee age was 38 years as on 31 March 2022. The company's employees possessed capabilities in sales, branding, marketing, manufacturing, finance, legal, distribution, product development and human resource management, among others.

DURO EXPERIENCE CENTRE

Located at Delhi, Duro Experience Center (2000 sq ft) helps the consumer explore a range of plywood and other products. The Centre addresses the needs of architects, interior designers and in specifiers. Duro Experience Center showcases the company's entire collection of plywood, blockboards, veneers and doors.

CERTIFICATIONS

Duro is a proud member of The Indian Green Building Council (IGBC).The company works with IGBC to showcase the best global products to India. In addition, Duroply holds an FSC Certificate for responsible management of wood, ISO 9001 and ISO 14001 and CARB certification for low formaldehyde emission products



OUR PRODUCTS

PLYWOOD

OUR PREMIUM RANGE

Duro
Titanium

Conforms to
BWP grade as per
IS:710 available in
Plywood

Conforms to
BWP grade as per
IS:1659 available in
Blockboard

*100% lifetime
guarantee +
super log criterion
+ Triple Heat
Treatment +
Termite treatment
+ Gapless
construction*

Duro Derby

Conforming to
IS:5509

*100% lifetime
guarantee +
Calibrated + Fire
retardant plywood
+ High strength
and density + 72
hours BWP grade*

Duro
Pumaply

Conforms to BWP
grade as per IS:710

*100% lifetime
guarantee + Truly
weatherproof
+ Truly tough
+ Stable and
versatile + Truly
indestructible*

Duroboard

Conforms to IS :
1659 (2004)

*100% lifetime
guarantee +
Carpenter friendly
+ Durable
timber + Smooth
surface + Termite
treatment*

Duro Flex

*100% lifetime
guarantee + Easy
flex + Flexi curve
+ Flexi time +
Flexi finish*

Duro Marine

Conforms to
IS:710(1976),
reaffirmed in 1994

*100% lifetime
guarantee + All-
round performance
+ Zero warping +
Microbial decay +
Insect proof*

OUR POPULAR
RANGE

Duro
MacPlatinum

Conforms to IS 710

*21-year guarantee
from insect
infestation +
Made with select
hardwood timber*

Duro
MacPrime

Conforms to IS 303

*10-year guarantee
from insect
infestation +
Weather-resistant*

Duro Techply

Conforms to BWR
grade as per IS:303
and BWP grade as
per IS:710 available
in Plywood

Conforms to
BWP grade as per
IS:1659 (2004)
available in
Blockboard

*10-year guarantee
+ European beech
decorative surface
+ Dimensionally
stable + Easy
workability +
Calibrated*

Duro
Fireshield

Conforms to
IS:5509 (2000)
available in
plywood and
blockboard

*100% lifetime
guarantee + The
Fireshield edge +
Tested and proven
+ Easy to care +
Superior fire-
retardant process*

Duro Plus

*100% lifetime
guarantee +
Less construction
material needed
+ Easy to install
+ Less manpower
needed +
Engineered for the
perfect fit*

Tower Board
Ply

Conforming to
IS:303 MR and
BWR Grade for
Plywood

Conforming to
IS:710 BWP Grade
for Plywood

Conforming to
IS:1659 MR and
BWR Grade for
BlockBoards

*10-year warranty
+ Towering
bond + Towering
resistance +
Towering durability
+ Towering
popularity*

OUR PRODUCTS

DECORATIVE VENEERS

Duro Nature's Signature

*100% lifetime guarantee + Engineered
to perfection + Best-in-range +
Handpicked masterpieces + Trend-
setter*

Duro teak

*100% lifetime guarantee + Engineered
to perfection + Best-in-range +
Handpicked masterpieces + Trend-
setter*

FLUSH DOORS

Durodoor flush door

*100% lifetime guarantee + High
strength + Gapless construction +
Versatile + High load bearing strength
+ Highly durable + High dimensional
stability + Termite resistant + High
load bearing capability*

Duro Techply doors

*100% lifetime guarantee + C-matrix
technology + Conforming to IS
specifications + Less weight and higher
sound absorption + Eco-friendly +
Highly durable + High dimensional
stability + Termite-resistant + High
load bearing*

Duro door lites

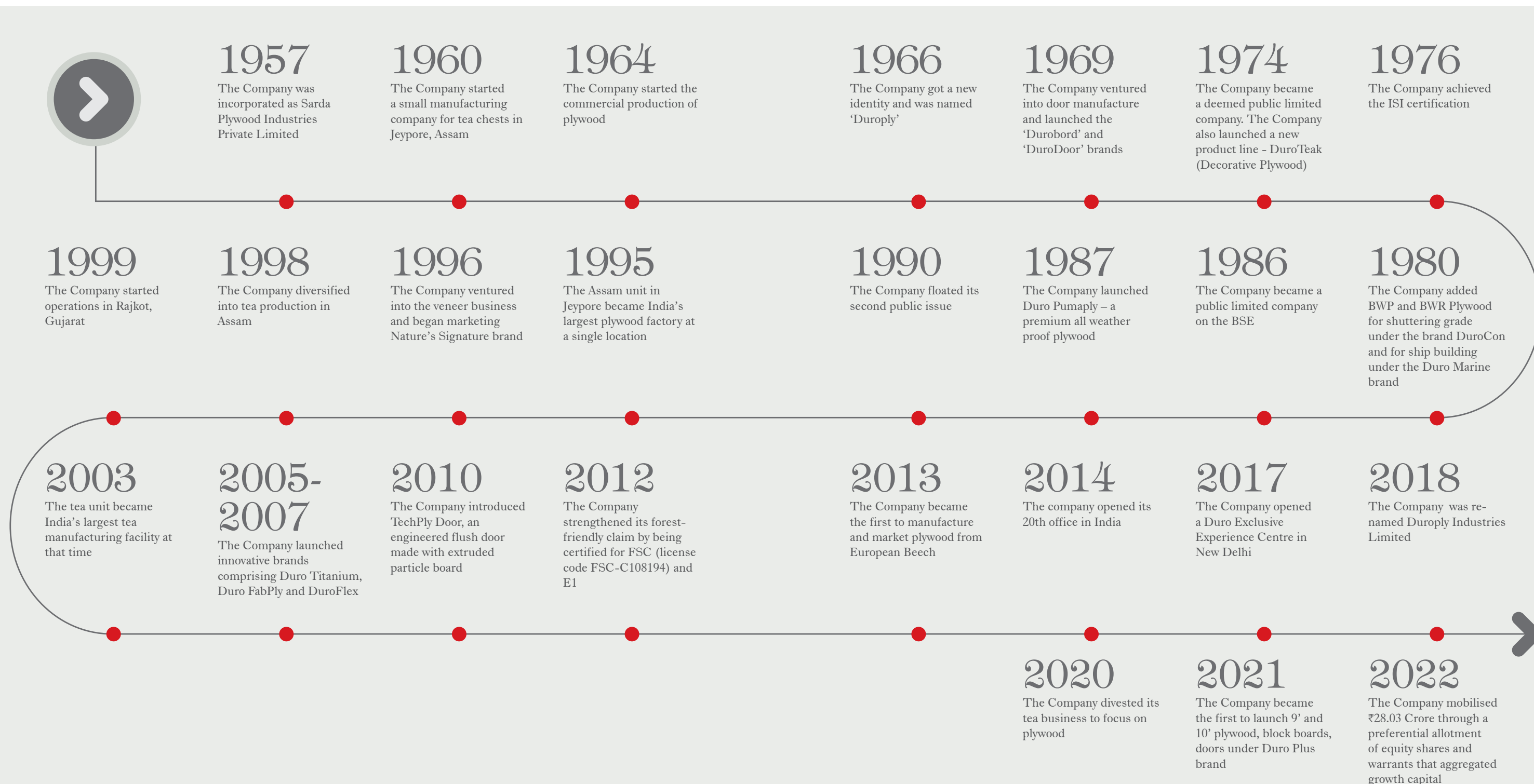
*100% lifetime guarantee + Unique
honeycomb structure + Light in
weight + Stable and versatile +
Environmentally sustainable + Highly
durable + High dimensional stability +
Termite-resistant + High load bearing*

Tower doors

Available in BWR grade, conforms to
IS:2202 (Part 1) 1999

*10-year warranty + Towering bond
+ Towering durability + Towering
popularity + Highly durable + High
dimensional stability + Termite-
resistant + High load bearing*

We bring to our business a multi-decade tradition of trust and credibility



How we have grown over the years

REVENUES (₹ in Crore)		Definition Growth in revenue net of taxes Why this is measured It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the company's success can be compared with sectoral peers	What this means Helps enhance incomes that in turn makes it possible to amortise or pay for expenses. Value impact Aggregate revenues increased 5.26% to ₹190.83 Crore in FY 2021-22, due to increased market penetration and a better leverage of the company's brand.
FY 22	190.83		
FY 21	181.29		
FY 20	206.50		
FY 19	227.52		

EBITDA (₹ in Crore)		Definition Earnings before the deduction of interest, depreciation, extraordinary items and tax Why this is measured It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.	What this means Helps create a robust growth surplus-generating engine that enhances reinvestment and debt servicing capability Value impact The Company reported a turnaround in EBITDA in FY 2021-22 due to sales increase and effective cost management.
FY 22	6.79		
FY 21	0.36		
FY 20	6.53		
FY 19	10.58		

NET PROFIT (₹ in Crore)		Definition Profit earned during the year after deducting all expenses and provisions Why this is measured It highlights the strength of the business model in enhancing value for shareholders What this means This ensures that adequate cash is available for reinvestment, leading to business sustainability	Value impact The net loss increased on account of an increase in deferred tax. The company performed better on the operating and EBITDA margin levels (increased from 0.20% to 3.56%). The previous year also comprised 'Other income' on account of the sale of the tea processing business.
FY 22	(6.31)		
FY 21	(2.45)		
FY 20	(4.08)		
FY 19	0.98		

EBITDA MARGIN %		Definition EBITDA margin is a profitability measure to ascertain a company's operating efficiency Why this is measured The EBITDA margin provides an idea of how much a company earns (before accounting for interest, depreciation, amortisation and taxes) on each rupee of sales What this means This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus	Value impact The Company reported a 336 bps increase in EBITDA margin to 3.56% in FY 2021-22 following enhanced sales, superior product mix and cost management.
FY 22	3.56		
FY 21	0.20		
FY 20	3.16		
FY 19	4.65		

GEARING (X)		Definition This is the ratio of net debt (debt less cash and cash equivalents) to net worth (less revaluation reserves) Why this is measured This is one of the defining measures of a company's financial health. This indicates the ability of the company to balance debt and equity	What this means This indicates whether the company enhances shareholder value by enhancing net worth and moderating debt Value impact The Company's net gearing stood at 0.82, a 1100 bps decline from the previous year.
FY 22	0.82		
FY 21	0.93		
FY 20	0.74		
FY 19	0.62		

ROCE (%)		Definition This is a financial ratio that measures efficiency with which capital is employed in the company's business Why this is measured RoCE is an insightful metric to compare profitability across companies based on their respective capital efficiency	What this means Enhanced RoCE can potentially drive valuations and market perception Value impact The Company reported a 8 bps increase in RoCE in FY 2021-22 on account of an decrease in overheads and interest outflow.
FY 22	0.02		
FY 21	(0.06)		
FY 20	0.03		
FY 19	0.07		

INTEREST COVER (X)		Definition This is derived through the division of EBITDA by interest outflow Why this is measured Interest cover indicates the profit buffer available within the company to service interest – the higher the better.	What it means A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important measures in assuring shareholder returns. Value impact The Company's interest cover increased 70 bps from (-0.16) in FY 2020-21 to 0.54 in FY 2021-22 due to enhanced earnings and decline in interest outflow.
FY 22	0.54		
FY 21	(0.16)		
FY 20	0.76		
FY 19	1.26		

AVERAGE DEBT COST (%)		Definition This is derived through the computation of the average cost of the consolidated average debt on the Company's books. Why this is measured This indicates the company's ability in convincing debt providers about the robustness of the business model and negotiating a lower debt cost (leading to higher margins).	What this means This translates into a relatively stable cost of debt, enabling more funds for re-investment and shareholder distribution. Value impact The Company's debt cost increased from 15.50% in FY 2020- 21 to 15.93% in FY 2021-22.
FY 22	15.93		
FY 21	15.50		
FY 20	13.65		
FY 19	14.54		



BIG NUMBERS

350+
DESIGNS

3000+
RETAILERS

400+
EMPLOYEES

80
BILLION SQ. FT.
OF RESIDENTIAL
AND COMMERCIAL
PROJECTS
ADDRESSED IN
ITS EXISTENCE

20+
NUMBER OF
QUALITY CHECK-
POINTS EACH
PRODUCT PASSES

PART 2

Perspectives of
our management
and
stakeholders

Our Executive Director and COO's optimism



OVERVIEW

“Why are you optimistic of India’s plywood sector in general and Duroply Industries Limited in particular?”

I am putting some of my reasons down.

India is around the USD 2500 per capita income mark, following which there is usually a sharp increase in consumer spending.

This has already transpired in China. For every 1.0 Indian, there are 1.0 Chinese (projected by 2023 when India’s population touches that of China). However, for every 1.0 unit of plywood consumed in India, 20.0 units are consumed in China. In the space of just nine years ending 2018, China’s plywood sector has grown from 59 million CBM to 195 Million CBM while India’s plywood sector (unorganised segment included) is valued at only around ₹30,000 Crore.

The under-penetration is also visible in India’s furniture sector. The annual per capita consumption of furniture products was USD 733 in USA and USD 237 in China but a mere USD 5 in India (Source: IHS Markit).

THE INDIA GROWTH STORY

Why the future will be different from the past is on account of India’s fundamentals: India will be the world’s largest population in a year and the world’s fifth-largest global retail

destination. How this retail market is expected to transform in ten years is staggering: from USD 0.779 tn in 2019 to an estimated size of USD1.8 tn by 2030 (Source: AT Kearney). This growth will be catalysed by the world’s largest population, a middle-income segment of ~158 Million households, accelerating urbanization, rising household incomes, connected rural consumers and increased consumer spending.

There will be a number of catalysts for this projected growth story. India suffers from an extensive housing shortage that is not likely to be completely addressed in the next few decades (as the population keeps growing, families become smaller and space needs increase). Home affordability is a growing reality, marked by stable land and home prices for nearly eight years. Mortgage financing costs are around their lowest in two decades. The mortgage financing sector is mature and growing. The government has supported the affordable housing sector through interest subvention, underlining the government’s priority.

There is another powerful driver on the block – online sales. As home furniture fabrication is declining, it is becoming easier and quicker to buy furniture online. The outlook is buoyant: a 3x growth is projected in India’s online furniture category shoppers in five years coupled with a 1.8x projected increase in annual spending per shopper and 5x projected gross merchandise value growth for the category (FY 2020-21 to FY 2025-26).

Coupled with this phenomenon is the entry of some of the world’s largest machined furniture brands in India with

extensive commitments of indigenous manufacture, which should widen the base of India’s interior infrastructure sector.

We see a larger use of wood-based furniture on account of its longevity and superior long-term price-value proposition. The bottomline is that plywood consumption of 10 million cubic metres in 2021 projected to rise to 100 Million cubic metres by 2030.

What I want our shareholders to consider is that in the face of these realities, Duroply revenues were less than ₹200 Crore in FY 2021-22. There is a large market to be captured; the priority is not market consolidation but growth. In a country where the plywood segment is dominated by two groups, we see room for a brand like Duro to capture the third largest industry space.

OUTLOOK

The growth would have been visible during the last financial year but for the fact that the Company ‘lost’ sales during Q1 due to pandemic-induced lockdowns across various states. In addition, there was a substantial increase in raw material cost with only a part of this increase that could be passed on. The company reported an improvement in performance despite supply chain disruptions, inflation, market closures and increased interest rates.

The improvement was the outcome of two realities – a distinctive turnaround in market sentiment that manifested in larger and quicker offtake; the company outperforming the plywood sector. This outperformance extended into the first quarter of the current financial year when the company reported a 30.36%

sales growth over the preceding quarter (fourth quarter of FY 2021-22) and a 52.28% EBITDA growth. The company saw a return to significant profitability with PAT of ₹1.06 Crore.

The Company will strengthen this operating platform through net worth infusion, capacity debottlenecking, wider geographic footprint, larger brand investments and the creation of a marketing-driven mindset (over the conventional manufacturing).

We believe that these realities will be even more visible during the subsequent quarters, resulting in an attractive performance starting this current financial year.

Our time starts now.



Akhilesh Chitlangia,
Executive Director and
Chief Operating Officer

AKHILESH CHITLANGIA,
Executive Director and Chief Operating Officer

What Duro customers and trade partners have to say about the brand

“

Since 10 years, we have been using Duro Veneer for all of our projects. Its collection matches the latest trend, coupled with exceptional quality.

Mrs. Monica Chawla
(Essentia Environments,
Gurugram)

“

My dream home would have remained incomplete without Duro. The grace, beauty, and elegance it has brought to our interior space is incredible. Plus: A lifetime guarantee!”

Shreepriya Ganju
(Gurugram)

“

Duro is an inseparable part of our projects. For 20 years, I have trusted Duro for its quality, strength and durability. It is maintenance-free and adds value to our clients.”

Naveen Gandhi
(B.G. Associates, Jaipur)

“

Duro Veneers is an inseparable part of our projects. Its range and variety is unmatched, leading to customer delight.

Munish Bansal (Eden Architects, Bhatinda)

“

Following Duro’s dealership, my business grew 4x in 10 years.”

Mr. Sachin Agarwal,
(Shree Mahabir Saw Mill,
Jharkhand)

“

Duro is our only choice for high-end projects. The brand stands for quality, durability, and value. It is maintenance-free and provides a superior return on investment.”

Parag Jain
(Design Affairs, Delhi)

“

At my home and store, I installed Duro Doors because of the strength and durability that is unmatched in the industry. Which explains why we have been distributing its doors for more than 25 years.”

CB Kalyani (Om Plywood Centre, Bhopal)

“

I recommend Duro Doors for their unmatched durability. In seven years, Duro Doors have become an inevitable part of all our projects because of superior strength and durability, resulting in a peace of mind.”

Polu Sai Srikanthv (Polu Associates, Andhra Pradesh)

“

I always recommend Duro products because it never fails on its commitment. They company honours its word, delivers on time and renders excellent service. Duro is my first plywood choice.”

Sapna Agarwal, (ANSA Interiors, Delhi)

PART 3

A question of answers

01



Is the company likely to survive?



The company encountered one of its biggest challenges in the last two years of pandemic-indicted volatility. Sales declined to a trough of ₹18.30 Crore during the first quarter of FY 2020-21; overheads could not be covered with the generated cash flow; the company did not possess adequate funds to fund working capital; there was a possibility of low corporate confidence translating into managerial attrition.

The company demonstrated an appetite for chaos; it engaged in a number of initiatives to generate more from less. This improvement was most visible in the quarterly sales (measured across

volume and value) that grew in 2 of the 4 successive quarters. Sales during the first quarter of the last financial year could have been higher by around ₹12 Crore but for the pandemic-induced lockdown.

To answer the question directly: in view of a sustained sales rebound, the company is not only likely to survive but grow from this point onwards and enhance stakeholder value. If there is a principal message that one needs to send out, it is this: the worst is over for the company and the projected graph is headed upwards from this point.

BIG NUMBERS

208

% CHANGE IN REVENUES
BETWEEN TROUGH AND
PEAK ACROSS 8 QUARTERS,
FY 2020-22

3

NUMBER OF QUARTERS
OF SUCCESSIVE SALES
INCREASE FROM Q1
FY 2020-21 ONWARDS

02



What is the
single biggest
upside from the
prevailing reality?



BIG NUMBERS

₹3.05

CRORE, INVESTMENT IN THE
DURO BRAND, FY 2021-22

₹4.78

CRORE, INVESTMENT IN THE
DURO BRAND, FY 2020-21

62.6

THE RATIO OF REVENUES
GENERATED FOR EVERY
RUPEE INVESTED IN THE
DURO BRAND, FY 2021-22

37.9

THE RATIO OF REVENUES
GENERATED FOR EVERY
RUPEE INVESTED IN THE
DURO BRAND, FY 2020-21

*Conclusion: we spent lower in
our brand in FY 2021-22 but
generated a superior revenue
productivity.*

The single biggest upside is reflected in the 'Duro' brand. The financial challenges notwithstanding, the company's flagship Duro brand has only grown in the last couple of years. This growth has been manifested in various realities: one, the brand continued to enjoy an unaided recall for 'bharosa', 'value for money', 'first rate quality', 'kuch naya' and 'peace of mind.'

Two, the brand continued to generate a premium over the market leaders in the North Indian market.

Three, the brand dynamics reminded profitable: the ratio of brand spend to sales may have been muted in FY 2021-22, but this is now being corrected and could lead to stronger recall.

In view of these realities, we believe that the Duro brand provides the company with an effective chassis for a sustainable turnaround. At a time when the market has been affected by brand-clutter, the 'Duro' brand is easy to pronounce, its principal attribute is embedded in its name and its logo denotes robust longevity.

The bottomline is that we did not just protect the brand from impairment during the last two years, but built on it. The result is the strength of this off-Balance Sheet asset is now expected to graduate the company into the next orbit.

03



What four priorities are likely to grow the company?

We would like our shareholders to appreciate that what we achieved in the last couple of years was through the prudent use of multi-year infrastructure and equipment, an under-capitalised Balance Sheet and a brand whose wider play has not been explored. The time has come to infuse fresh investments. The company is creating a foundation for its next round of growth through four distinctive initiatives.

One, the company's Balance Sheet is extensively under-capitalised. In a post-Balance Sheet development, the company made a preferential issue of 1033968 equity shares and 1191032 warrants convertible into equity shares aggregating ₹28.03 Crore. The one thing that one would like to assure shareholders is that the inflow will increase the company's equity capital by 34.44% and moderate the promoter's stake in the company from 63.09% to 62.47% (adequate skin left in the game the dilution notwithstanding).

Two, the company intends to invest into equipment debottlenecking, generating an output disproportionately larger than the investment. From an immediate perspective this debottlenecking will

provide our company with a larger throughput to feed its markets, enhancing revenues. From a value-creation perspective, the company's equity: capacity ratio will strengthen, potentially translating into higher shareholder value.

Three, the company will utilise this inflow to widen its geographic footprint. By the close of the last financial year, the company derived 63.13% of its revenues from North India, where it sold the fastest and the highest. This is a reflection of the strength of the company's brand. The company will seek to enhance its presence in the other zones as well. The objective will be grow revenues on the one hand and enhance our non-North India revenues around a larger revenue cake. This will make us a geographically broadbased company without an excessive dependance of revenues coming out of any region. We will also possess the capacity to respond to demand upturns with speed anywhere in the country.

Four, the infusion will strengthen the working capital available with us to grow our business.

OUR 4 PRIORITIES

1

INFUSION OF ₹28.03 CRORE BY WAY OF PREFERENTIAL ISSUE TO RE-CAPITALISE THE BALANCE SHEET

2

GENERATE 40% ADDITION PRODUCTION THROUGH EQUIPMENT DEBOTTLENECKING

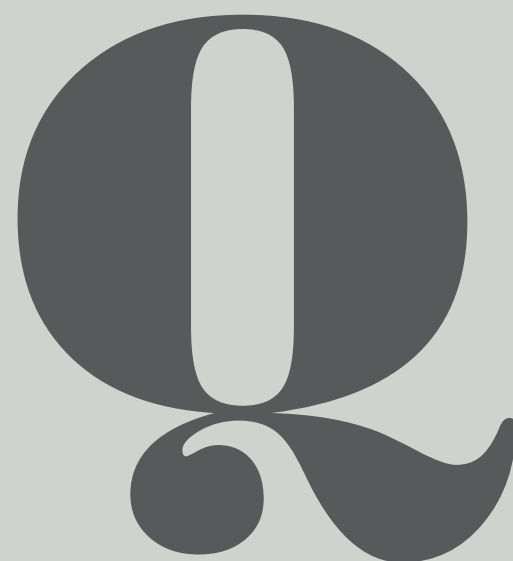
3

WIDEN THE GEOGRAPHIC FOOTPRINT IN WEST, SOUTH AND EAST INDIA

4

STRENGTHEN OUR WORKING CAPITAL OUTLAY

04



What are the 3 biggest intangible strengths driving the company?

The three biggest strengths are people, brand and distribution. As the company shifts the needle from manufacturing to marketing, the importance of intangibles will play a larger role in graduating the company to the next level.

People: We protected our senior managerial team during the last two years, when sectorial morale declined. The one aspect of our fightback that became increasingly evident was a capacity to thrive in chaos. Our teams worked harder; they worked with each other; they worked with a singular resolve (turning the company around). This team possesses an extensive insight into the company's markets, consumers and trade partners, and the objective will now be to extend this knowledge across non-North India.



Brand: One has spoken of the strength of the brand in the earlier pages. There is a mismatch between the strength of the company's brand and the revenues being generated. The brand recall and visibility will be progressively leveraged to build a larger company without a proportionate increase in investments. This approach is expected to enhance margins and revenues, the basis of sustainable value-creation.

Distribution: The company extensively under-penetrated across the country. The prime objective will be to build Duro into a pan-India brand. As we extend our large presence in North India to other regions, we are optimistic of a large headroom being explored. In a country marked by retail consumption, we believe that the retailisation of the company across the country could lead to a multi-year growth possibility.

OUR INTANGIBLE 3 GROWTH STRATEGIES

- 
PEOPLE
 PROTECTED KNOWLEDGE CAPITAL; TO LEVERAGE THEIR COMPETENCE AND GROW FASTER
- 
BRAND
 LARGER BRAND INVESTMENT WILL BE MADE TO ENHANCE VISIBILITY
- 
DISTRIBUTION
 GRADUATE DURO INTO A PAN-INDIA BRAND

05



How is the company realizing the full value of its brand strength?

The company is being reinvented around its product brand. The one thing that has been conclusively proved in the last couple of years is that there is ample consumer trust backing the Duro brand. This is on account of quicker product movement in good markets or bad, based on superior batch consistency, the end product manufactured from superior and thicker timber resource and a stringent attention to detail. The result is a general consensus among trade partners that *'Duro ka maal achcha hain'*.

The result of these strengthens has inevitable translated into premium realisations that Duro enjoys, particularly in North India.

Given this reality, there is a positive mismatch between the strength of the brand and the quantum of revenues being derived from it. The brand can shoulder sales at least three times the company's existing revenues with a marginal increase in brand investment. The result is that the Duro brand represents a scalable multi-year growth opportunity.

In such a scenario, it would be limiting if we continue to define ourselves as a manufacturing-driven company. The company has transformed to a marketing-centric approach; every single decision we take will be derived out of the prevailing market reality. This will influence the products or grades we make, the regions where we sell, the promotions we enter into and the nature of trade engagements we forge. The result is that following the challenge of the pandemic has emerged a younger and vibrant Duro brand that has set itself a distinctive agenda: beat the market growth by multiples for the next few years.

The marketing-led Duroply will widen market footprint, expand the portfolio, provide consumers with a single-stop plywood solution, generate a larger proportion of revenues from mid-market and upmarket grades, invest in managerial talent (not necessary from the plywood sector) and strengthen digitalization to enhance a granular understanding of the market and its competitiveness.

OUR PRODUCT MIX

80
% OF REVENUES FROM THE PREMIUM SEGMENT, FY 2021-22

20
% OF REVENUES FROM THE MID-MARKET SEGMENT, FY 2021-22

0
% OF REVENUES FROM THE LOW PRICED SEGMENT, FY 2021-22

06



How were the strengths of the brand reflected in the financials?



OUR IMPROVING WORKING CAPITAL EFFICIENCY

40.25

RECEIVABLES CYCLE (DAYS), FY 2020-21

37.33

RECEIVABLES CYCLE (DAYS), FY 2021-22

30.82

RECEIVABLES CYCLE (DAYS), Q4 FY 2021-22

27.20

RECEIVABLES CYCLE (DAYS), Q1 FY 2022-23

The strengths of the brand were reflected in the financials in five ways.

One, we could generate 5.24% growth in FY 2021-22 over the previous year.

Two, we generated a 3.74% increase in the average realisation per CBM, indicating our ability to pass on cost increases, strengthen the product mix and price our products better.

Three, receivables (in terms of days of turnover equivalent) declined from 40.25 days to 37.33 days.

Four, the proportion of revenues from the premium segment accounted for 80% of our revenues while the mid-

priced segment accounted for 20%. This is unusual and most plywood companies take years to get here. As a deliberate policy, the company was not present in the low-priced segment (usually addressed by the unorganised sector).

Five, return on employed capital (EBITDA divided by average capital employed during the financial year) turned around from a minus 0.06% in FY 2020-21 to 0.02% in FY 2021-22. This may appear to be only a marginal improvement but it indicates that the strength of the brand is now increasingly visible in enhanced capital efficiency.

07



Can one explain
the strength of
the company's
distribution
footprint?



The company enjoys a significant presence in Tier 2 and 3 cities. The growing presence was the result of a conscious decision taken by the management to enhance its exposure in these non-metro markets following the real estate decline starting 2013. Since then, the company has transformed this presence into a competitive advantage.

cost (including land, building and fit-outs). Our experience has been that most consumers gravitate towards better quality; they recognize that penny-pinching for a critical input could result in a larger subsequent cost. In these markets – especially in North India – the Duro brand is a preferred choice. Besides, credit tenures provided to trade partners is lower in the markets, accelerating capital roll-over.

The company is addressing the widening needs of Bharat (rural India), marked by rising incomes, aspirations and home pride. The two drivers of the company's non-metro coverage are derived from the reasonable cost of land and building in these markets. Most consumers in these regions tend to build *kothis*, mansions and bungalows. These structures consume a larger proportion of plywood than their urban counterparts.

Besides, the cost of plywood used in a standard 5000 sq ft kothi would not be more than 2-3% of the overall project

The strengths of the company's distribution coverage – around 500 distributors billed directly – comprise about 16% who have been with the company for more than 20 years. Some trade partners have been working with the company across 60 years, their third generation now engaged in business with us. Most of our distributors comprise the crème de la crème of partners in their respective locations (generally among the top two counters).

08



When is the company expected to turn around?



The company would have turned around at the net level in the last financial year had it not 'lost' an estimated 15-20 workdays during the April 2021 lockdown corresponding to an estimated ₹12 Crore in revenues. Besides, there was a sharp increase in raw material costs – from 54% of revenues to 65% of revenues. What could have been an attractive turnaround eventually resulted in the company reporting a net loss of ₹4.5 Crore before tax.

The company turned around at the net level during the first quarter of the current financial year (post-Balance sheet date development). The turnaround was the result of increased revenues by 30.36% (over the preceding quarter) to ₹71.22 Crore that made it

possible to amortise fixed costs more effectively. EBITDA margin climbed from 4.93% to 5.76%. Cash profit strengthened from ₹0.86 Crore to ₹2.40 Crore.

We believe that this turnaround is for real and hence, sustainable. The turnaround has enthused our team that now believes that if we could have achieved this without cash infusion or capacity debottlenecking, then it is indicative of the brand's strength and their collective capacity to thrive in turbulence.

When net worth is infused into the company in the second quarter of FY 2022-23, we expect the improvement to be sharper, enhancing value for all those associated with our company.

09



What transformative initiatives helped the company emerge stronger?

We

engaged in concurrent initiatives during the last couple of years to transform and accelerate the turnaround.

People: We utilized the slowdown of the pandemic to engage deeper with our people through video calls. The result was a better binding, stronger exchange of perspectives and a bigger commitment to do whatever it took to turn the company around. One of the lateral initiatives that arose from these conversations was the mobilization of advances from trade partners that helped the company counter the resource crunch.

Management control: The promoter family effected a change starting June 2021. There was a shift of guard; the erstwhile members of the promoter family running the business inducted two younger members from their



family to assume control. The change resulted in several strategic changes that accelerated the turnaround.

Promoter focus: The promoters divested their tea business in FY 2020-21 to enhance their focus on plywood business.

Shifting the needle: The company prided itself on being a manufacturing company for decades. During the last one year, the company has begun to identify itself as a marketing organization, a change in its multi-decade DNA. The focus is no longer 'How much did we make today?' The focus is on 'How much did we sell today?' and 'What was our average realisation today?' The company is gradually evolving into an RoCE-driven company, focused on capital efficiency.

Extending the brand: Earlier, the company marketed what it manufactured. The company is beginning to explore the possibility of increasing the proportion of outsourced manufacture (with strict quality control), an asset-light approach to growing its business.

Re-capitalisation of the Balance Sheet: The company has proposed to infuse ₹28.03 Crore through preferential issue of Shares and Warrants convertible into equivalent number of Equity Shares. The inflow will be used to retire highcost debt and supplement working capital; it will be used to generate disproportionate returns from a balancing of manufacturing equipment, wider distribution and enhanced brand visibility – low hanging fruit.

10



How would the company describe its product mix?

The company has selected to focus singularly on the plywood segment. Even as there is a temptation to widen one's product mix and enter adjacent interior infrastructure products, we believe that we are too early in the day for that. We will resist the temptation to play to the markets and spread ourselves thin; we would rather focus on building our plywood brand, enter under-penetrated regions and present more grades.

Over time, we intend to shift the balance of our product mix from the predominantly premium, marked by a relatively small market size, and move to the mid-market segment that represents a more attractive balance of size and value-addition. We also believe that by addressing consumers



in the mid-market segment, we would be competently placed to address the consumer's need for premium plywood the next time the person intends to buy. In this manner, we would be able to graduate a transaction into an ongoing relationship.

Only when the company acquires scale in the plywood business will it begin to contemplate a lateral extension into complementary interior building products, but that reality could be some years away. If one were to express the strategy in a nutshell, it would be this: we will try and attempt more of the same with strategic modifications as well as believe that the 'X' axis at this moment holds out a greater potential than diversifying into the 'Y' segment.

OUR QUALITY PROCESS

1

ALL DURO PRODUCTS UNDERGO A UNIQUE TRIPLE HEAT TREATMENT PROCESS, ENHANCING DURABILITY

2

MOST DURO PRODUCTS COME WITH A LIFETIME GUARANTEE

3

THESE PRODUCTS ARE GUARANTEED FROM TERMITE AND BORER INFESTATION

4

ALL OUR PRODUCTS ARE TREATED WITH A SPECIAL CHEMICAL, WHICH MAKES THEM TERMITE-RESISTANT

11



How did the
company strengthen
operations in
FY 2021-22?



OUR INNOVATIONS

9 AND 10 FEET
PLYWOOD,
BLOCKBOARD &
DOORS

DURO TV

SMART PLYWOOD
BUYING GUIDE

The principal achievement was that the company addressed its banking dues and escaped classification as a Non Performing Asset. This provided the company with a lease of life, empowering it to fight another day.

India's plywood sector is estimated to have grown 5% during the last financial year; Duroply grew revenues 5.24% in the plywood business. This indicates that we grew marginally faster than the market average. We believe that our outperformance will be sharper from the current year onwards.

The company launched Duroplus, 9ft and 10ft range of plywood, blockboard & Doors against a standard 8ft. By the

virtue of becoming the first company in India to launch this, we deepened our brand recall around innovation.

The management created an awareness-enhancing book for consumers, educating them on what they should look for in their plywood, leading to informed purchase. We believe that this communication will provide brand-strengthening; it will enhance the recall that Duroply cares for consumers. The company extended this communication to YouTube: what made this communication distinctive was that this message was communicated by the promoter himself, reinforcing thought leadership.

12



What is on the company's agenda for FY 2022-23?

The company will build a story around its products – not just plywood but something more, which is the basis of its marketing orientation.

The company will sustain its reinvention from a company that provides plywood (conventional approach) to a company that enriches consumer lifestyle; from a company that sells a product to a company that markets solutions.

The company invested 1.6% of revenues in brand building in FY 2021-22, which is expected to grow to 4.5% on a larger turnover in FY 2022-23. The larger outlay is expected to enhance brand visibility, deepening our positioning as a marketing-driven company.

The company began to work with trade influencers and appointed more dealers, which will be deepened during the current financial year. The complement of trade influencers and dealers will

enhance sales enquiries and order fulfillment, a virtuous cycle.

The company expects to widen the circulation of its plywood education book, transforming the questions that customers ask companies like us, instead of the standard 'What is the cost?'

The company intends to strengthen its team, plugging gaps in its management architecture. The company will seek to draw talent from outside the interior infrastructure sector, drawing on fresh perspectives.

And lastly, we will seek to strengthen our credit rating with the objective to reprice the debt on our books (average 15.93%, FY 2021-22) as we go along from this point.

We believe that this should add 200 bps to the EBITDA margin of 3.56% that we reported during the last financial year.

13



What is the basis of the company's optimism?

At Duroply, we are attractively placed to capitalize on the country's infrastructure growth ambition.

This ambition has been spelt out in the Union Budget 2022-23, which announced a 35% increase in the infrastructure outlay. We believe that this decisive announcement represents the start of a multi-year national infrastructure growth agenda, which should cascade into an additional demand for plywood.

We believe that India's retail consumption will only grow from this point onwards, widening the market for plywood.

The market for plywood is evolving from the unorganised to the organised following the introduction of GST. This is making the country's organised players relatively more when compared with unorganised players, which is widening the market for organised brands faster.

There is a growing preference for plywood brands backed by a wider awareness that superior quality works

out to be cheaper in the long run; this indicates that the market is becoming relatively less price-sensitive and is willing to entertain the prospect of paying a higher price upfront.

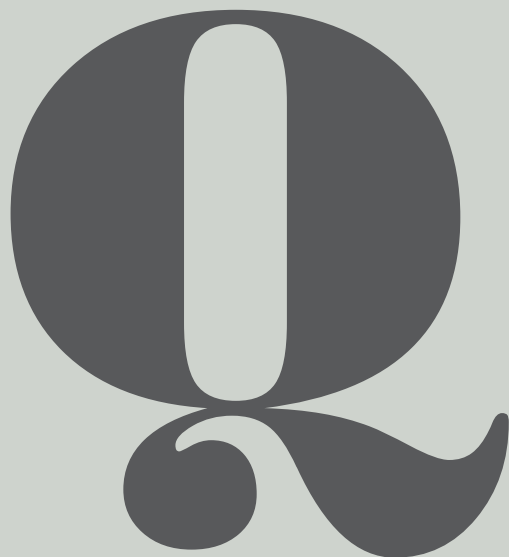
The big change in the last few years is that the residential fabrication of furniture is being replaced with factory-made furniture, resulting in the use of superior and standard plywood varieties, creating a new institutional customer segment.

India's real estate sector has rebounded after possibly the most extended slowdown, which is expected to widen the market for plywood in India.

Regulatory changes like GST and the e-Way bill are likely to favour the role of organised players over unorganised counterparts.

In view of these reasons, we believe that the plywood sector has got new wind and should become an attractive space to be in across the foreseeable future.

14



What is the vision of the company?



This question needs to be answered with a reference to the size of India's plywood sector, the size of the unorganised segment and the growing of the unorganised segment.

On the basis of the turnover reported by the company during the last financial year, Duroply accounts for a mere 0.7% of this market.

We believe that there is a vast mismatch between our brand strength and our market share, a reality that we seek to correct. When you consider that the two largest plywood groups in the country (Century Plyboard and the Greenply

Group) lead the sector by far, there is a vast room for a third large player to emerge.

At Duroply, we are positioning ourselves to occupy that third position. The company will accelerate investments in the brand, manufacturing capacity, supply chain and distribution footprint with the objective to grow faster than the market and carve away a consistently larger market share.

The dream of our company is to emerge as a significant player in the infrastructure growth of India in the coming years.

PART 4

—

Governance and value-creation

Statement of Assurance

How ESG will take our company ahead in a sustainable way

OVERVIEW

At Duroply, environment-social-governance (ESG) lies at the heart of our business model.

The company has been built around priorities that are expected to make growth quicker from this point.

Our product is marketed around the assurance of trust. Trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide risk capital, why bankers lend and why communities support us. This trust has been derived from a ferment of the following realities we hold dear.

Discipline: Governance is a commitment to be strategically consistent, convinced that eventually the gains will be disproportionately higher than investments of time, effort and funds.

Doing right: At Duroply, doing the right things in addition to doing them the right way build shock absorbers and attracts like-minded stakeholders (resulting in relationship longevity across suppliers, trade partners and employees).

Board of Directors: At Duroply, our strategic direction is influenced by our Board of Directors (professionals and industrialists of standing) who have enriched our values and experience. The Board will be assisted by relevant Committees as we grow from this point.

Brand focus: At Duroply, we will continue to invest in our brand and marketing, convinced that the markets of the future will be won though innovation and nimble marketing over consistent products manufacture.

Long-term: At Duroply, we have announced a number of strategic resets in the last one year (moving from manufacturing-driven to marketing orientation) that are expected to extend into the long-term.

Singular focus: At Duroply, our focus on plywood will enhance our brand recall, wider grades mix and specialisation, enhancing capital efficiency.

Data-driven: At Duroply, we are investing in digitalization to accelerate processes and generate rich data (consumers, customers, consumption, markets etc.) resulting in informed decision-making.

Innovation: At Duroply, we will build on our respect as an innovation-driven brand, launching specific plywood grades for the first time in the country, creating a consumer pull and benefiting our trade partners.

No positions: At Duroply, we do not take speculative positions on plywood resources though we do occasionally build inventories in anticipation of a price increase or declining supply. The company will continue to focus on the efficient conversion of resource into finished plywood.

Controlled expansion: At Duroply, we are engaged in catching up with lost time. We will expand to the extent of working capital available to us and as long as we can ensure the ‘sweet spot’ between sales growth and acceptable

terms of trade – a sustainable way of protecting our Balance Sheet.

Culture of excellence: At Duroply, we have invested in a culture of overarching excellence directed towards emerging as the plywood benchmark in terms of quality (product and process) as well as resource productivity.

Combination: At Duroply, we believe that growth can be best derived when the promoters are hands-on with a number of functions delegated to professionals, secured through periodic reporting – a scalable foundation.

Compliance culture: At Duroply, we strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our processes and reported numbers.

Moderating debt: At Duroply, we will utilise a part of our accruals and net worth infusion in paring debt; we will also strengthen our credit-rating to reprice our debt lower, strengthening our liquidity and margins.

How we intend to enhance shareholder value

OVERVIEW

35.44

₹ Crore, market capitalisation, 31 March 2021

58.05

₹ Crore, market capitalisation, 31 March 2022

1

BRAND

Enhance brand investment by 290 bps to 4.5% of our turnover in FY 2022-23

Enhance trade visibility

Focus on Duro attributes of ‘innovation’ and ‘dependability’

4

DEBT MANAGEMENT

Repay debt through accruals

Reprice high-cost loans; strengthen net worth

Right-size the debt-equity ratio to below 1.0

2

MARKETING

Shift the organisational needle from manufacturing to marketing

Focus on quicker sales and higher realisations

Recruit professionals from non-plywood businesses

5

DEBOTTLENECKING

Invest in balancing equipment

Enhance our manufacturing capacity

Explore addition expansion from within existing plant infrastructure

3

FOOTPRINT

Widen the footprint from North India to West /South India

Extended deeper into regions

Plug market gaps

6

CAPITAL INFUSION

Proposed capital infusion of upto ₹28.03 Crore

This growth capital will kickstart a virtuous revenue cycle

The infusion shall come with negligible promoter equity dilution

Our executive team



SUDEEP CHITLANGIA

Managing Director

Mr. Sudeep Chitlangia brings with him over 35 years of experience in the plywood business. He became the Managing Director in 1993. He is an expert on wood material and operations with extensive experience in the implementation of new wood technologies and the latest management practices such as the Theory of Constraints. He is an active member of the Entrepreneur Organization, Kolkata. Sudeep is currently on the Committee of Merchant Chamber of Commerce and Industry, Kolkata - Committee Member. In the past, he served two terms on the board of Indian Plywood Industries Research and Training Institute (IPIRTI).

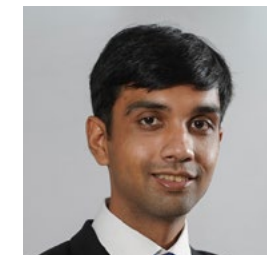


AKHILESH CHITLANGIA

Executive Director and COO

Mr. Akhilesh Chitlangia has over 12 years of experience in the plywood business. He is an expert on distribution expansion, operations management and implementing new initiatives. Akhilesh is based out of New Delhi and is responsible for the daily operations of the company in his capacity as Executive Director and COO.

He holds dual degree from Boston University, USA - Bachelor of Science in Business Administration and Bachelor of Arts in Economics.



ABHISHEK CHITLANGIA

Vice President, Manufacturing

Mr. Abhishek Chitlangia has over 6 years of experience in the industry. Currently, he is managing production activities at DURO and has actively pursued lean and sixsigma to accelerate quality and efficiency. He is involved with the NCCF Safeboards Standards and the BIS Working Group for plywood standards.

Abhishek Graduated Summa Cum laude from the University of Michigan, with a dual degree in BSE Industrial and Operations Engineering and a BBA from the Ross School of Business. Prior to joining Duroply, he has worked with Ventower Industries (Michigan, USA), and Bain & Company (Chicago, USA) in multiple roles.



DEVESH AHLUWALIA

Vice President, Sales

Mr. Devesh Ahluwalia has a vast experience in Sales and Marketing for more than 30 years across businesses. His expertise is in Sales & Business Growth, Building & Energizing teams, Market Expansion, Change Expeditor and Product development & Promotions. Presently, he is serving as VP Sales at Duroply Industries Ltd. where his responsibility is to manage all operational issues of Sales Management pan-India comprising manpower management, P&L, delivery and sales growth.



PAWAN KUMAR VERMA

Chief Financial Officer

Mr. Pawan Kumar Verma is a Bachelor in Commerce and a qualified member of the Institute of Chartered Accountants of India with a solid perspicacity and having more than 16 years of experience.

He is associated with our company for last 13 years. He has managed varied responsibilities in multiple areas including finance and commercial, MIS, budgeting, working capital management, taxation, fund management, budgeting and allocation, book closure, statutory and internal audit, vendor management and statutory compliances.



SHASHANK HISSARIA

General Manager

Mr. Shashank Hissaria has been associated with our company for 33 years and shouldered responsibilities in different roles. He specializes in Supply Chain Management and procurement of the finest raw material. Currently he is heading operations for contract manufacturing and sourcing of economical grade material for our Tower brand.

NOTICE

NOTICE is hereby given that the 65th Annual General Meeting of DUROPLY INDUSTRIES LIMITED will be held on Wednesday, the September 28, 2022 at 12.00 NOON (IST) through video conferencing / other audio visual means to transact the following businesses:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Sudeep Chitlangia (DIN: 00093908), who retires by rotation and being eligible, offers himself for re-appointment.

3. Re-appointment of Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. S K Agarwal and Co Chartered Accountants LLP, Chartered Accountants, Firm Registration No. 306033E/E300272, be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years, from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Seventieth (70th) AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company, at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

SPECIAL BUSINESS

4. Re-appointment of Mr. Sudeep Chitlangia as the Managing Director of the Company, liable to retire by rotation and fixing his remuneration

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 other applicable provisions, if any, of the Companies Act, 2013 and Schedule – V thereto, and the rules made thereunder, the SEBI (Listing Obligations and

Disclosure Requirements) Regulations 2015, including any amendment(s), 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 pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company (the "Board") at their respective meetings held on August 09, 2022, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sudeep Chitlangia, (DIN: 00093908), as the Managing Director of the Company with effect from April 01, 2023 for a further period of 3 years, upto March 31, 2026, who is liable to retire by rotation, on such terms and conditions including the remuneration (as detailed herein below) payable to Mr. Sudeep Chitlangia and in the event of inadequacy or absence of profits in any of the financial year(s) during the aforesaid tenure, the said remuneration along with such merit increases as approved by the Board based on the recommendations of the Nomination and Remuneration Committee from time to time, be paid as minimum remuneration to Mr. Sudeep Chitlangia, subject to approval of members of the Company and continuous fulfillment of all other conditions stipulated in Schedule V of the Companies Act, 2013 and any other approval, if any:

(a) Basic Salary of Rs. 3,50,000/- per month.

(b) Perquisites & Allowances:

PART – A

- House Rent Allowance of Rs. 2,10,000/- per month.
- 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 approval by the Nomination and Remuneration Committee.
- Leave Travel Concession: For self and family as per Company's Rules once in a year.
- Personal Accident Insurance: Premium not to exceed Rs. 15,000/- per annum
- Club Fees: Fees of Clubs subject to a maximum of two Clubs excluding the admission fee.

PART – B

- 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.
- 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

- Car on Company's business: Provision of cars for use on Company's business will not be considered as perquisite.
- 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 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.”

5. Appointment of Mr. Vinay Agarwal as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:-**

“**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules made thereunder, the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and the Articles of Association of the Company, Mr. Vinay Agarwal (DIN: 06431086) who was appointed as an Additional (Non-Executive Non-Independent) Director of the Company w.e.f. August 09, 2022 and who holds office until the date of the next annual general meeting in terms of Section 161 of the Act and in respect of whom the Company has received notices in writing from members under Section 160 of the Act, signifying their intention to propose Mr. Vinay Agarwal as a candidate for the office of a director of the Company, be and is hereby appointed as a Director (Non-Executive Non-Independent) of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorised to re-designate the said Director as it may deem fit to confer upon him from time to time and to settle any question or difficulty in connection herewith and incidental hereto.”

By order of the Board of Directors

Date: August 09, 2022
Place: Kolkata

KOMAL DHRUV
Company Secretary
ACS-41850

NOTES:

- In view of the extraordinary circumstances due to outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) by Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020 and Circular No. 2/2022 dated 5th May, 2022 (the MCA Circulars) read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (the SEBI Circulars) had permitted sending of the Notice of AGM along with Annual Report only through electronic mode to those Members whose e-mail addresses were registered with the Company / RTA / Depositories as well as conducting the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

In compliance with applicable provisions of the Companies Act, 2013 and the MCA and SEBI Circulars the:

- Notice of the AGM along with Annual Report for the Financial Year 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / RTA / Depositories.

- 65th AGM of the Members will be held through VC / OAVM.
- Members may note that the AGM Notice along with the Annual Report for the Financial Year 2021-22 has been uploaded on the website of the Company at www.duroply.in. The Notice and the Annual Report can also be accessed from the websites of the Stock Exchange, i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL i.e. www.evotingindia.com. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at 9 Parsee Church Street, Kolkata, West Bengal 700001.
- The Explanatory Statement pursuant to Section 102 of the Act and the additional information pursuant to Regulation 36(3) of the Listing Regulations, in respect of Directors proposed for appointment /re-appointment at the meeting are annexed hereto.
- 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 the Listing Regulations read with MCA and SEBI

Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 65th 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 AGM will be provided by CDSL.

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

5. 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 65th 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 65th AGM through VC/OAVM Facility and e-Voting during the 65th AGM.
6. 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, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. Attendance of the Members participating in the 65th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to section 91 of the Act, read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2022 to September 28, 2022 (both days inclusive) for the purpose of 65th AGM.
9. 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.

10. 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.
11. Pursuant to Section 72 of the Act, 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).
12. 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.
13. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard. Accordingly, the shareholders holding shares in physical form, in their own interest, are hereby requested to take necessary steps to dematerialise their shares as soon as possible.

The shareholders may approach the nearest Depository Participant or browse through the website of National Securities Depository Limited (www.nsdl.co.in) and Central Depository Services Limited (www.cdslindia.com) for further clarification in this regard.

14. Updation of PAN and other details

SEBI vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at www.duroply.in and furnish the requisite details.

Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile number, PAN, registration of nomination, power of attorney registration, bank mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at mdpldc@yahoo.com in case the shares are held in physical form, quoting their folio number. Changes intimated to the DP will then be automatically reflected in the Company's records.

15. Members holding shares in physical or demat form as on the cut-off date i.e. September 21, 2022 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 September 21, 2022 (Cut-off date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at mdpldc@yahoo.com or to the Company at investors@duroply.com. However, those already registered with CDSL for e-voting can use their existing user Id and password for Login.

16. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NOS. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

- 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/RTA at mdpldc@yahoo.com or visit RTA website.
- ii. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP).
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- iv. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

17. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

- i. Shareholder will be provided with a facility to attend the 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 to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned below for Remote e-voting.

- ii. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- iii. Further shareholders will be required to allow camera and 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. 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.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

18. 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 below 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.

19. 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 and register themselves in the “Corporates” module.

- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 will be mapped automatically and can be delinked in case of any wrong mapping.
- 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

20. INSTRUCTION FOR REMOTE ELECTRONIC VOTING (REMOTE E-VOTING) AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM:

The Instructions for members voting electronically are as under:

- I. The voting period begins on September 25, 2022 at 9:00 a.m. (IST) and ends on September 27, 2022 at

5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being September 21, 2022 will be eligible to vote electronic means or at the AGM. 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 September 21, 2022 (Cut-off date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at mdpldc@yahoo.com or to the Company at investors@duroply.com. However, those already registered with CDSL for remote e-voting can use their existing user ID and password for Login.
- III. To enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register with multiple e-voting service providers (ESPs), for facilitating seamless authentication and also enhancing ease and convenience of participating in e-voting process.
- IV. In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

a) Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/ home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on http://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL Depository	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.:
Individual Shareholders (holding securities in Demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- b) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
 1. The shareholders should log on to the e-voting website www.evotingindia.com;
 2. Click on “Shareholders” tab to caste your votes;
 3. Now, select the Electronic Voting Sequence Number “EVSN” along with Duroply Industries Limited from the drop-down menu and click on “SUBMIT”;
 4. 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.



5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first-time user follow the steps given below :

For Physical Shareholders and other than individual shareholders holding shares in demat	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/ RTA
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none">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.

8. After entering these details appropriately, click on “SUBMIT” tab.
9. 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, provided that 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.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for “**Duroply Industries Limited**” on which you choose to vote.
12. 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.
13. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
14. 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.
15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
17. 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.
18. There is an optional provision to upload BR/ POA if any uploaded, which will be made available to the scrutinizer for verification.

In case you have any queries or issues regarding AGM and e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call at 1800 22 55 33.

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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at 1800 22 55 33.

By order of the Board of Directors

KOMAL DHRUV
Company Secretary
ACS-41850

Date: August 09, 2022
Place: Kolkata

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

This Explanatory Statement is provided pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’). However, the same is strictly not required as per Section 102 of the Companies Act, 2013 (‘Act’).

In accordance with Sections 139 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 60th Annual General Meeting (‘AGM’) held on September 19, 2017, appointed M/s. S K Agarwal and Co Chartered Accountants LLP, Chartered Accountants, Firm Registration No. 306033E/E300272 (‘S K Agarwal & Co.’) as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of the 60th AGM till the conclusion of the 65th AGM of the Company.

Pursuant to the provisions of Section 139 of the Act, no listed company can appoint/re-appoint an audit firm as a Statutory Auditor for more than two terms of five (5) consecutive years and accordingly, S K Agarwal & Co. is eligible to be re-appointed as the Statutory Auditors of the Company for another term of five (5) consecutive years.

The Board of Directors of the Company, at its meeting held on May 30, 2022, on the recommendation of the Audit Committee has, after considering and evaluating various proposals and factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc. recommended the re-appointment of S K Agarwal & Co as the Statutory Auditors of the Company, to the Members at the ensuing AGM for a second term of five (5) consecutive years from the conclusion of this AGM till the conclusion of the 70th AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company at a remuneration of Rs. 4,45,000/- per annum for the financial year ending March 31, 2023, plus out-of pocket expenses and applicable taxes.

The remuneration for the remaining term till the conclusion of the 70th AGM of the Company shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

S K Agarwal & Co is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) based in Kolkata. S K Agarwal & Co was established in year 1968 as a partnership firm which was converted into limited liability partnership on December 31, 2020 thereby having a new Firm Registration No. 306033E/E300272.

As required under the SEBI Listing Regulations, S K Agarwal & Co holds a valid certificate issued by the Peer Review Board of ICAI. S K Agarwal & Co. has consented to its re-appointment as Statutory Auditors and has confirmed that their re-appointment, if made, shall be in accordance with Sections 139, 141 and other

applicable provisions of the Act and rules framed thereunder. Based on the recommendation of the Audit Committee, the Board commends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel (‘KMP’) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the accompanying Notice.

Item No. 4

The Members of the Company at their 63rd Annual General Meeting held on October 17, 2020, re-appointed Mr. Sudeep Chitlangia (DIN: 00093908) as the Managing Director of the Company to hold office for a term of 3 (three)consecutive years with effect from April 01, 2020 to March 31, 2023. Accordingly, the tenure of Mr. Sudeep Chitlangia as Managing Director of the Company would end on March 31, 2023.

Pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and Schedule V thereto and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and the Articles of Association of the Company and based on the recommendation and/or the approval of the Nomination and Remuneration Committee (the “NRC”) and the Board of Directors of the Company (the “Board”) accorded at their respective meeting held on August 09, 2022, consent of the Members of the Company is hereby sought for the re-appointment of Mr. Sudeep Chitlangia, as the Managing Director of the Company, on the existing remuneration, w.e.f. April 01, 2023 for a period of 3 years, upto March 31, 2026 to maintain continuity and his office shall be liable to retire by rotation. Further as per the declarations received by the Company, Mr. Sudeep Chitlangia is not disqualified under Section 164 of the Act. The directorships held by Mr. Sudeep Chitlangia are within the limits prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The proposed resolution as contained in this Notice provides that the Board will have a liberty to vary the terms and conditions of the re-appointment and remuneration of Mr. Sudeep Chitlangia as mentioned herein, from time to time, as it may deem fit and necessary and as may be agreed to by and between Mr. Sudeep Chitlangia and the Board, without being required to seek any further consent or approval of the Member(s) of the Company or otherwise, to the extent permitted under Section 197 read with Schedule V of the Act and other applicable provisions, if any, of the Act, provided, however, that any such increase shall not exceed any amount permitted to be paid to Mr. Sudeep Chitlangia under applicable law without obtaining requisite approvals.

In terms of the proviso under Schedule V, Part II, Section II (A) to the Act, remuneration in excess of limits provided in the Table

therein, may be paid if the resolution passed by the shareholders is a special resolution.

Further, for the purpose of payment of Managerial Remuneration, the Company may have inadequate profits or no profits, owing to the current economic conditions and market sentiments due to Covid-19 pandemic / its resurgence. It is, therefore, proposed to pay the aforesaid remuneration and the merit increase as Minimum Remuneration to Mr. Sudeep Chitlangia in terms of Section 197 read with Schedule V to the Act.

Requisite information pursuant to Section II of Part II of Schedule V to the Act are disclosed in the “Statement containing Additional Information as required under Schedule V to the Companies Act, 2013 (as amended)” as Annexure – 1 attached to this Notice.

Brief profile, details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standards – 2 are disclosed in the Annexure – 2 (Part – I) attached to this Notice.

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

Except Mr. Sudeep Chitlangia being the concerned director, Mrs. Sheela Chitlangia, Non-Executive Director (being relative of the appointee) and their relatives, to the extent of their shareholding, if any, in the Company, no other Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested financially or otherwise, in Resolution No. 4 as contained in the Notice.

Item No. 5

Pursuant to Section 161 of the Companies Act, 2013 (as amended) (the “Act”), the Board of Directors of the company

has appointed, Mr. Vinay Agarwal (DIN: 06431086) as an Additional (Non-Executive Non-Independent) Director of the Company w.e.f. August 09, 2022 to hold such office in terms of Section 161 of the Act. Notices under Section 160 of the Act have been received by the Company from members proposing the candidature of Mr. Vinay Agarwal as a Director (Non-Executive Non-Independent) of the Company, liable to retire by rotation. Further, since this appointment is recommended by the Nomination and Remuneration Committee, the requirement for deposit of Rs. 1,00,000/- is not applicable.

Based on the recommendation received from the Nomination and Remuneration Committee and consent of Mr. Vinay Agarwal to act as a Director of the Company and other statutory disclosures, it is proposed to appoint Mr. Vinay Agarwal as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation. Further as per the declarations received by the Company, Mr. Vinay Agarwal is not disqualified under Section 164 of the Act. The directorships held by Mr. Vinay Agarwal are within the limits prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

Brief profile, details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standards – 2 are disclosed in the Annexure – 2 (Part – II) attached to this Notice.

The Board recommends the Resolution at Item No. 5 for approval of the members

Except Mr. Vinay Agarwal being the concerned director, and his relatives, to the extent of their shareholding, if any, in the Company, no other Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested financially or otherwise, in Resolution No. 5 as contained in the Notice.

Annexure – 1

I. General Information

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

	(Rs. in Lakhs)		
Particulars	2021-22	2020-21	2019-20
Total Revenue from Operations	19083.00	18132.08	20653.60
Profit/(Loss) before tax	(451.98)	(484.91)	(231.76)
Profit/(Loss) after tax	(630.97)	(245.13)	(407.60)

- Foreign investments or collaborations, if any :** Nil

II. Information about the appointee:

- Background details:** Mr. Sudeep Chitlangia is a commerce graduate and working with the Company since August, 1986. He brings with him over 35 years of experience in the plywood business. He became the Managing Director in 1993.
- Past remuneration:** His last drawn remuneration during the financial year 2021-22 was Rs. 62,91,320/- (inclusive of all perquisites).
- Recognition or awards:** Mr. Sudeep Chitlangia is an active member of the Entrepreneur Organization, Kolkata. In the past, he has served 2 terms on the board of Indian Plywood Industries Research and Training Institute (IPIRTI).
- Job profile and his suitability:** Mr. Sudeep Chitlangia as the Managing Director is entrusted with substantial powers of the management and is responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board of Directors of the Company. In view of his qualifications and varied experience, the Board has bestowed the above responsibilities on Mr. Sudeep Chitlangia.
- Remuneration proposed:** As mentioned in the text of the resolution.
- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Considering the general industry practices, the specific Company profile, knowledge, skills, insights, vast business experience and responsibilities shouldered by Mr. Sudeep Chitlangia, the remuneration decided by the Nomination & Remuneration Committee/Board is in line with industry standards and is fair and reasonable.
- Pecuniary Relationship directly or indirectly with the company, or relationship with managerial personnel, if any:** Mr. Sudeep Chitlangia holds 3,65,668 equity shares in the company.

III. Other information:

- Reasons of loss or inadequate profits:** The performance of the Company during the financial year 2021-22 was primarily affected due to the outbreak of COVID – 19 pandemic which halted the world’s economy. The first quarter was affected on account of second wave of COVID – 19 pandemic which caused disruptions to the operational activities of the Company. There were positive signs of improvement observed in 3rd & 4th quarter of 2021-22. However, the emergence of new COVID-19 variants, supply-chain disruptions arising out of the Russia-Ukraine crisis, and, more recently, rising inflation have been posing fresh challenges.
- 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.
 - Focus on high quality performance delivery and good relationship with existing customers to generate rapid new order flows.
 - Conscious efforts for the development of customer base in the respective business segments.
 - Focus on significant improvement in operating costs.
- Expected increase in productivity and profits in measurable term:** The Company expects current year i.e. FY-22-23 to be a year of substantial growth given that business revenues are slowly but steadily increasing to be closer to levels prior to the outbreak of pandemic. Even assuming current trend of revenue to remain for next year, there should be revenue growth from FY- 22-23, resulting in improvement in profitability.

Annexure -2 (Part-I)

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

Particulars	
Name	Mr. Sudeep Chitlangia
DIN	00093908
Date of Birth	14.05.1966
Date of Appointment on the Board	27.05.1988
Qualification	B.Com
Expertise in Specific functional area	Mr. Sudeep Chitlangia brings with him over 35 years of experience in the plywood business. He became the Managing Director in 1993. He is an expert on wood material and operations with extensive experience in the implementation of new wood technologies. In the past, he has served 2 terms on the board of Indian Plywood Industries Research and Training Institute (IPIRTI).
Terms and Conditions of Appointment / Re-appointment	Managing Director, liable to retire by rotation
Number of Board meetings attended out of four Board meetings held during the Year	Four
Remuneration last drawn by such person, if applicable	Rs. 62,91,320/- paid during the FY 2021-2022
Remuneration sought to be paid	As per the resolution stated above.
Directorship Companies held in other Public Companies	Nil
Committee membership/Chairmanship held in other Companies	Nil
Relationship with other Directors/KMP	Son of Mrs. Sheela Chitlangia, Director
Number of shares held in the Company	365,668

Annexure -2 (Part-II)

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

Particulars	
Name	Mr. Vinay Agarwal
DIN	06431086
Date of Birth	11.04.1956
Date of Appointment on the Board	09.08.2022
Qualification	Graduate of IIT Kanpur and IIM Calcutta
Expertise in Specific functional area	Mr. Vinay Agarwal is a graduate of IIT Kanpur and IIM Calcutta. He had worked as a Managing Director/CEO/COO with several multinational companies like Grindwell Norton Limited, TVS Interconnect Systems Ltd and others prior to establishment of PGT Partners in the year 2011. He founded PGT Partners to give assistance to Companies Promoters to double their profits in a year and/or triple sales in three years. Mr. Agarwal has been President of the Ball & Roller Bearing Manufacturers’ Association, member of CII ASCON and National Council, and member of the Global Managing Committee of Saint-Gobain Abrasives. Mr. Agarwal has been associated with Stockholm School of Economics Executive Education, IIM Calcutta, IIM Indore and Symbiosis Group of Institutions as Visiting Faculty. He is a speaker on Business Growth & Scaling, Business Turnaround and Marketing.
Terms and Conditions of Appointment / Re-appointment	Non-Executive Non Independent Director, liable to retire by rotation
Number of Board meetings attended out of four Board meetings held during the Year	Not Applicable
Remuneration last drawn by such person, if applicable	Not Applicable
Remuneration sought to be paid	No remuneration will be paid except sitting fees for attending meeting of the Board/Committees, as a Non-Executive Non Independent Director
Directorship Companies held in other Public Companies	Nil
Committee membership/Chairmanship held in other Companies	Nil
Relationship with other Directors/KMP	No
Number of shares held in the Company	Nil



Directors' Report to the Members

Your Directors are pleased to present the 65th Annual Report of Duroply Industries Limited along with the Audited Financial Statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
Particulars	As on 31.03.2022	As on 31.03.2021
Turnover	19088.54	18132.08
Other Income	218.52	195.35
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	678.57	36.45
Less: Finance Charges	848.08	1008.26
Profit before Depreciation/ Amortization (PBTDA)	(169.51)	(971.81)
Less: Depreciation	282.47	323.54
Profit before Tax and Exceptional Items	(451.98)	(1295.35)
Net profit before taxation (PBT)	(451.98)	(484.91)
Provision for taxation	178.99	(239.78)
Profit/ (Loss) after Taxation (PAT)	(630.97)	(245.13)
Other Comprehensive Income	9.54	(21.14)
Total Comprehensive Income	(621.43)	(266.27)

STATE OF COMPANY’S AFFAIRS

During the year under review, the Company has achieved a turnover of Rs. 190.89 Crores as against Rs. 181.32 Crores in the preceding financial year, an increase of 5.27%. The company has incurred a net loss of Rs. 6.21 Crores as against a net loss of Rs. 2.66 Crores in the preceding year.

DIVIDEND

Due to loss during the year under review, the Directors regret their inability to recommend any dividend for the financial year ended March 31, 2022.

RESERVES

Due to loss, no amount is proposed to be transferred to general reserve for the year ended March 31, 2022.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2022 was Rs. 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.

CHANGES IN THE NATURE OF BUSINESS

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

BORROWINGS

The total borrowings stood at Rs. 5435.14 Lakhs as at March 31, 2022 as against Rs. 6616.61 Lakhs as on March 31, 2021, i.e. a decrease of Rs. 1181.47 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.

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 the “Listing Regulations”), the Management Discussion and Analysis Report is attached herewith as “Annexure–1”.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Director

Cessation of Mr. Sohan Lal Yadav (DIN: 00207333) as a Non-Executive (Non- Independent) Director of the Company with effect from the close of business hours on May 6, 2021.

Appointment of Mr. Akhilesh Chitlangia (DIN: 03120474) as an Additional Director and the Whole-time Director on the Board of the Company designated as Executive Director & Chief Operating Officer for a period of three (3) years with effect from May 30, 2022 and further his appointment was approved by the Shareholders at the Extra-Ordinary General Meeting of the Company held on August 08, 2022.

Retirement by Rotation

Mr. Sudeep Chitlangia (DIN: 00093908) retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment in accordance with the provisions of

Section 152(6) and other applicable provisions of the Companies Act, 2013.

Appointment / Re-appointment of Directors

Mr. Sudeep Chitlangia was re-appointed as the Managing Director of the Company at the 63rd Annual General Meeting held on October 17, 2020, for a period of 3 (three) years effective April 01, 2020. Accordingly, the tenure of his as the Managing Director of the Company would end on March 31, 2023.

The Nomination and Remuneration Committee and Board of Directors of the Company at their respective meeting(s) held on August 09, 2022, re-appointed Mr. Sudeep Chitlangia (DIN: 00093908) as Managing Director of the Company, subject to the approval of members, with effect from April 01, 2023 for a period of 3 years, upto March 31, 2026, to maintain continuity. The Special Resolution for his re-appointment as Managing Director and remuneration payable to him has been included in the Notice convening 65th Annual General Meeting for the approval of Members.

The Board of Directors at its meeting on August 09, 2022, based on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Vinay Agarwal (DIN: 06431086) as an Additional (Non-Executive Non-Independent) Director of the Company with effect from August 09, 2022. The Ordinary Resolution for his appointment as a Non-Executive Non-Independent Director has been included in the Notice convening 65th Annual General Meeting for the approval of Members.

Key Managerial Personnel

Cessation of Mr. Ravi Kumar Murarka (ACS: 20659) as CFO & Company Secretary cum Compliance Officer of the Company with effect from the close of business hours on February 11, 2022.

Appointment of Mrs. Komal Dhruv (ACS: 41850) as Company Secretary & Compliance Officer of the Company with effect from May 30, 2022.

Appointment of Mr. Pawan Kumar Verma as the Chief Financial Officer of the Company with effect from August 09, 2022.

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(1)(b) of the Listing Regulations.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, auditing, tax and risk advisory services, banking, financial services, investments; and they hold highest standards of integrity.

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, (‘IICA’) as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors of the Company have served for more than three years on board of listed entities and hence shall not be required to pass

the online proficiency self-assessment test as per the proviso to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

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 the Listing Regulations were adhered to while considering the time gap between two meetings.

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Annual evaluation of Board, its performance, Committees and individual Directors pursuant to applicable provisions of the Companies Act, 2013 and applicable regulations of the Listing Regulations, were carried out.

The performance of the Board was evaluated after seeking inputs from all the Directors present in the meeting on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board and Nomination & Remuneration Committee had evaluated / reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The Securities and Exchange Board of India vide circular SEBI / HO /CFD /CMD/ CIR/ 2017/004 dated January 05, 2017, issued a Guidance Note on Board Evaluation about various aspects involved in the Board Evaluation process to benefit all stakeholders. While evaluating the performance, the above guidance note was considered. Performance evaluation of Independent Directors was carried out by the entire board, excluding the Independent Director being evaluated. A meeting of the Independent Director for the FY 2021-22, was held on February 11, 2022, to review the performance of the Non-Independent Directors and performance of the Board as a whole, on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board. The same were discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the board, its committees, and individual Directors were also discussed. The Directors expressed their satisfaction with the evaluation process.

MANAGERIAL REMUNERATION

The information required pursuant to Section 197(12) 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 March 31, 2022 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 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.

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. During the year, no case was reported under this policy.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013, 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 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 the Listing 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.

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:

- That in the preparation of the accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 March 31, 2022 and of the profit/loss of the Company for the year on that date;
- 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;
- That the Directors have prepared the accounts for the year ended March 31, 2022 on a ‘going concern’ basis.
- 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.
- 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 the details as required under the Listing Regulations is given separately as “**Annexure–4**”.

The Corporate Governance Certificate for the financial year ended on March 31, 2022 issued by CA Vivek Agarwal, partner of

M/s S K Agrawal and Co Chartered Accountants LLP, Chartered Accountants, Statutory Auditors of the Company, is also attached herewith as “**Annexure–5**”.

Certificate pursuant to Regulation 17(8) of the Listing Regulations is attached herewith as “**Annexure–6**”.

COMMITTEES OF BOARD OF DIRECTORS

The Board has five Committees out of which three have been mandatorily constituted in compliance with the requirements of the Companies Act, 2013 and the Listings Regulations while three 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
- Allotment 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

The Members of the Company at the 60th Annual General Meeting (AGM) of the Company held on September 19, 2017, approved the appointment of M/s. S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP, Chartered Accountants, (Firm Registration No. 306033E/E300272) (M/s. S K AGRAWAL & CO), as the Statutory Auditors of the Company to hold office for a period of five years commencing from the conclusion of the 60th AGM held on September 19, 2017 until the conclusion of the 65th AGM of the Company to be held in the year 2022.

As per the provisions of the Companies Act, 2013, an audit firm acting as the statutory auditor of a company is eligible to be appointed as statutory auditors for two terms of five years each. In view of the above, the first term of M/s. S K AGRAWAL & CO as Statutory Auditors expires at the conclusion of the 65th AGM of the Company.

Considering the performance of M/s. S K AGRAWAL & CO as statutory auditors of the Company during their present tenure, the Board of Directors, considered the recommendation of the

Audit Committee, proposed to re-appoint M/s/ S K AGRAWAL & CO for another term of five years commencing from the conclusion of the 65th AGM till the conclusion of the 70th AGM of the Company to be held in the year 2027, at a remuneration as may be mutually decided between the Board of Directors and M/s. S K AGRAWAL & CO, from time to time.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder, from M/s. S K AGRAWAL & CO. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

Therefore, approval for re-appointment of Statutory Auditors is being sought from the Members of the Company at the ensuing AGM. Accordingly requisite resolution forms part of the Notice convening the 65th AGM.

The report of the Statutory Auditors forms part of the Annual Report 2021-22. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors did not report any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, Ms. Rashmi Sharma, Practicing Company Secretary (FCS-8660), was appointed as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2021-22. However, the Secretarial Auditor resigned on April 15, 2022. Consequently, Mr. Sumantra Sinha, Practicing Company Secretary (ACS: 11247), was appointed to conduct the Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is attached herewith as “**Annexure-7**”. The said report does not contain any reservation, qualification or adverse remark.

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 BSE Limited. The Company has paid the listing fee to the BSE Limited for the year 2022-2023.

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–8**” attached herewith.



ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return as on March 31, 2022 is available at the web link: https://www.duroply.in/siteassets/pdf/Provisional_MGT_7_2022.pdf

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.

PREFERENTIAL ISSUE OF EQUITY SHARES AND WARRANTS CONVERTIBLE INTO EQUITY SHARES ON PRIVATE PLACEMENT BASIS

The Board of Directors of the Company in their meeting held on July 13, 2022, has approved the proposal for raising of funds by way of issue, offer and allotment of upto 10,33,968 equity shares of Rs. 10/- each (“Equity Shares”) for cash at a price of Rs. 126/- (including a premium of Rs. 116/-) per Equity Share and upto 11,91,032 warrants, each convertible into, or exchangeable for, 1 fully paid-up equity share of the Company of face value of Rs. 10/- each (“Warrants”) at a price of Rs. 126/- each payable in cash (“Warrants Issue Price”), which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 months, by way of preferential issue on private placement basis for an aggregate consideration not exceeding Rs. 28,03,50,000/- in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with the applicable provisions of the Companies Act, 2013. The Shareholders of the Company have approved the issue

of such securities in the Extra-ordinary General Meeting held on August 08, 2022. Accordingly the said securities will be allotted in due course post completion of rest of the formalities.

PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016

During the year under review, one application has been filed against the Company under Insolvency and Bankruptcy Code, 2016. The same has been disposed off by the Hon’ble National Company Law Tribunal, Kolkata Bench via order dated June 17, 2022.

SETTLEMENTS WITH BANKS OR FINANCIAL INSTITUTIONS

During the year under review, no settlements were made by the Company with any Banks or Financial Institutions.

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

The Company provides a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Internal Complaints Committees have been constituted to enquire into complaints, and to recommend appropriate action, wherever required in compliance with the provisions of the said Act.

During the year under review, no complaint was reported to the Committee.

ISO CERTIFICATION

The Company’s factory at Rajkot, Gujarat have been certified ISO 14001:2015 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.

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

For and on behalf of the Board

Date: August 09, 2022
Place: Kolkata

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Annexure-1

Management Discussion and Analysis Report

Global economic overview

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices to record levels following the drop at the time of pandemic outbreak. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, foodgrains, fertilisers and gold. The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

Indian economic overview

The Indian economy reported an attractive recovery in 2021-22, its GDP rebounding from a de-growth of 7.3 per cent in 2020-21 to a growth of 8.7 per cent in 2021-22. By the close of 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

Y-o-Y growth of the Indian economy

	FY19	FY20	FY21	FY22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

Growth of the Indian economy, 2021-22

	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (%)	20.1	8.4	5.4	8.7

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6 per cent in the last quarter of 2020-21, the Indian economy grew 20.3% in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

There were positive features of the Indian economy during the year under review.

Foreign direct investments (FDI) in India got its highest annual FDI inflow at US\$83.57 billion in FY2022.

India surpassed the Rs 88,000 cr target set for asset monetisation in 2021-22, raising over Rs 97,000 crore with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year Rs. 6 lakh crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major

ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received USD 87 billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of USD 642.45 billion as on September 3, 2021, crossing USD 600 billion in forex reserves for the first time.

India’s currency weakened 3.59% from Rs. 73.28 to Rs. 75.91 to a US dollar through FY 22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at Rs. 1.42 lakh crore, which is 15% higher than the corresponding period in 2021.

Retail inflation in March at 6.95 per cent was above the RBI’s tolerance level of 6 per cent. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI’s tolerance band for the third straight month.



The Budget 2022-23 seeks to lay the foundation of the Indian economy over the ‘Amrit Kaal’ period of the next 25 years leading to 100 years of independence in 2047. The capital expenditure target of the Indian government expanded by 35.4% from Rs. 5.54 lakh crore to Rs. 7.50 lakh crore.

The Indian economy is projected to grow by a little over 7% in FY23. Across the next three years, capital expenditure in core sectors – cement, metal, oil refining and power – should be about Rs. 5 trillion. Besides, the government's production linked incentives (PLI)–led capex should generate an incremental Rs 1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

Global furniture market overview

The global furniture market is expected to reach USD 505.13 Bn by 2027 from USD 420 Bn in 2022 growing at a CAGR of 3.76%. The rising trend of new residential projects all over the world along with a rise in demand for work from home-related furniture is driving the growth of this industry as well as online offtake. The global living room furniture segment is the leading segment having a market value of approximately US\$ 248 billion in 2022. Demographically, the United States accounts for the largest portion of the global furniture market, with a market size of approximately USD 105.2 billion in 2021. (Source: Business wire, Statista, Globe News Wire)

Indian furniture industry overview

The size of the Indian furniture market was around USD 23.33 billion in FY2021 and anticipated to grow at a CAGR of 6.04% to USD 32.75 billion by FY2027. This growth is being catalysed by a growing middle-class, rising disposable income and increasing urban homes. Furniture manufacture has shifted from the manual to the semi-automatic and automatic. Almost 40% of India's population is expected to live in urban India by 2025, up from 35% in 2022, accounting for 60% of the country's furniture consumption.

The evolution of e-commerce channels exhibits options to buy furniture either for personal, professional, or commercial use coupled with the facility of quick and free delivery, has widened the Indian furniture market. Demand is also being driven by the tourism, hospitality and corporate sectors. India could emerge as the world's biggest furniture consumer market by 2030. (Source: Globe News Wire, Statista, Mordor Intelligence)

Indian plywood sector overview

The Indian plywood sector was valued at approximately INR 195.8 billion in FY 2021-22 and expected to reach INR 297.2 billion by 2027-28, growing at a CAGR of 7.4%. Moreover, rising consumer preference for plywood for construction and structural purposes (due to high dimension stability, stiffness, strength, durability and versatility) is driving market growth. The introduction of government schemes like DDA housing scheme, Pradhan Mantri Awas Yojana and NTR Housing Scheme are propelling the growth of the plywood sector in India. (Source: IMARC Group)

Indian veneer market overview

The Indian decorative veneer market is gaining popularity among consumers due to its durability, smoothness and sustainability.

Over the next few years, there could be an increased demand for veneers due to the construction of premium houses, greater disposable income and increasing malls, premium retail outlets, hotels and other establishments due to rapid urbanization. (Source: imarcgroup.com, futuremarketinsights.com)

Indian flush door segment overview

The flush doors are cost-effective than wooden doors and offer various beneficial properties like resistance to stains, scratches, crash, termites and is easy to clean. All these properties are expected to strengthen flush door demand in residential and commercial buildings. Based on types, flush doors are segmented into laminated flush doors, hollow core flush doors and cellular core flush doors etc. (Source: Fortune Business Sight)

Plywood growth drivers

Rising population: The population of India stands at 1.40 billion in 2022 and projected to exceed that of China by 2023.

Urbanisation: In India, there has been a population shift from the rural to the urban, strengthening furniture offtake.

Demographic dividend: The median age of India's population is 28 years(30 years global average), a favourable demographic reality for sustained wood panel offtake.

Growing replacement: As disposable incomes rise, living standards are shifting towards modern living, marked by increased wood panel offtake.

Housing demand: India's real estate market is likely to be valued at USD 1 trillion by 2030, strengthening furniture demand.

Online retail sector: The Indian e-commerce sector which was earlier expected to reach USD 200 billion by 2026 is now expected to achieve this target earlier than the estimate.

Strengths, Weaknesses, Opportunities and Threats (SWOT)

Strengths

- The Company possesses an extensive distribution network across India.
- The Company markets diversified plywood grades
- The Company's distribution channel provides products wide and deep
- The Company's brand is an organised market leader in North India.
- The Company's manufacturing location helps service market needs
- The Company is present in a business marked by a high entry cost for entrants

Weaknesses

- The Company encounters competition from unorganised players
- The Company's operations could be affected by resource non-availability and raw material price volatility
- The Company's profits could be affected due to product over-supply

Opportunities

- The demand for organized wood panel products is growing faster than the unorganised
- National per capita incomes are rising
- The proportion of India's millennial population is higher than the global average
- GST has catalysed the growth of India's organised furniture sector.

Threats

- India's unorganised plywood players may under-cut the market
- Export of timber-rich countries may not be permitted
- Raw material costs may remain high

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 2022	March 2021	% change*
Current Ratio	0.81	0.83	-2.34
Debt Equity Ratio	0.78	0.88	-12.17
Debt Service Coverage Ratio	0.38	(0.11)	-445.45
Return on Equity	(0.09)	(0.03)	174.45
Inventory Turnover Ratio	2.57	2.48	3.52
Trade Receivables Turnover Ratio	9.78	9.07	7.82
Trade Payables Turnover Ratio	2.94	2.58	13.95
Net Capital Turnover Ratio	10.67	12.96	-17.71
Net Profit Ratio	(0.03)	(0.01)	144.44
Return on Capital Employed	0.02	(0.06)	-131.37

* For change of more than 25% please refer Balance Sheet Note No. 39

Business risk management

Risks are integral part of businesses. 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.

Human resources management

The Company believes that the quality of employees is the key to its success. In view of this, it is committed to equip them with skills, enabling them to evolve with technological advancements.

During the year, Industrial relations with employees remained cordial. Human Resource Development activities continued to

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

Date: August 09, 2022
Place: Kolkata

Company overview

Duroply Industries Limited (DIL) is one of the oldest plywood manufacturers in India. The Company owns a plywood and allied products unit at Rajkot, Gujarat. The Company's DURO range of products is gaining consumer acceptance, backed by deep-dive innovation, craftsmanship and superior service.

Company's financial performance

During the year under review, the Company achieved a turnover of Rs. 190.89 Crores as against Rs. 181.32 Crores in the preceding financial year, an increase of 5.27%. The company incurred a net loss of Rs. 6.21 Crores as against a net loss of Rs. 2.66 Crores in the preceding year. In view of losses incurred by the Company during the year, the Board of Directors did not recommend any dividend.

receive considerable attention. The emphasis was on imparting training and developing the skill set of the employees to enable them face the challenges in an increasingly complex work environment. The Company's permanent employee strength stood at 482 as on March 31, 2022.

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.

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

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)	Details
(i)	The ratio of each Director to the median remuneration of the employees of the Company for the financial year 2021-22	Independent Directors Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil Non-Executive Directors Smt. Sheela Chitlangia : Nil Shri Sohan Lal Yadav* : Nil Shri Vinay Agarwal** : NA Executive Directors Shri Sudeep Chitlangia : 14.38 Shri Akhilesh Chitlangia*** : NA
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer (MD), Company Secretary or Manager, if any, in the financial year 2021-22	Independent Directors Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil Non-Executive Directors Smt. Sheela Chitlangia : Nil Shri Sohan Lal Yadav* : Nil Shri Vinay Agarwal** : NA Executive Director Shri Sudeep Chitlangia : 68.82% (Managing Director) Shri Akhilesh Chitlangia*** : NA (Executive Director & COO) Chief Financial Officer & Company Secretary Shri Ravi Kumar Murarka# : :31.80% Chief Financial Officer Shri Pawan Kumar Verma## : :NA Company Secretary Smt. Komal Dhruv### : :NA
(iii)	The percentage increase in the median remuneration of employees in the financial year	: 14.05%
(iv)	The number of permanent employees on the rolls of the Company	: 482 permanent employees as on March 31, 2022
(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 and point out if there are any exceptional circumstances for increase in the managerial remuneration	: As per Company's increment guidelines.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	: Remuneration paid during the year ended March 31, 2022 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.

*Resigned w.e.f. May 6, 2021 **Appointed as Non-Executive Director w.e.f. August 09, 2022

***Appointed as an Executive Director w.e.f. May 30, 2022 # Resigned w.e.f. February 11, 2022

Appointed as Chief Financial Officer w.e.f. August 09, 2022 ### Appointed as Company Secretary w.e.f. May 30, 2022

Part B: Statement of Disclosure pursuant to Section 197(12) of Companies Act, 2013 [Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl. No.	Name	Designation	Remuneration Received (Rs)	Qualification	Total years of Experience	Date of commencement of employment	Age	Last employment
1	Sudeep Chitlangia	Managing Director	62,91,320	B.Com	34	27-05-1988	56	Nil
2	Devesh Ahluwalia	Vice-President Sales	38,15,214	B.Sc., PGDBM	31	03-07-2014	55	Sheela Foam Pvt. Ltd.
3	Akhilesh Chitlangia	Executive Director & COO	36,78,804	B.Sc. B.A.	12	01-07-2010	34	Nil
4	Shashank Hissaria	General Manager	28,22,526	B.Com.	33	15-12-1988	53	Nil
5	Harender Verma	Dy General Manager-Sales	26,14,746	M.Sc., MBA	25	26-09-2015	51	Lafarge India Pvt. Ltd.
6	Pawan Kumar Verma*	Chief Financial Officer	23,67,723	B.Com., ACA	15	18-12-2008	42	Reliance Retail Ltd.
7	Ravi Kumar Murarka**	Chief Financial Officer & Company Secretary	22,91,064	B.Com, C.W.A., A.C.S, F.C.A., D.I S.A.	24	01-05-2009	48	Jessop & Co. Ltd.
8	Abhishek Chitlangia	Vice President (Mfg)	22,80,000	BBA , B.Sc(Eng)	7	01-04-2017	30	Bain & Company
9	Vikas Zadoo	Dy. General Manager - Marketing	21,23,292	MBA (Marketing), B.Sc	16	02-04-2021	41	Greenlam Industries Limited
10	A Srinivas	Deputy General Manager Sales	19,37,046	MBA(Sales & Marketing)	25	09-10-2013	50	HIL LTD, (Formerly Hyderabad Industries Limited), C.K.Birla Group

* Elevated as the Chief Financial Officer effective from August 09, 2022

** Resigned w.e.f. February 11, 2022

Registered Office:
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For and on behalf of the Board

Date: August 09, 2022
Place: Kolkata

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

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 “Listing 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 Listing 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.

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

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.

BOARD OF DIRECTORS

The Company has an optimal balance of skill, experience, expertise and diversity of perspectives on its Board, suited to the requirements of the businesses of the Company. The Composition of the Board of Directors as on March 31, 2022 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

Composition

As on date of this Report the Board comprises of 8 (eight) Directors, of which 4 (four) are Independent Directors.

The composition of the Board of Directors as on March 31, 2022, the number of other committees of which a Director is a Member/ Chairperson and the attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

Name of Directors	DIN	Category of the Directors	No. of Board Meetings attended	Attendance at last AGM on 10.09.2021	No. of member-ship(s) in #Committee (s) including this listed entity	No. of post of Chairperson in #Committee held in listed entities including this listed entity
Shri Sudeep Chitlangia (Managing Director)	00093908	Promoter, Executive	4	Yes	1	-
Smt. Sheela Chitlangia	00174354	Promoter, Non-Executive	4	No	-	-
Shri Sohan Lal Yadav*	00207333	Non-Executive	NA	NA	-	-
Dr. Kali Kumar Chaudhuri	00206157	Independent Non-Executive	4	Yes	4	1
Shri Probir Roy	00033045	Independent Non-Executive	4	Yes	8	1
Shri Ratan Lal Gaggar	00066068	Independent Non-Executive	3	Yes	9	3
Shri Sujit Chakravorti	00066344	Independent Non-Executive	4	Yes	5	3
Shri Akhilesh Chitlangia**	03120474	Promoter, Executive	NA	NA	-	-
Shri Vinay Agarwal***	06431086	Non-Executive	NA	NA	-	-

Only Audit Committee and Stakeholders Relationship Committee have been considered.

* Resigned w.e.f. May 6, 2021.

**Appointed w.e.f. May 30, 2022.

***Appointed w.e.f. August 09, 2022.

As required under Para C(2) of Schedule V to the Listing Regulations, following are the number of other directorships and the names of the listed entities where the Directors of the Company are also a Director and the category of their directorships therein:

Name of Director	No. of Directorships including the Company*	Name of the Listed entities in which the concerned Director is a Director	Category of Directorship
Shri Sudeep Chitlangia	1	-	-
Shri Akhilesh Chitlangia#	1	-	-
Dr. Kali Kumar Chaudhuri	4	Manaksia Limited Manaksia Steels Limited Duroply Industries Limited	Independent Director Independent Director Independent Director
Shri Probir Roy	6	Industrial and Prudential Investment Co. Ltd. Century Plyboards (India) Ltd. Duroply Industries Limited	Independent Director Independent Director Independent Director
Shri Sujit Chakravorti	5	Deepak Industries Limited WEBFIL Limited Duroply Industries Limited	Independent Director Independent Director Independent Director
Shri Ratan Lal Gaggar	9	TIL Limited Sumedha Fiscal Service Ltd. International Combustion (India) Limited Shree Cement Limited Duroply Industries Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Smt. Sheela Chitlangia	1	-	-
Shri Sohan Lal Yadav##	NA	-	-
Shri Vinay Agarwal###	1	-	-

#Appointed w.e.f. May 30, 2022.

##Resigned w.e.f. May 6, 2021.

###Appointed w.e.f. August 09, 2022.

* Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.

Shri Sudeep Chitlangia, Managing Director is related to Smt. Sheela Chitlangia, Non-Executive Director. There is no inter-se relationship among the other Directors of the Company. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that all the Independent Directors meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and under Section 149(6) of the Companies Act, 2013 and that they are independent of the management.

Board meetings held during the financial year ended March 31, 2022

During the financial year four Board Meetings were held on June 24, 2021, August 13, 2021, November 12, 2021 and February 11, 2022.

Information placed before the Board of Directors

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

Code of Conduct

The Board of Directors of the Company has adopted a Code of Conduct for the Directors, Key Managerial Personnel, and Senior Management Personnel of the Company. The said Code of Conduct of the Company has been uploaded on the website of the Company and can be accessed at <https://www.duroply.in/siteassets/pdf/code-conduct-DIL.pdf>.

Conduct to Regulate, Monitor and Report Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

As per the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, your Company has adopted a ‘Code of Conduct to regulate, monitor and report trading by Designated Persons’. This Code is applicable to all the Promoters,



Directors and such other persons defined as designated persons and to their immediate relatives as well.

The Code is available on the website of the Company www.duroply.in. The Company Secretary of the Company acts as the Compliance Officer for the purpose of the aforesaid Code to inter-alia, monitor the adherence of PIT Regulations.

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. This Code lays down principles and practices to be followed by the Company with respect to adequate and timely disclosure of unpublished price sensitive information. This Code is available on the website of the Company www.duroply.in.

As per the above Code, Mrs. Komal Dhruv is the Chief Investor Relations Officer.

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 Rs.10/- each of the Company as on March 31, 2022.

Independent Directors Meeting

During the year, the Independent Directors of the Company met separately on February 11, 2022, without the presence of other directors or management representatives, to review the performance of non-independent directors and the performance of the Board as whole and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Details of Familiarisation Programmes imparted to Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company should familiarise the Independent Directors through various programs about the Company. The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company,

nature of the industry in which the Company operates, the business model of the Company etc. During the year, senior management team has from time to time made presentations to Independent Directors giving an overview of the Company’s operations, function, strategy and risk management plan of the Company. The details of familiarisation programme imparted to the Independent Directors during the year are available on the website of the Company at the web-link at https://www.duroply.in/siteassets/pdf/Details_of_Familiarisation_Programme_for_Independent_Directors2022.pdf

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	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	✓	✓	✓	✓	✓	-

AUDIT COMMITTEE

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 Listing Regulations. 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, the Statutory Auditors and the Chief Internal Auditor are amongst the permanent invitees to the Audit Committee meeting. The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Committee as specified in Regulation 18 read with part C of Schedule II of the Listing Regulations 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.
- II. The annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:

• 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;

• Changes, if any, in accounting policies and practices and reasons for the same;

• Major accounting entries involving estimates based on the exercise of judgment by management;

• Significant adjustments made in the financial statements arising out of audit findings;

• Compliance with listing and other legal requirements relating to financial statements;

• Disclosure of any Related Party Transactions;

• 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. Audit Committee shall mandatorily review the following information:

• management discussion and analysis of financial condition and results of operations;

• statement of significant related party transactions (as defined by the audit committee), submitted by management;

• management letters / letters of internal control weaknesses issued by the statutory auditors;

• internal audit reports relating to internal control weaknesses; and

- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 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).
- 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.

Audit Committee Meetings held during the financial year ended March 31, 2022

During the year under review, four Audit Committee Meetings were held on June 24, 2021, August 13, 2021, November 12, 2021 and February 11, 2022.

Attendance at the Audit Committee Meetings

Name of Directors	No. of Meetings held	No. of Meetings attended
Shri Sujit Chakravorti	4	4
Shri Ratan Lal Gaggar	4	2
Shri Probir Roy	4	4

NOMINATION & REMUNERATION COMMITTEE

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 Listing Regulations. The Nomination & Remuneration Committee comprises of three Non-Executive Directors, all of whom are

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

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. The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Committee as specified in Regulation 19 read with Part D of Schedule II of the Listing Regulations, 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.

Nomination & Remuneration Committee Meeting held during the financial year ended March 31, 2022

During the year under review, one Nomination & Remuneration Committee Meeting was held on February 11, 2022.

Attendance at the Nomination & Remuneration Committee Meeting

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and as per requirement of Regulation 17(10) of the Listing Regulations, 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 Non-Independent Directors and the Board of Directors as a whole as per requirement of Regulation 25 (3) & (4) of the Listing Regulations.

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

REMUNERATION OF DIRECTORS

Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its non-executive and independent directors other than payment of sitting fees to them for attending Board and committee meetings.

Criteria of making payments to the Non-Executive Directors are disclosed in the Policy and the same is available on the website of the Company and can be accessed at https://www.duroply.in/siteassets/pdf/Policy_on_payment_of_remuneration_to_NED.pdf.

Details of remuneration to Directors

Name	Salary & Perks	Sitting Fees	Total
Shri Sudeep Chitlangia	62,91,320	-	62,91,320
Smt. Sheela Chitlangia	-	40,000	40,000
Shri Sohan Lal Yadav	-	-	-
Dr. Kali Kumar Chaudhuri	-	48,500	48,500
Shri Ratan Lal Gaggar	-	45,000	45,000
Shri Probir Roy	-	70,000	70,000
Shri Sujit Chakravorti	-	76,000	76,000

Notes:

- The Company does not pay any commission or performance linked incentives to any of its Directors.
- 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.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition of the Committee

The Stakeholders Relationship Committee has been constituted by Board in accordance with the section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. 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.

Terms of Reference

The Committee performs amongst others the role/functions as are set out in the Listing Regulations 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.

Stakeholders Relationship Committee Meetings held during the financial year ended March 31, 2022



During the year under review, one Stakeholders Relationship Committee Meeting was held on February 11, 2022.

Attendance at Stakeholders Relationship Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	1	1
Shri Sudeep Chitlangia	1	1
Shri Ratan Lal Gaggar	1	-

Compliance Officer

Mrs. Komal Dhruv*, Company Secretary is the Compliance Officer of the Company.

*Appointed on May 30, 2022.

Shareholders' Complaints

During the year ended March 31, 2022, the Company had received 2 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.

INVESTOR COMMITTEE

Composition of the Committee

The Investor Committee has been constituted by Board to deal with all the activities/terms of reference of Stakeholders 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 and Smt Komal Dhruv, Company Secretary.

Terms of Reference

The terms of reference of the Investor Committee includes the following:

- Oversee, review and approve all matters connected with transfer, transmission, split, consolidation, rematerialisation, etc.;
- Issue of duplicate share certificates in lieu of share certificates lost, defaced or destroyed;
- Issue of new share certificates consequent upon split/consolidation of existing ones;
- Cancellation of share certificates in compliance with the applicable provisions;
- to consider and approve subdivision, consolidation, transfer and issue of duplicate shares and debenture certificate;
- to specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.

Investor Committee Meetings held during the financial year ended March 31, 2022

During the year under review, four Investor Committee Meeting were held on September 02, 2021, September 24, 2021, September 30, 2021 and January 24, 2022.

Attendance at Investor Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	4	4
Shri Sudeep Chitlangia	4	4
Shri Ravi Kumar Murarka*	4	4
Smt Komal Dhruv**	N.A.	N.A.

* Resigned w.e.f. February 11, 2022.

** Appointed w.e.f. May 30, 2022

BORROWING COMMITTEE

Composition of the Committee

The Borrowing Committee has been constituted by the 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 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.

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 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.

Borrowing Committee Meetings held during the financial year ended March 31, 2022

During the year under review, one Borrowing Committee Meetings was held on September 16, 2021.

Attendance at Borrowing Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	1	1
Shri Sudeep Chitlangia	1	1
Smt. Sheela Chitlangia	1	1

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
2018-2019	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	25.09.2019	AGM	11.00 A.M.	Four
2019-2020	Held through Video Conferencing / Other Audio Visual Means	17.10.2020	AGM	11.00 A.M.	Three
2020-2021	Held through Video Conferencing / Other Audio Visual Means	10.09.2021	AGM	11.00 A.M.	One

Notes:

Special Resolution passed in the previous three Annual General Meetings

The following Special Resolutions were passed at the 64th Annual General Meeting held on September 10, 2021.

- Smt. Sheela Chitlangia, being longest in office, retires by rotation, and being eligible, offers herself for re-appointment as Director.

The following Special Resolutions were passed at the 63rd Annual General Meeting held on October 17, 2020.

- Re-appointment of Mr. Sudeep Chitlangia as Managing Director.
- Continuation of Dr. Kali Kumar Chaudhuri as an Independent Non-Executive Director.
- Sale / Lease or Dispose of Tea Processing Unit of the Company.

The following Special Resolutions were passed at the 62nd Annual General Meeting held on September 25, 2019.

- Re-appointment of Mr. Ratan Lal Gaggar as an Independent Non-Executive Director.
- Re-appointment of Mr. Probir Roy as an Independent Non-Executive Director.
- Re-appointment of Mr. Sujit Chakravorti as an Independent Non-Executive Director.
- Re-appointment of Dr. Kali Kumar Chaudhuri as an Independent Non-Executive Director.

Postal Ballot

During Financial Year 2021-22, the Company has not passed any Special resolution(s) through the Postal Ballot. Approval, if any required through, Postal Ballot during the Financial Year 2022-23 will be conducted in accordance with applicable law.

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 on Company website at 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.
- 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 the Listing Regulations.
- h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- i. Number of complaints filed during the financial year – NIL
- ii. Number of complaints disposed of during the financial year – NIL
- iii. Number of complaints pending as on end of the financial year - NIL

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 Duranto Barta in Bengali language.



- c) Financial results of the company are displayed on its website www.duroply.in.
- d) No presentations were made to institutional investors or analysts.

Fee to Statutory Auditor

Total fees (excluding reimbursement of expenses) for all services paid by the Company to the Statutory Auditor was Rs. 4.60 Lac as per details below:

Particulars	Amount
Services as statutory auditors	2,75,000
GST Audit	1,20,000
Limited Review	50,000
Certification Charges	15,000
Total	4,60,000

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

- Date and time
- Venue

II. Financial Calendar for the year 2022-2023

Particulars of Quarter

Results for the first quarter

Results for the second quarter

Results for the third quarter :

Annual Audited Results

III. Book Closure Date : As provided in Annual General Meeting Notice

IV. Dividend Payment Date

V. Listing on Stock Exchange

VI. Scrip Code

DISCRETIONARY REQUIREMENTS

- The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders. Further the financial results are available on the website of the Company and of Stock Exchange where the shares of the Company is listed i.e., BSE Limited.
- The Auditors' opinion on the Financial Statements is unmodified.
- Internal Auditor reports directly to the Audit Committee.

: As per the Annual General Meeting Notice

: Tentative Dates

: On or before second week of August

: On or before second week of November

: On or before second week of February

: On or before last week of May

: Not Applicable

: BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400001
Website: www.bseindia.com

: 516003

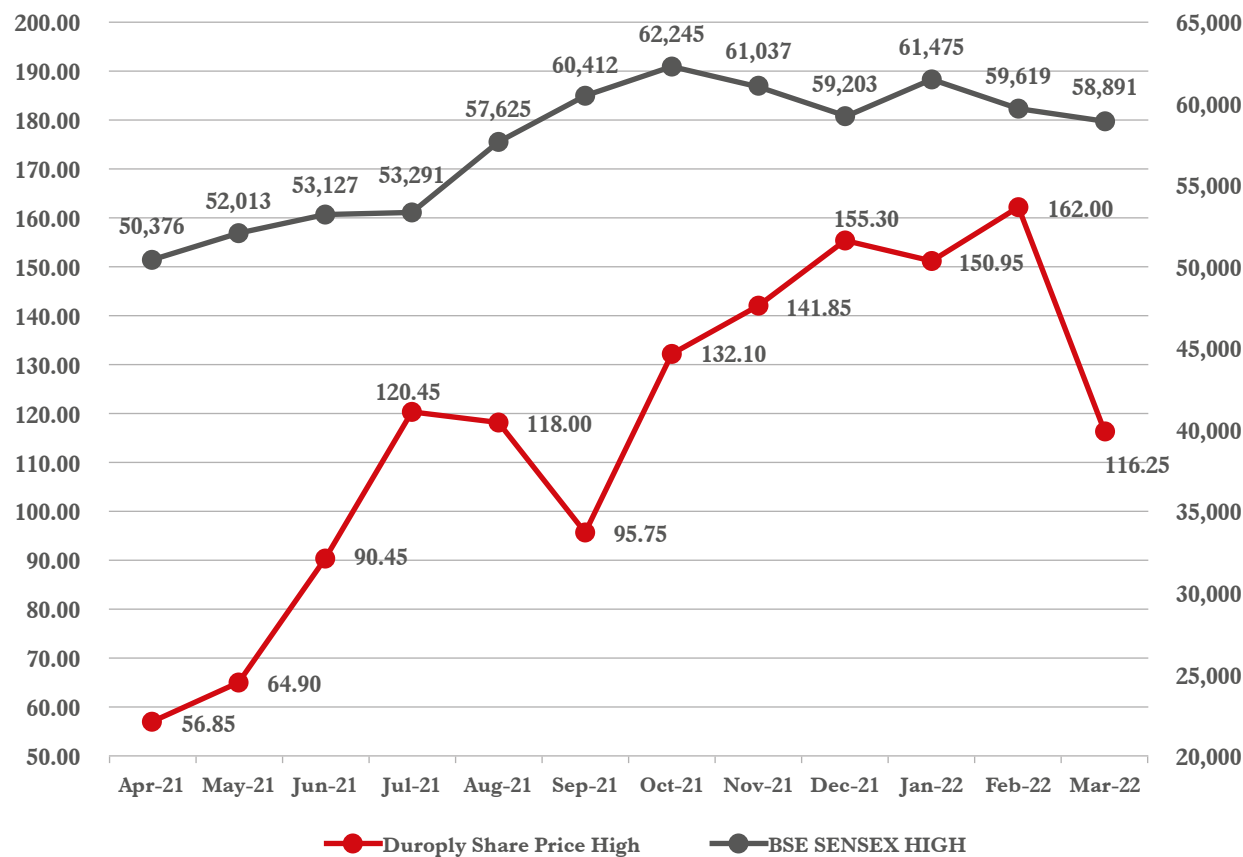
VII. Market Price Data

Month	Stock Prices on BSE		BSE SENSEX	
	High	Low	High	Low
April 2021	56.85	42.25	50375.77	47204.50
May 2021	64.90	43.20	52013.22	48028.07
June 2021	90.45	55.65	53126.73	51450.58
July 2021	120.45	92.25	53290.81	51802.73
August 2021	118.00	76.00	57625.26	52804.08
September 2021	95.75	81.20	60412.32	57263.90
October 2021	132.10	82.50	62245.43	58551.14
November 2021	141.85	107.00	61036.56	56382.93
December 2021	155.30	117.50	59203.37	55132.68
January 2022	150.95	117.50	61475.15	56409.63
February 2022	162.00	101.00	59618.51	54383.20
March 2022	116.25	88.75	58890.92	52260.82

Performance in comparison to broad-based indices viz., BSE Sensex.

DIL Share Price Movement v/s BSE Sensex

April 2021 – March 2022



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 Smt. Komal Dhruv, 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: CARE Rating Ltd. has given the following credit ratings to the Company at present.

Sr. No.	Particulars	Credit rating
1.	Long Term Bank Facilities	CARE B-; Stable
2.	Short Term Bank Facilities	CARE A4

X. Distribution of Shareholding as on March 31, 2022

No. of shares of Rs.10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6146	94.8164	718551	11.1218
501-1000	170	2.6226	132227	2.0466
1001-2000	70	1.0799	106187	1.6436
2001-3000	22	0.3394	54188	0.8387
3001-4000	12	0.1851	43558	0.6742
4001-5000	10	0.1543	47158	0.7299
5001-10000	17	0.2623	121460	1.8800
10001 & above	35	0.5400	5237413	81.0652
TOTAL	6482	100.0000	6460742	100.0000

XI. Categories of Shareholding as on March 31, 2022

Category of Shareholders	No. of Shares held	Percentage
Indian Promoters	4076308	63.09
Banks and Mutual Funds	10800	0.17
Body Corporates	507107	7.85
Individuals/HUF	1826648	28.27
Clearing Members	18798	0.29
Non- Resident Indian	21081	0.33
Total	6460742	100.00

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 March 31, 2022, 93.60% of the Share Capital has been dematerialised.

XIII. Outstanding GDR/ADR/Warrants : Not Applicable

XIV. Plant locations : Plywood Unit Rajkot Gondal Highway Shapar - 360024, Dist. Rajkot, Gujarat

XV. Address for Correspondence : i. Registrar & Share Transfer Agent Maheshwari Datamatics Private Limited 23rd R N Mukherjee Road, 5th Floor Kolkata – 700001 Phone: (033) 2243 5029/2243 5809 Fax : (033) 2248 4787 E-mail: mdpldc@yahoo.com ii. Company Secretary & Compliance Officer Mrs. Komal Dhruv 113 Park Street, North Block, 4th Floor, Kolkata- 700016 Phone: (033) 2265-2274 Email: komal.desai@duroply.com

XVI. E-mail id for investor grievances : investors@duroply.com

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

Date: August 09, 2022
Place: Kolkata

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)



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

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) 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 March 31, 2022 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
1.	Probir Roy	00033045	09.05.2011
2.	Ratan Lal 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

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 has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters, if any, which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also 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 : August 09, 2022

Signature :
Name : CS Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238
PRCN : 1038/2020
UIN : S1999WB026800
UDIN : F004848D000767753

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Conduct of the Company as laid down by the Board for the financial year ended March 31, 2022.

Date: August 09, 2022
Place: Kolkata

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Annexure-5

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
DUROPLY INDUSTRIES LIMITED

We, S K AGRAWAL AND CO CHARETRED ACCOUNTANTS LLP, Chartered Accountants, the Statutory Auditors of Duroply Industries Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

Managements’ Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management including the preparation and maintenance of all the relevant records and documents. 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.

Auditor’s Responsibility

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.

We have examined the books of account 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.

Opinion

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 March 31, 2022.

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.

Restriction on Use

The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP
Chartered Accountants
Firm Registration No. – 306033E/E300272

CA VIVEK AGARWAL
Partner
Membership No - 301571
UDIN: 22301571AOPYSE7761

Date: August 09, 2022
Place: Kolkata

Annexure-6

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

CERTIFICATION

To
The Board of Directors
Duroply Industries Limited

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

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 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. We further states that to the best of our knowledge and belief, there are no transactions entered into by company during the financial year ended March 31, 2022, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls over the financial reporting and that we
- D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 1. there has been no significant change in internal control over financial reporting during the financial year.
 2. there has been no significant changes in the accounting policies during the financial year, except to the extend, if any, disclosed in the notes to the financial statements; and
 3. there has been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control systems over financial reporting.

have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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 propose to take to rectify these deficiencies.

Date: August 09, 2022
Place: Kolkata

(SUDEEP CHITLANGIA)
Managing Director
(DIN:00093908)

(PAWAN KUMAR VERMA)
Chief Financial Officer

Annexure-7

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 adherence to good corporate practices by **DUROPLY INDUSTRIES LIMITED** (CIN: L20211WB1957PLC023493) having its Registered Office at 9, Parsee Church Street, Kolkata – 700 001 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's 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 31.03.2022, 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.

Auditor's 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 with the size of the Company, based on the 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 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.

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 Company for the financial year ended **31.03.2022** according to the provisions of:

- (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) Listing Agreement(s) with the Stock Exchange(s).
- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) 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;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 1998;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

The laws specifically applicable to the Company where compliance procedure are being observed as per the representations made by the Management are:

- (i) Factories Act, 1948;
- (ii) Relevant statutes prevalent in the State of West Bengal and Gujarat, where the Registered office/factory of the Company is situated, amongst others;
- (iii) Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder;
- (iv) Air (Prevention & Control of Pollution) Act, 1981 and Rules made thereunder;
- (v) The Environment (Protection) Act, 1986;

During the period under review, based on my examination and verification of the books, papers, minutes, certificates, forms and returns which were required to be examined by me for this report and according to the information and explanations provided to me in the course of my audit by the Company, I report that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

- (a) The status of the Company during the financial year has been that of a Listed Public Company.
- (b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors/CEO, 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.
- (c) As informed to me, 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.
- (d) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. There were no such views recorded during the period under review.
- (e) 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.

(CS Sumantra Sinha)
Practising Company Secretary

ACS 11247/CP No.:15245

Place: Kolkata

PR: 1421/2021

Date: 9th August, 2022

UDIN: A011247D000764032

Annexure - 8

Information required 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

i. Steps taken or impact on conservation of energy

- Energy consumption at various Equipments are being monitored & Controlled with the help of energy meters installed.
- Optimization of operation of water pumps & Cooling Tower Fans during part load operation and during low ambient temperature conditions.
- Press cycle optimize to improve quality and power consumption.
- Periodic check of the electric distribution network for safe and efficient performance.
- Utilizing turbo vents for better air circulation without using electrical energy.
- Installing LED outdoor lights in boundary area of factory.
- Replacement of conventional lighting with LED lighting.
- Educating employees about how to save energy at work and at home.

ii. Steps taken for utilizing alternate sources of energy

The Company is constantly taking steps to identify various alternatives sources of energy at its manufacturing unit. In pursuit of its goal towards savings in energy cost, the Company while procuring new machinery under phased modernization/ replacement program takes into account its impact on energy conservation.

iii. Capital Investment on energy conservation equipments

During the year review, there was no material Capital Investment.

(B) TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption

- Company on continuous basis modifies and upgrades the manufacturing process / parameters which resulted into cost effectiveness, better productivity in terms of quantity without compromising quality of the products.
- Development of new products, design, concept and processes at regular intervals.
- Modification of manufacturing process.
- Improvement in automation.
- Installing upgraded pollution control equipment for air/water.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution

The Company has derived various benefits from new and improved technology and other activities i.e. Product (quality) improvement, reduced cost of final products, Reduction in process time, Conservation of energy, Smooth processing, conservation of environment, Increase in customer base, Increase in the brand value of Company, development of eco-friendly processes result in less quantity of effluent and emission etc.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported technology during the last three years and wherever required, the company takes guidance from technical experts as well as from suppliers of machinery within India.

iv. The expenditure incurred on Research and Development

During the year under review, the Company has not incurred any material capital expenditure on research and development. The Company continuously incurs expenses for improving the processes, product quality, etc. they cannot be specifically identified as research & development expenses. Thus, the same has not been shown separately.



(C)FOREIGN EXCHANGE EARNINGS AND OUTGO

i. Earnings and Outgo:

	(Rs. in Lakhs)
(i) Foreign Exchange earnings	NIL
(ii) Foreign exchange outgo (imports and other expenditure in foreign currency)	1242.76

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

For and on behalf of the Board

Date: August 09, 2022
Place: Kolkata

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Independent Auditor’s Report

To the Members of
DUROPLY INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Duroply Industries Limited (“the Company”), which comprises the Balance sheet as at 31st March 2022, 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 and Key Audit 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 31st March, 2022, 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 39.4 to the Financial Statements regarding the impact of COVID-19. The Company has not considered the possible effects that may result from the pandemic relating to COVID-19 as same is not material. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

S. No.	Key Audit Matter	Auditor’s Response
	<p>Allowance for Credit Losses</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 judgment in calculating the expected credit losses.</p> <p>Refer Notes 10 to the financial statements</p>	<p>Principal Audit Procedures</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</p> <p>(1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions</p> <p>(2) completeness and accuracy of information used in the estimation of probability of default and</p> <p>(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. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the company.</p>

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

The Annual report is expected to be made available with us after the date of Auditor's Report.

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 the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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:

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 39.2 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.
- iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly

lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest

in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b)above, contain any material misstatement.

For S. K. AGRAWAL & CO CHATERED ACCOUNTANTS LLP
Chartered Accountants
Firm Registration No.-306033E/E300272

CA. VIVEK AGARWAL
(Partner)
Membership No.301571
UDIN: 22301571AJWHVF7539

Place: Kolkata
Dated: 30th May, 2022

Annexure -A to the Independent Auditors’ Report

The Annexure referred to in our Independent Auditor’s Report to the members of **Duroply Industries Limited** (the Company’) on the financial statements for the year ended on 31st March 2022. We report that:

- i.
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets
 - (c) According to information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed during such physical verification.
 - (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Quarterly returns filed by the company to banks against sanctioned working capital limits are in agreement with

the books of account of the company.

- iii. According to information and explanations given to us and the records examined by us the company has not provided any security or grant any advance in the nature of loan secured or unsecured to any companies, firms, Limited Liability Partnerships and other parties, during the year. The company has made investments in companies and grant secured and unsecured loan and provide guarantee to the companies and other parties in respect of which the requisite information is as below:
 - (a) According to information and explanations given to us the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company’s interest.
 - (b) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
 - (c) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - (d) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
 - (e) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits with the meaning of sections 73 to 76 of the companies Act and the rules made thereunder, to extent applicable. Hence, reporting under clause 3(v) of the Order is not applicable.
- 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. (a) In our opinion the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date of becoming payable.
- (c) According to the information and explanations given to us, the details of statutory dues which has not been deposited on account of any disputed and were outstanding as at 31st March, 2022 are given below:

Name 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	AY 1985-86	Income tax Appellate Tribunal
Income Tax Act,1961	Income Tax	5827.57	AY 2018-19	Revision petition u/s 264 is pending before Jurisdictional CIT & Writ Petition is pending before Calcutta High Court
Central Excise Act,1944	Excise duty	1198.78	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. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to information and explanations given to us the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to information and explanations given to us and on the basis of examination of records of the company, the term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanation given to us and on the basis of examination of relevant records the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. According to information and explanations given to us and the records examined by us the company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) The company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) In our opinion, there is no core investment company within the Group (as defined in the regulation defined by Reserve Bank of India) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Corporate Social Responsibility under section 135 of the Companies Act, 2013 is not applicable, hence, reporting under this clause is also not applicable.

For S. K. AGRAWAL & CO CHATERED ACCOUNTANTS LLP

Chartered Accountants
Firm Registration No.-306033E/E300272

CA. VIVEK AGARWAL

(Partner)

Membership No.301571
UDIN: 22301571AJWHVF7539

Place: Kolkata

Dated: 30th May, 2022

Annexure -B to the Independent 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 (“the Company”) as of 31st March 2022 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 principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March 2022, 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 & CO CHATERED ACCOUNTANTS LLP

Chartered Accountants

Firm Registration No.-306033E/E300272

CA. VIVEK AGARWAL

(Partner)

Membership No.301571

UDIN: 22301571AJWHVF7539

Place: Kolkata

Dated: 30th May, 2022



Balance Sheet

as at 31st March, 2022

		₹ in lakhs			
Particulars	Note No.	As at 31.03.2022		As at 31.03.2021	
I. ASSETS					
(1) Non - Current Assets					
(a) Property, plant and equipment	3	10,198.96		9,757.21	
(b) Capital Work-in-Progress	3	6.60		7.66	
(c) Other Intangible assets	4	50.74		30.45	
(d) Financial Assets					
Investments	5	1.56		17.04	
Loans	6	651.76		1,117.98	
Other Financial Assets	7	116.89		135.12	
(e) Other Non - Current Assets	8	8.78	11,035.29	13.46	11,078.92
(2) Current assets					
(a) Inventories	9	6,381.19		6,205.52	
(b) Financial Assets					
Trade receivables	10	2,003.15		1,813.15	
Cash and Cash Equivalents	11	43.75		27.41	
Other Bank Balances	12	310.08		298.55	
Other Financial Assets	13	66.47		46.67	
Others	14	55.42		47.66	
(c) Current Tax Assets (Net)	15	37.11		14.25	
(d) Other Current Assets	16	547.04	9,444.21	1,320.87	9,774.08
TOTAL			20,479.50		20,853.00
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity Share capital	17	646.36		646.36	
(b) Other Equity	18	5,745.40	6,391.76	6,366.83	7,013.19
(2) Non - current liabilities					
(a) Financial Liabilities					
Borrowings	19	911.21		1,107.34	
Lease Liabilities	20	466.39		135.12	
(b) Provisions	21	416.60		346.87	
(c) Deferred Tax Liabilities (Net)	22	569.98		391.11	
(d) Other Non - Current Liabilities	23	66.98	2,431.16	77.83	2,058.27
(3) Current liabilities					
(a) Financial Liabilities					
Borrowings	24	4,404.00		5,416.66	
Lease Liabilities	25	139.14		128.53	
Trade payables	26				
Total Outstanding dues of Mirco Enterprises and Small Enterprises		-		-	
Total Outstanding dues of Creditors other than Mirco Enterprises and Small Enterprises		5,708.16		5,329.69	
Other Financial Liabilities	27	997.04		542.09	
(b) Other Current Liabilities	28	403.14		358.47	
(c) Provisions	29	5.10	11,656.58	6.10	11,781.54
TOTAL			20,479.50		20,853.00
Significant accounting policies	2				
Other Disclosures	39				

The accompanying notes 1 to 39 are an integral part of the Financial Statements.
As per our report of even date attached.

For S K Agrawal And Co Chartered Accountants LLP
Chartered Accountants
(F.R. NO. 306033E/E300272)

CA VIVEK AGARWAL
(Membership No. 301571)
Partner
Place of Signature: Kolkata
Date : 30th May 2022

KOMAL DHURV
Company Secretary

On behalf of the Board

SUJIT CHAKRAVORTI
Director
DIN. 00066344

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Statement of Profit and Loss

for the year ended 31st March, 2022

		₹ in lakhs	
Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Revenue from operations			
Sale of goods	30	19,083.00	18,128.97
Other operating Income	31	5.54	3.11
Total Revenue from Operations		19,088.54	18,132.08
II. Other income	32	218.52	195.35
III. Total revenue (I+II)		19,307.06	18,327.43
IV. Expenses:			
Cost of materials consumed	33	9,403.66	8,696.13
Purchases of stock-in-trade	34	2,750.19	1,843.16
Changes in inventories of finished goods,			
Work -in-progress and stock-in-trade	35	(231.20)	965.62
Employee benefits expense	36	2,590.98	2,291.68
Finance costs	37	848.08	1,008.26
Depreciation and amortization expense	3 & 4	282.47	323.54
Other expenses	38	4,114.86	4,494.39
Total expenses		19,759.04	19,622.78
V. Profit/(Loss) before exceptional items and tax (III - IV)		(451.98)	(1,295.35)
VI. Exceptional items (Refer Note No. 39(14))		-	810.44
VII. Profit/(Loss) before tax (V-VI)		(451.98)	(484.91)
VIII. Tax expense :			
Current tax		0.12	-
Deferred tax		178.87	(239.78)
IX. Profit/(Loss) for the year (VII - VIII)		(630.97)	(245.13)
X. Other Comprehensive Income			
i) Items that will not be reclassified to Profit and Loss			
- Remeasurement of Defined Benefit Liabilities		9.54	(21.14)
XI. Total Comprehensive Income for the year (IX+X)		(621.43)	(266.27)
Earnings per equity share of ₹ 10/- each			
Basic		(9.77)	(3.79)
Diluted		(9.77)	(3.79)
Significant accounting policies	2		
Other Disclosures	39		

The accompanying notes 1 to 39 are an integral part of the Financial Statements.
As per our report of even date attached.

For S K Agrawal And Co Chartered Accountants LLP
Chartered Accountants
(F.R. NO. 306033E/E300272)

CA VIVEK AGARWAL
(Membership No. 301571)
Partner
Place of Signature: Kolkata
Date : 30th May 2022

KOMAL DHURV
Company Secretary

On behalf of the Board

SUJIT CHAKRAVORTI
Director
DIN. 00066344

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Statement of Change in Equity for the year ended 31st March, 2022

A) Equity Share Capital

Equity Shares of ₹ 10 each subscribed and fully paid	Number of Shares	₹ in lakhs
On 1st April 2020	64,60,742	646.08
Changes in equity share capital during the year	-	-
Balance as at 31st March 2021	64,60,742	646.08
Changes in equity share capital during the year	-	-
Balance as at 31st March 2022	64,60,742	646.08

B) Other Equity

₹ in lakhs

Particulars	Reserves and Surplus				
	Securities Premium	General Reserve	Retained Earning	Remeasurment of the net Defined Benefit Plans	Total
Balance as at 1st April 2020	754.15	1,216.84	4,891.63	(229.52)	6,633.10
Profit for the year	-	-	(245.13)	-	(245.13)
Other Comprehensive Income for the year	-	-	-	(21.14)	(21.14)
Balance as at 31st March 2021	754.15	1,216.84	4,646.50	(250.66)	6,366.83
Profit for the year	-	-	(630.97)	-	(630.97)
Other Comprehensive Income for the year	-	-	-	9.54	9.54
Transfer to Retained Earning	-	-	(241.12)	241.12	-
Balance as at 31st March 2022	754.15	1,216.84	3,774.41	-	5,745.40

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

As per our report of even date attached.

On behalf of the Board

For S K Agrawal And Co Chartered Accountants LLP

Chartered Accountants
(F.R. NO. 306033E/E300272)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL

(Membership No. 301571)
Partner
Place of Signature: Kolkata
Date : 30th May 2022

KOMAL DHURUV
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Cash Flow Statement for the year ended 31st March, 2022

₹ in lakhs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(451.98)	(484.91)
Adjustments for:		
Depreciation and Amortisation expenses	282.47	323.54
Provision for fair value of Investments	0.08	(1.15)
Unspent Liabilities Written Back	(3.24)	(27.61)
Government Grant	(10.85)	(29.21)
Loss/(Profit) on Sale of Property, Plant and Equipment	13.06	34.54
Loss/(Profit) on Sale of Investments	(0.45)	(3.93)
Interest Income	(94.66)	(78.94)
Finance Costs	848.08	1,008.26
Dividend Income	(0.61)	-
Operating Profit/(Loss) before Working Capital Changes	581.90	740.59
Decrease/(Increase) in Non Current Financial Assets - Loan	466.22	(425.00)
Decrease/(Increase) in Non Current Other Financial Assets	18.23	(6.75)
Decrease/(Increase) in Other Current Financial Assets	(19.80)	(2.99)
Decrease/(Increase) in Other Non Current Assets	4.68	(8.22)
Decrease/(Increase) in Other Current Assets	773.83	(671.96)
Decrease/(Increase) in Inventories	(175.67)	709.90
Decrease/(Increase) in Trade Receivables	(190.00)	284.47
Increase/(Decrease) in Long Term Provisions	75.66	12.09
Increase/(Decrease) in Short Term Provisions	(1.00)	(25.88)
Increase/(Decrease) in Other Financial Liabilities	456.01	(113.73)
Increase/(Decrease) in Other Current Liabilities	44.67	219.26
Increase/(Decrease) in Trade Payables	378.47	(1,173.17)
Cash generated from Operating activities	2,413.20	(461.39)
Direct Taxes Paid (Net of Refund)	(22.97)	(3.47)
Net Cash Flow from/(used in) Operating Activities	2,390.23	(464.86)
B. Cash Flow from Investing Activities		
Additions to Property, Plant and Equipment	(248.17)	(240.69)
Additions to Intangible Fixed Assets	(29.96)	(308.62)
Addition to Fixed Deposits	(11.54)	(23.23)
Sale of Property, Plant and Equipment	9.91	680.83
Sale of Intangible Fixed Assets	-	284.93
Sale of Long Term Investments	15.85	(15.01)
Interest Income	86.90	68.67
Dividend Income	0.61	-
Net Cash flow from/(used in) Investing activities	(176.40)	446.88
C. Cash Flow from Financing Activities		
Proceeds from Working Capital Loan	(1,266.34)	521.27
Proceeds from Other Short Term Borrowings	334.00	42.00
Proceeds from Term Loan	(276.45)	474.06
Principal Paid on Lease Liabilities	(139.56)	(122.66)
Interest Paid on Lease Liabilities	(43.45)	(41.69)
Interest Paid other than on Lease Liabilites	(722.43)	(899.06)
Other Borrowing Costs	(83.26)	(54.85)
Net Cash Flow from/(Used in) Financing Activities	(2,197.49)	(80.92)

Cash Flow Statement

for the year ended 31st March, 2022

Particulars	₹ in lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	16.34	(98.91)
Opening Cash and Cash Equivalents	27.41	126.32
Closing Cash and Cash Equivalents as per Note No. 11	43.75	27.41

	₹ in lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Components of Cash and Cash Equivalents as per Note No. 11		
Balances with banks in Current Account	31.48	22.44
Cheques, drafts on hand	8.52	0.07
Cash on hand	3.75	4.90
	43.75	27.41

Note:

- 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’.
- Figures in brackets represent cash outflow.
- Cash equivalents does not include any amount which is not available for use by the Company.
- 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 1st April 2021	Net Cash flows	Change in fair values/ Accruals	Unsecured Perpetual Securities	Others	As at 31st March 2022
Non Current Borrowings	1,539.27	(276.45)	-	-	-	1,262.82
Current Borrowings	4,984.73	(932.34)	-	-	-	4,052.39
Interest Accrued	12.77	(1.07)	-	-	-	11.70

Particulars	As at 1st April 2020	Net Cash flows	Change in fair values/ Accruals	Unsecured Perpetual Securities	Others	As at 31st March 2021
Non Current Borrowings	1,065.21	474.06	-	-	-	1,539.27
Current Borrowings	4,421.46	563.27	-	-	-	4,984.73
Interest Accrued	0.11	12.66	-	-	-	12.77

As per our report of even date attached

On behalf of the Board

For S K Agrawal And Co Chartered Accountants LLP
Chartered Accountants
(F.R. NO. 306033E/E300272)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No. 301571)
Partner
Place of Signature: Kolkata
Date : 30th May 2022

KOMAL DHURV
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Notes to accounts

1. Company Overview

Duroply 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 BSE Limited. The Company is primarily engaged in manufacturing and sale of Plywood, Decorative Veneers, Block boards, Doors etc. The registered office of the Company is at 9, Parsee Church Street, Kolkata – 700 001.

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

Notes to accounts

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’.

Notes to accounts

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 1st 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 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

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.

Notes to accounts

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.

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.

Notes to accounts

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
- 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.

Notes to accounts

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 (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.

1. 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 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.

Notes to accounts

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.

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

- 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.
- 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.
- 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.

Notes to accounts

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.

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 28th 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 1st 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.

Notes to accounts

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.

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.

Notes to accounts

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. 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 31st March 2022, except for the adoption of new standard effective from 1st April 2022. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Ministry of Corporate Affairs (MCA), vide Notification dated 23rd March, 2022 has made the following amendments to Ind AS which are effective from 1st April, 2022.

- Ind As 109: Annual improvement to Ind AS 2021,
- Ind As 103: Reference to Conceptual framework,
- Ind As 37: Onerous Contracts – Costs of Fulfilling a Contract,
- Ind As 16: Proceeds before intended use.

Based on preliminary assessment, the company does not expect these amendments to have any significant impact on its standalone financial statement

Notes to accounts

Note No : 3 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2021 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2022	Upto 31.03.2021	for the Year	Sales/ Adjustment	Upto 31.03.2022	As at 31.03.2022
Freehold Land	8,313.51	-	-	8,313.51	-	-	-	-	8,313.51
Buildings	490.36	25.63	-	515.99	85.79	16.21	-	102.00	413.99
Right to Use - Building	450.72	488.28	6.85	932.15	235.33	129.84	-	365.17	566.98
Plant and Equipments	971.63	214.78	70.40	1,116.01	336.50	85.35	55.93	365.92	750.09
Motor Vehicles	144.38	-	-	144.38	60.27	16.67	-	76.94	67.44
Furniture and Fixtures	114.24	-	5.42	108.82	50.64	10.58	4.89	56.33	52.49
Office Equipments & Computer	106.64	8.83	2.18	113.29	65.74	14.15	1.06	78.83	34.46
Sub - total	10,591.48	737.52	84.85	11,244.15	834.27	272.80	61.88	1,045.19	10,198.96
Capital Work in Progress	7.66	6.60	7.66	6.60	-	-	-	-	6.60
TOTAL	10,599.14	744.12	92.51	11,250.75	834.27	272.80	61.88	1,045.19	10,205.56

Note : - All the title deed of immovable property (Other than properties on lease) are in the name of the Company.

Ageing of Capital work-in-progress

As at 31st March 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.60	-	-	-	6.60
Total Capital work-in-progress	6.60	-	-	-	6.60

As at 31st March 2021	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	7.66	-	-	-	7.66
Total Capital work-in-progress	7.66	-	-	-	7.66

PROPERTY, PLANT AND EQUIPMENT - Previous Year

₹ in lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2020 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2021	Upto 31.03.2020	for the Year	Sales/ Adjustment	Upto 31.03.2021	As at 31.03.2021
Freehold Land	8,493.44	-	179.93	8,313.51	-	-	-	-	8,313.51
Buildings	735.37	98.91	343.92	490.36	141.40	29.82	85.43	85.79	404.57
Right to Use - Building	364.78	105.47	19.53	450.72	115.14	120.19	-	235.33	215.39
Plant and Equipments	1,313.66	170.79	512.82	971.63	487.92	108.12	259.54	336.50	635.13
Motor Vehicles	147.94	-	3.56	144.38	45.79	16.67	2.19	60.27	84.11
Furniture and Fixtures	116.17	0.10	2.03	114.24	40.31	11.01	0.68	50.64	63.60
Office Equipments & Computer	98.95	12.90	5.21	106.64	55.38	14.15	3.79	65.74	40.90
Sub - total	11,270.31	388.17	1,067.00	10,591.48	885.94	299.96	351.63	834.27	9,757.21
Capital Work in Progress	49.67	7.66	49.67	7.66	-	-	-	-	7.66
TOTAL	11,319.98	395.83	1,116.67	10,599.14	885.94	299.96	351.63	834.27	9,764.87

Notes to accounts

NOTE NO : 4 OTHER INTANGIBLE ASSETS

₹ in lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2021 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2022	Upto 31.03.2021	for the Year	Sales/ Adjustment	Upto 31.03.2022	As at 31.03.2022
Computer Softwares (Acquired)	79.06	29.96	-	109.02	48.61	9.67	-	58.28	50.74
Trade Mark	-	-	-	-	-	-	-	-	-
TOTAL	79.06	29.96	-	109.02	48.61	9.67	-	58.28	50.74

INTANGIBLE ASSETS- PREVIOUS YEAR

₹ in lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2020 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2021	Upto 31.03.2020	for the Year	Sales/ Adjustment	Upto 31.03.2021	As at 31.03.2021
Computer Softwares (Acquired)	70.44	8.62	-	79.06	40.10	8.51	-	48.61	30.45
Trade Mark	-	300.00	300.00	-	-	15.07	15.07	-	-
TOTAL	70.44	308.62	300.00	79.06	40.10	23.58	15.07	48.61	30.45

Note No : 5 NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	Face value ₹	Number of shares	As at 31st March, 2022	Number of shares	As at 31st March, 2021
Investments measured at Fair Value through Profit & Loss					
Investments in Equity Shares					
a) Quoted, Fully paid up					
Rampur Fertilizers Limited	10	61	-	61	-
SMIFS Capital MarketsLtd.	10	3,500	1.43	3,500	1.54
United Credit Ltd.	10	1,000	0.13	1,000	0.11
			1.56		1.65
b) Unquoted, Fully Paid up :					
Other Companies					
Orissa Tea Plantations Ltd.	10	100	-	100	-
Albion Plywood Ltd.	10	300	-	300	-
Rajkot Nagrik Sahakari Bank Ltd.	50	1	-	1	-
			-		-
c) Unquoted, Partly paid up					
Partly paid up (₹ 60/- called and paid up)					
The Purbanchal Bank Limited	100	200	-	200	-
			-		-
			1.56		1.65

Notes to accounts

Note No : 5 NON-CURRENT INVESTMENTS (Contd.)

₹ in lakhs

Particulars	Face value ₹	Number of shares	As at 31st March, 2022	Number of shares	As at 31st March, 2021
Investments in Mutual Funds					
a) SBI Liquid Fund Growth (480 Units are Given to Bank as lien)		-	-	480.615	15.39
			1.56		17.04
Aggregate amount of quoted investments			10.43		25.43
Aggregate amount of unquoted investments			1.13		1.13
Aggregate market value of quoted investments			1.56		17.04
Aggregate amount of impairment in value of Investments			10.00		9.52

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

a) Rampur Fertilizers Ltd.		16		16	
----------------------------	--	----	--	----	--

NOTE NO : 6 LOANS

(Unsecured, considered good)

₹ in lakhs

	As at 31st March, 2022	As at 31st March, 2021
Loan to Related Parties	-	466.22
Loan to Others	651.76	651.76
	651.76	1,117.98

NOTE NO : 7 OTHER FINANCIAL ASSETS

(Unsecured, considered good)

₹ in lakhs

	As at 31st March, 2022	As at 31st March, 2021
Security deposits	116.89	135.12
	116.89	135.12

NOTE NO : 8 OTHER NON - CURRENT ASSETS

(Unsecured, considered good)

₹ in lakhs

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	4.29	10.15
Prepaid Expenses	4.49	3.31
	8.78	13.46

Notes to accounts

NOTE NO : 9 INVENTORIES

(At lower of cost and net realizable value, unless stated otherwise)

	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	2,890.97	2,957.56
Raw Materials in Transit	137.70	125.27
Work-in-Progress	926.64	901.46
Finished Goods	1,695.35	1,641.33
Finished Goods in Transit	10.98	-
Stock in Trade	430.03	289.01
Stores & Spares and Chemicals	256.39	282.33
Stores & Spares and Chemicals in Transit	33.13	8.56
	6,381.19	6,205.52

NOTE NO : 10 TRADE RECEIVABLES

	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good - Unsecured*	2,003.15	1,813.15
Trade receivables - Credit Impaired	101.57	106.42
Less:- Provision for Expected credit loss	101.57	106.42
	2,003.15	1,813.15

* includes ₹ 87.74 Lakhs/- (Previous year ₹ 85.89 Lakhs) under litigation.

NOTE NO : 11 CASH AND BANK BALANCES

	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balances with banks	31.48	22.44
Cheques, drafts on hand	8.52	0.07
Cash on hand	3.75	4.90
	43.75	27.41

NOTE NO : 12 OTHER BANK BALANCES

	As at 31st March, 2022	As at 31st March, 2021
Fixed deposits with banks* (Original maturity period above 3 Months but below 12 months)	310.08	298.55
	310.08	298.55

* includes ₹ 302.09 Lakhs/- (Previous year ₹ 290.96 Lakhs) towards margin money for letter of credit

NOTE NO : 13 OTHER FINANCIAL ASSETS

(Unsecured, considered good)

	As at 31st March, 2022	As at 31st March, 2021
Security deposits	66.47	46.67
	66.47	46.67

Notes to accounts

NOTE NO : 14 OTHERS

	As at 31st March, 2022	As at 31st March, 2021
Interest accrued	55.42	47.66
	55.42	47.66

NOTE NO : 15 CURRENT TAX ASSETS (NET)

	As at 31st March, 2022	As at 31st March, 2021
Advance tax (net)	37.11	14.25
	37.11	14.25

NOTE NO : 16 OTHER CURRENT ASSETS

(Unsecured, considered good)

	As at 31st March, 2022	As at 31st March, 2021
Advance to suppliers and others	452.21	484.46
Slump Sale Receivable	27.62	780.53
Balance with Statutory Authorities	12.89	13.99
Prepaid expenses	54.32	41.89
	547.04	1,320.87

NOTE NO : 17 EQUITY SHARE CAPITAL

NOTE NO : 17 EQUITY SHARE CAPITAL			₹ in lakhs	
Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised:				
Equity shares of ₹ 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
(b) Issued:				
Equity shares of ₹ 10/- each	66,40,667	664.08	66,40,667	664.08
	66,40,667	664.08	66,40,667	664.08
(c) Subscribed and Paid up:				
Equity shares of ₹ 10/- each fully paid up	64,60,742	646.08	64,60,742	646.08
Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	5,625	0.28	5,625	0.28
		646.36		646.36
(d) Reconciliation of number and amount of equity shares outstanding:				
At the beginning of the year	64,60,742	646.08	64,60,742	646.08
At the end of the year	64,60,742	646.08	64,60,742	646.08

- (e) 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.
- (f) There are NIL (Previous year NIL) shares reserved for issue under option and contracts / commitment for the sale of shares/ disinvestment.

Notes to accounts

NOTE NO : 17 EQUITY SHARE CAPITAL (Contd.)

(g) 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.

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

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

(j) 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

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

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
i) Cuckoo Fiscal Services Ltd.	260000	4.02	366374	5.67
ii) Sudeep Chitlangia	365668	5.66	365668	5.66
iii) Aashray Enterprises (P) Ltd.	723657	11.20	723657	11.20
iv) Archana Chitlangia	602479	9.33	602479	9.33
v) Poushali Sales (P) Ltd.	594228	9.20	594228	9.20
TOTAL	2546032	39.41	2652406	41.06

(l) Details of Shares held by the promoters in the Company :

Promoters Name	As at 31st March, 2022			As at 31st March, 2021		
	No. of shares	% of Total Shares	% Change during the year	No. of shares	% of Total Shares	% Change during the year
Sheela Chitlangia	271650	4.20%	-	271650	4.20%	-
Jaydeep Chitlangia (HUF)	65604	1.02%	-	65604	1.02%	-
Archana Chitlangia	602479	9.33%	-	602479	9.33%	5.91%
Akhilesh Chitlangia	169628	2.63%	-	169628	2.63%	-
Abhishek Chitlangia	176428	2.73%	-	176428	2.73%	-
Sudeep Chitlangia	365668	5.66%	-	365668	5.66%	-
Sudeep Chitlangia (HUF)	90786	1.41%	-	90786	1.41%	-
Sunita Chitlangia	181921	2.82%	-	181921	2.82%	0.39%
Shreya Kanoria	164628	2.55%	-	164628	2.55%	-
Nikhilesh Chitlangia	210314	3.26%	-	210314	3.26%	-
Purushottam Das Chitlangia (HUF)	90175	1.40%	-	90175	1.40%	-
Chitlangia Medical Society	72200	1.12%	-	72200	1.12%	-
Chitperi Farm Pvt. Ltd.	21942	0.34%	-	21942	0.34%	-
Abhinandan Fintex Pvt. Ltd.	275000	4.26%	-	275000	4.26%	-
Aashray Enterprises Pvt. Ltd.	723657	11.20%	-	723657	11.20%	-
Poushali Sales Pvt. Ltd.	594228	9.20%	-	594228	9.20%	-
	4076308	63.09%	-	4076308	63.09%	6.30%

Notes to accounts

NOTE NO : 18 OTHER EQUITY

	₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021
(a) Securities premium		
Balance as per last account	754.15	754.15
(b) General reserve *		
Balance as per last account	1,216.84	1,216.84
(c) Retained Earning		
Balance as per last account	4,646.50	4,891.63
Add: Transfer from Other Comprehensive Income	(241.12)	-
Add : Profit / (Loss) for the Year	(630.97)	(245.13)
	3,774.41	4,646.50
(d) Other Comprehensive Income (OCI)		
As per last Balance Sheet	(250.66)	(229.52)
Add: Movement in OCI(Net) during the year	9.54	(21.14)
Less: Transferred to Retained Earning	241.12	-
	-	(250.66)
	5,745.40	6,366.83

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

NOTE NO : 19 BORROWINGS

	₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Term Loans		
Secured		
From banks	1,257.66	1,528.41
From entities other than banks	5.16	10.86
	1,262.82	1,539.27
Less :- Current Maturities Long term Debt	351.61	431.93
	911.21	1,107.34

(a) Nature of securities:

Term loan from Banks are secured by first charge on the Company's immovable properties situated at Kolkata and Rajkot (Gujarat) 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. Term Loan from entities other than banks are secured by personal guarantees 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 31/03/2022	Amount of instalment ₹
	Non-Current	Current			
	₹ in lakhs	₹ in lakhs			
Secured Loans from Banks**	279.45 (347.39)	67.94 (67.75)	5Yrs 1Month	61	573686
	188.21 (233.05)	44.84 (44.71)	5Yrs 2Months	62	378695
	77.50 (124.86)	51.66 (30.14)	2Yrs 6Months	30	430560
	104.06 (188.76)	78.10 (45.56)	2Yrs 4Months	28	650875

Notes to accounts

NOTE NO : 19 BORROWINGS (Contd.)

(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 31/03/2022	Amount of instalment
	Non-Current	Current			
	₹ in lakhs	₹ in lakhs			₹
	- (11.86)	13.21 (71.34)	2 Months	2	6,30,850*
	150.91 (-)	- (-)	1Yr	12	555600
	- (-)	5.55 (66.66)	1Month	1	555600
	111.08 (194.44)	83.33 (55.56)	2Yrs 4Months	28	694445
Secured Loans from entities other than Banks**	- (5.16)	5.16 (5.70)	10Months	10	53,744 *
	- (-)	- (1.51)	-	-	-
Secured Loans from Banks	- (1.82)	1.82 (2.63)	6 Months	6	24,210 *
Total	911.21 (1,107.34)	351.61 (431.93)			

Figures in the brackets pertain to previous year.

* Includes Interest

** Processing fees amortise as per IND AS

NOTE NO : 20 LEASE LIABILITIES

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
Lease Liabilities	466.39
	466.39

NOTE NO : 21 PROVISIONS

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
Provision for employee benefits	416.60
	416.60

NOTE NO : 22 DEFERRED TAX LIABILITIES (NET)

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
(a) Deferred tax assets :	
Expenses allowable for tax purposes when paid	117.32
Carry Forward Loss	973.16
Transition Impact of IND AS 116	13.81

Notes to accounts

NOTE NO : 22 DEFERRED TAX LIABILITIES (NET) (Contd.)

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
	1,104.29
(b) Deferred tax liabilities :	
Depreciation	76.16
Fair Valuation of Free Hold Land	1,598.11
	1,674.27
Deferred tax Liabilities (Net) *	569.98
	391.11

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

NOTE NO : 23 OTHER NON - CURRENT LIABILITIES

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
Deferred Government Grant	66.98
	66.98
	77.83

NOTE NO : 24 BORROWINGS

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
Secured	
From banks	
Working Capital Loan	2,867.39
Current maturities of long - term debt	
From banks	346.45
From entities other than banks	5.16
Unsecured	
From entities other than banks	1,185.00
	4,404.00
	5,416.66

Nature of securities:

Working capital loan are secured by hypothecation of present & future stocks and book debts and first charge on the Company's immovable properties situated at Rajkot (Gujarat) 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 : 25 LEASE LIABILITIES

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
Lease Liabilities	139.14
	139.14
	128.53

NOTE NO : 26 TRADE PAYABLES

	₹ in lakhs
	As at 31st March, 2022
	As at 31st March, 2021
Outstanding dues of micro, small and medium enterprises	-
Outstanding dues other than of micro small and medium enterprises	5,708.16
	5,708.16
	5,329.69

Notes to accounts

NOTE NO : 27 OTHER FINANCIAL LIABILITIES

	₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Interest accrued and due on borrowings	0.08	0.09
Interest accrued but not due on borrowings	11.70	12.77
Others against sales of assets	650.00	50.00
Unpaid salaries and other payroll dues	247.15	381.87
Security deposits	88.11	97.36
	997.04	542.09

NOTE NO : 28 OTHER CURRENT LIABILITIES

	₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Advances from Agents and Customers	337.00	296.48
Statutory liabilities	65.37	61.60
Others	0.77	0.39
	403.14	358.47

NOTE NO : 29 PROVISIONS

	₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits	5.10	6.10
	5.10	6.10

NOTE NO : 30 REVENUE FROM OPERATIONS

	₹ in lakhs	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from operations		
Sale of goods (Gross)		
A. Manufactured Goods		
i) Plywood	15,655.96	13,895.98
ii) Tea	-	1,891.21
iii) Veneers	90.26	107.94
B. Stock-in-trade		
i) Plywood	2,982.09	2,233.84
ii) Tea	354.70	-
C. Others	-	-
	19,083.00	18,128.97

NOTE NO : 31 OTHER OPERATING REVENUES

	₹ in lakhs	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Insurance Claims	5.54	3.11
	5.54	3.11

Notes to accounts

NOTE NO : 32 OTHER INCOME

	₹ in lakhs	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income (Gross)		
Fixed deposits with banks	15.94	18.19
Others	78.72	60.75
Dividend income	0.61	-
Government Grant	10.85	29.21
Licence Fee	-	38.26
Profit on Sale Investment	0.45	3.93
Profit on Fair Value of Quoted Investments	-	1.15
Rent	4.42	4.20
Unspent liabilities / balances written back	3.24	27.61
Reduction of Rent Expenses	-	12.03
Commission Received	80.24	-
Miscellaneous income	24.05	-
Provision for Doubtful Debts Written Back	-	0.02
	218.52	195.35

NOTE NO : 33 COST OF MATERIALS CONSUMED

	₹ in lakhs	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Veneer	5,295.35	4,364.92
Planks & Beams	1,177.95	926.48
Green Leaf	-	1,471.54
Others	2,930.36	1,933.19
	9,403.66	8,696.13

NOTE NO : 34 PURCHASES OF STOCK-IN-TRADE

	₹ in lakhs	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Plywood	2,414.18	1,843.16
Others	336.01	-
	2,750.19	1,843.16

NOTE NO : 35 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	₹ in lakhs	
	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Finished Goods		
Opening Stock		
i) Plywood	1,233.01	1,987.59
ii) Tea	-	26.94
iii) Veneer	408.32	437.61
	1,641.33	2,452.14

Notes to accounts

NOTE NO : 35 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Contd.)

	Year ended 31st March, 2022		Year ended 31st March, 2021	
Closing Stock				
i) Plywood	1,298.01		1,233.01	
ii) Tea	-		-	
iii) Veneer	408.32		408.32	
	1,706.33	(65.00)	1,641.33	810.81
B. Stock-in-Trade				
Opening Stock				
i) Plywood	285.15		275.43	
ii) Furniture	3.86		3.86	
	289.01		279.29	
Closing Stock				
i) Plywood	426.16		285.15	
ii) Furniture	3.86		3.86	
	430.03	(141.02)	289.01	(9.72)
C. Work-in-Progress				
Opening Stock				
i) Plywood	901.46		1,065.99	
Closing Stock				
i) Plywood	926.64	(25.18)	901.46	164.53
NET (INCREASE) / DECREASE IN STOCKS		(231.20)		965.62

NOTE NO : 36 EMPLOYEE BENEFITS EXPENSE

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and wages	2,330.56	2,041.28
Contribution to provident and other funds	235.40	208.55
Staff welfare expense	25.02	41.85
	2,590.98	2,291.68

NOTE NO : 37 FINANCE COSTS

	Year ended 31st March, 2022		Year ended 31st March, 2021	
Interest expense				
On long term borrowings	145.26		191.69	
On short term borrowings	532.74		716.06	
On others	43.37		3.97	
On Lease Obligation	43.45	764.82	41.69	953.41
Other borrowing costs		83.26		54.85
		848.08		1,008.26

Notes to accounts

NOTE NO : 38 OTHER EXPENSES

	Year ended 31st March, 2022		Year ended 31st March, 2021	
Consumption of stores and spare parts	129.84		118.55	
Consumption of packing materials	60.99		47.68	
Power and fuel	562.34		688.19	
Repairs				
Buildings	9.33		14.51	
Machinery	25.87		41.13	
Others	3.44	38.64	4.84	60.48
Job Charges	968.51		934.67	
Rent	30.79		20.86	
Electricity	29.48		28.52	
License Fees	6.57		6.27	
Rates & Taxes (excluding taxes on income)	28.09		31.24	
Watch and Ward Expenses	34.81		33.10	
Insurance	45.59		42.38	
Communication Expenses	25.23		27.75	
Travelling & Conveyance	154.55		118.66	
Vehicles Maintenance	78.84		65.04	
Printing & Stationery	10.39		11.01	
Legal and Professional Charges	233.57		251.68	
Director Sitting Fees	2.79		3.63	
Miscellaneous Expenses	183.14		170.57	
Human Resource Development Expenses	2.12		28.97	
Statutory Auditors' Remuneration				
Audit Fee	2.75		2.75	
GST Audit Fees	1.20		1.20	
Certification Fee	0.65	4.60	1.55	5.50
Charity & Donations	0.89		0.73	
Bank charges	14.24		8.01	
Forwarding,Freight and Delivery Charges	902.83		953.85	
Commission on Sales	189.54		176.60	
Brokerage on Sales	2.59		0.48	
Forward Premium Expenses	22.36		-	
Foreign Exchange Fluctuations	21.76		2.98	
Advertisement, Publicity & Sales Promotion	304.63		477.93	
Loss on Sale / Discard of Property, Plant and Equipment	13.06		34.54	
Loss on Fair Value of Quoted Investments	0.08		-	
Bad Debts	-		17.48	
Provision for Doubtful Debts	-		86.59	
Royalty Paid	12.00		40.45	
	4,114.86		4,494.39	

Notes to accounts

NOTE NO : 39

	₹ in lakhs	
	As at 31st March, 2022	As at 31st March, 2021
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	6.46	20.14
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 .	7,193.16	7,193.16
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 31st March 2022 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 current financial year has been a challenging year for our business. The year began amidst a strict lockdown due to second wave of Covid-19 infections has once again resulted in significant disruption to our business as several state governments have announced partial/ complete restrictions. The Company has made detailed assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables, other current assets, deferred tax assets, etc. as at the period end and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

5. Company as a Lessee

Impact on Balance Sheet - Increase/(Decrease)

	₹ in lakhs	
Particulars	31st March, 2022	31st March, 2021
Assets		
Right to Use Assets(Refer Note No. 3)	566.98	215.39
Liabilities		
Lease Liabilities	605.53	263.65

Impact on Statement of Profit and Loss - Decrease/(Increase) in Profit

	₹ in lakhs	
Particulars	31st March, 2022	31st March, 2021
Depreciation and Amortisation	129.84	120.19
Other Expenses	(183.01)	(164.35)
Finance Cost	43.45	41.69
Net Impact on Profit and Loss Statement	(9.72)	(2.47)

Impact on Statement of Cash Flows

	₹ in lakhs	
Particulars	31st March, 2022	31st March, 2021
Payment of principal portion of lease liabilities	139.56	122.66
Payment of Interest portion of lease liabilities	43.45	41.69
Net Cash flows used in financial activities	183.01	164.35

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.

The Company applies the exemption not to recognize right to use assets and liabilities for leases with less than 12 months of lease term.

Notes to accounts

NOTE NO : 39 (Contd.)

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

	₹ in lakhs	
	31st March, 2022	31st March, 2021
As at 1st April	215.39	249.64
Addition during the year	488.28	105.47
Deduction during the year	6.85	19.53
Depreciation Expense	129.84	120.19
As at 31st March	566.98	215.39

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

	₹ in lakhs	
	31st March, 2022	31st March, 2021
As at 1st April	263.65	312.40
Addition during the year	488.28	105.47
Reversal during the year	6.84	31.56
Accretion of interest	43.45	41.69
Payments	183.01	164.35
As at 31st March	605.53	263.65
Current	139.14	128.53
Non Current	466.39	135.12

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 lakhs	
Particulars	31st March, 2022	31st March, 2021
Depreciation expense on right-to use assets	129.84	120.19
Interest expenses on lease liabilities	43.45	41.69
Expense relating to other leases (including in other expenses)	-	-
Total amount recognised in Statement of Profit and Loss	173.29	161.88

	₹ in lakhs	
Maturity analysis of lease liabilities are as follows:	2021-2022	2020-2021
1 Year	139.14	128.53
2 to 5 Years	405.77	129.79

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 less cash and cash equivalents.

Notes to accounts

NOTE NO : 39 (Contd.)

₹ in lakhs

Particulars	31st March, 2022	31st March, 2021
Borrowings (Note - 19 and 24)	5,315.21	6,254.00
Less: Cash and cash equivalents (Note-11)	43.75	27.41
Net debt	5271.46	6496.59
Equity	6,391.76	7,013.19
Capital and net debt		
Gearing ratio	0.82	0.93

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 2022 and 31st March 2021.

7. Financial instruments by category

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

₹ in lakhs

Particulars	31st March 2022		31st March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Non current financial assets				
(i) Investments	1.56		17.04	
(ii) Loans		651.76		1,117.98
(iii) Other non current financial assets		116.89		135.12
Current financial assets				
(i) Trade receivables		2,003.15		1,813.15
(ii) Cash and cash equivalents		43.75		27.41
(iii) Bank Balance other than above		310.08		298.55
(iv) Other current financial assets		66.47		46.67
(v) Others		55.42		47.66
Total Financial assets	1.56	3,247.52	17.04	3,486.54
Non Current financial Liabilities				
(i) Borrowings		911.21		1,107.34
(ii) Lease Liabilities		466.39		135.12
Current financial liabilities				
(i) Borrowings		4,404.00		5,416.66
(ii) Lease Liabilities		139.14		128.53
(iii) Trade payable	(1.38)	5,709.54	-	5,329.69
(iv) Other current financial liabilities	-	997.04	-	542.09
Total financial liabilities	(1.38)	12,627.31	-	12,659.43

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.

Notes to accounts

NOTE NO : 39 (Contd.)

(b) Fair value hierarchy

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

₹ in lakhs

Particulars	Fair value measurement using		
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2022			
Assets measured at fair value - Investments	1.56		
Liabilities measured at fair value - Derivative Liabilities		(1.38)	
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2021			
Assets measured at fair value - Investments	17.04		
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 lakhs

Descriptions	31st March, 2022	31st March, 2021
Variable rate borrowings	2,867.39	4,133.73
Fixed rate borrowings	2,447.10	2,390.27

Notes to accounts

NOTE NO : 39 (Contd.)

Trade Payable Ageing

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:

Descriptions	Effect on Profit before tax	
	31st March, 2022	31st March, 2021
Increase by 50 basis points	(14.34)	(20.67)
Decrease by 50 basis points	14.34	20.67

₹ in lakhs

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

Descriptions	Effect on Profit before tax	
	31st March, 2022	31st March, 2021
Trade creditors		
Rs.	322.96	798.34
USD	3.60	8.36
EUR	0.59	1.15

₹ in lakhs

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.

Descriptions	Effect on Profit before tax	
	31st March, 2022	31st March, 2021
USD/EURO Sensitivity		
Increase by 5%	(16.15)	(39.92)
Decrease by 5%	16.15	39.92

₹ in lakhs

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 10. The Company does not hold collateral as security.

Notes to accounts

NOTE NO : 39 (Contd.)

(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 31st March 2022 and 31st March 2021 is the carrying amount as illustrated in Note 39(7).

Trade Receivable Ageing

Particulars	As at 31st March 2022					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,528.67	27.66	91.82	203.85	151.15	2,003.15
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	13.83	13.83
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	87.74	87.74
	1,528.67	27.66	91.82	203.85	252.72	2,104.72
Less : - Credit Impaired	-	-	-	-	101.57	101.57
TOTAL Trade Receivable	1,528.67	27.66	91.82	203.85	151.15	2,003.15

₹ in lakhs

Particulars	As at 31st March 2021					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,439.85	20.69	214.97	0.11	137.54	1,813.15
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	18.68	18.68
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	87.74	87.74
	1,439.85	20.69	214.97	0.11	243.96	1,919.57
Less : - Credit Impaired	-	-	-	-	106.42	106.42
TOTAL Trade Receivable	1,439.85	20.69	214.97	0.11	137.54	1,813.15

₹ in lakhs

Notes to accounts

NOTE NO : 39 (Contd.)

₹ in lakhs

Particulars	As at 31st March 2022					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Outstanding dues to MSME	-	-	-	-	-	-
(ii) Others	2373.86	2848.41	164.29	138.31	183.29	5708.16
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
TOTAL Trade Payable	2373.86	2848.41	164.29	138.31	183.29	5708.16

₹ in lakhs

Particulars	As at 31st March 2021					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Outstanding dues to MSME	-	-	-	-	-	-
(ii) Others	1497.48	2885.91	388.13	210.78	347.39	5329.69
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
TOTAL Trade Payable	1497.48	2885.91	388.13	210.78	347.39	5329.69

(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, 2022	31st March, 2021
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured		
- Current maturities of long term debt	351.61	431.93
- Working capital loan	2,867.39	4,133.73
Unsecured		
- Short term loans	1,185.00	851.00
(b) Expiring beyond one year (Bank loans)		
Secured		
- Rupees term loan from banks	911.21	1,102.18
- Rupees term loan from financial institutions	-	5.16

Notes to accounts

NOTE NO : 39 (Contd.)

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
Year ended 31st March 2022					
Contractual maturities of borrowings	100.60	81.85	162.19	347.18	550.70
Contractual maturities of finance lease obligations	2.20	2.26	2.52	-	-
Contractual maturities of trade payables	1,321.57	203.54	-	-	-

₹ in lakhs

Descriptions	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years
Year ended 31st March 2021					
Contractual maturities of borrowings	103.44	87.78	230.87	337.75	635.23
Contractual maturities of finance lease obligations	3.53	2.06	4.26	6.98	-
Contractual maturities of trade payables	1,082.51	428.88	-	-	-

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:

₹ in lakhs

Descriptions	2021-22	2020-21
Employers' Contribution to Provident Fund & Pension Fund	153.52	134.02
Employers' Contribution to Superannuation Fund	9.83	8.07

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, 2022	31st March, 2021
Gratuity Plan	276.13	224.56
Sick Leave	11.25	12.68
Leave Encashment	134.32	115.73
Total	421.70	352.97

Notes to accounts

NOTE NO : 39 (Contd.)

Changes in defined benefit obligation

₹ in lakhs

Descriptions	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the start of the year	437.41	12.68	115.73	473.12	11.02	150.71
Interest cost	26.98	0.86	6.65	27.20	0.73	8.88
Current service cost	45.85	2.72	35.98	45.25	1.62	15.19
Benefits paid	81.42	-	35.94	93.85	-	35.28
Benefits paid directly by the company	-	-	-	36.76	-	-
Actuarial loss/(gain) on obligations	(9.36)	(5.01)	11.90	22.46	(0.69)	(23.77)
Present value obligation as at the end of the year	419.46	11.25	134.32	437.41	12.68	115.73

Change in fair value of plan assets

₹ in lakhs

Descriptions	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Fair value of plan assets as at the start of the year	212.85	NA	NA	289.23	NA	NA
Return on plan assets	11.71	NA	NA	16.16	NA	NA
Actuarial loss/(gain)	(0.19)	NA	NA	(1.32)	NA	NA
Contribution	-	NA	NA	-	NA	NA
Benefits paid	81.42	NA	NA	93.86	NA	NA
Fair value of plan assets as at the end of the year	143.33			212.85	-	-

Breakup of Actuarial gain/loss:

₹ in lakhs

Descriptions	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Actuarial (gain)/loss on arising from change in financial assumption	(11.44)	(0.25)	(4.93)	(5.18)	(0.12)	(1.71)
Actuarial (gain)/loss on arising from experience adjustment	2.08	(4.76)	16.83	27.64	(0.57)	(22.06)
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	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the end of the year	419.46	11.25	134.32	437.41	12.68	115.73
Fair value of plan assets as at the end of the year	143.33	-	-	212.85	-	-
Net (asset)/obligation recognized in balance sheet	276.13	11.25	134.32	224.56	12.68	115.73

Notes to accounts

NOTE NO : 39 (Contd.)

Amount recognized in the statement of profit and loss

₹ in lakhs

Descriptions	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Current service cost	45.85	2.72	35.98	45.25	1.62	15.19
Interest cost	26.98	0.86	6.65	27.20	0.73	8.88
Expected Return on the Plan Assets	11.71	NA	NA	16.16	NA	NA
Actuarial gain/ (loss) recognized in the year	9.55	(5.01)	11.90	(21.14)	(0.69)	(23.77)
(Income)/Expense recognised in the statement of profit and loss	61.12	(1.43)	54.53	56.29	1.66	0.30

Amount recognised in the statement of Other Comprehensive Income

₹ in lakhs

Descriptions	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Actuarial Gain/(Loss) for the year on PBO	9.36	-	-	(22.46)	-	-
Actuarial Gain/(Loss) for the year on Asset	0.19	-	-	1.32	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	9.55	-	-	(21.14)	-	-

Actuarial assumptions

₹ in lakhs

Descriptions	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Discount rate	7.10%	7.10%	7.10%	6.80%	6.80%	6.80%
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	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Impact of the change in discount rate						
Present value of obligation at the end of the year	419.46	11.25	134.32	437.41	12.68	115.73
a) Impact due to increase of 0.5 %	401.58	10.84	126.67	418.45	12.22	109.50
b) Impact due to decrease of 0.5 %	438.85	11.68	142.70	457.93	13.17	122.54
Impact of the change in salary increase						
Present value of obligation at the end of the year	419.46	11.25	134.32	437.41	12.68	115.73
a) Impact due to increase of 0.5 %	438.77	11.68	142.83	458.20	13.17	122.63
b) Impact due to decrease of 0.5 %	401.52	10.83	126.49	418.04	12.21	109.37

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

NOTE NO : 39 (Contd.)

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

Descriptions	As at 31st March, 2022			As at 31st March, 2021		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Within next 12 months	-	-	-	-	-	-

10. In calculating Earnings per share

Descriptions	₹ in lakhs	
	31st March, 2022	31st March, 2021
a) Numerator used :		
Profit / (Loss) after tax (₹ in Lakhs)	(630.97)	(245.13)
b) Denominator used in computing Basic Earning per Share:		
Weighted Average Number of Equity Shares	64,60,742	64,60,742
c) Denominator used in computing Diluted Earning per Share:		
Weighted Average Number of Equity Shares including potential Equity Shares	64,60,742	64,60,742
d) Nominal value of equity shares (₹)	10.00	10.00
e) Basic Earnings per share (a/b) (₹)	(9.77)	(3.79)
f) Diluted Earnings per share (a/c) (₹)	(9.77)	(3.79)

11. Details of loan given during the year under section 186(4) of the Companies Act 2013 are given under : -

Particulars	₹ in lakhs			
	Balance as at 31st March 2021	Loan Given During the year	Repaid/ adjusted during the year	Balance as at 31st March 2022
Aashray Enterprises Private Limited	72.00	-	72.00	-
Arunachal Plywood Industries Limited	226.76	-	-	226.76
Aadhunik Infrastructure Development (P) Ltd.	425.00	-	-	425.00
Poushali Sales Private Limited	394.22	-	394.22	-
Total	1,117.98	-	466.22	651.76

12. 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
Chitlangia Charitable Trust
Anugrah Foundation

Notes to accounts

NOTE NO : 39 (Contd.)

Key Management Personnel :

Shri Sudeep Chitlangia (Managing Director)
Shri Ravi Kumar Murarka (CFO & Company Secretary) (Resigned with effect from 11.02.2022)
Shri Sohan Lal Yadav (Non Executive Director) (Resigned with effect from 06.05.2021)
Shri Akhilesh Chitlangia (Executive Director & COO) (Appointed with effect from 30.05.2022)
Smt. Komal Dhruv (Company Secretary) (Appointed with effect from 30.05.2022)
Smt. Sheela Chitlangia (Non Executive Director)
Shri Sujit Chakravorti (Independent Director)
Dr. Kali Kumar Chaudhuri (Independent Director)
Shri Ratan Lal Gaggar (Independent Director)
Shri Probir Roy (Independent Director)

Particulars of transactions during the year ended 31st March 2022

Nature of Transactions	₹ in lakhs		
	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
Rent Received	4.20	-	4.20
	(4.20)	-	(4.20)
Remuneration to KMP	-	85.82	85.82
	-	(54.65)	(54.65)
Consultancy Fees Received	24.00		24.00
	-		-
Sales	12.86	-	12.86
	-	-	-
Interest Received	35.95	-	35.95
	(49.84)	-	(49.84)
Purchase	238.72		238.72
	(392.29)		(392.29)
Interest Paid	4.91	-	4.91
	(4.55)	-	(4.55)
Rent Paid	5.50	-	5.50
	(6.00)	-	(6.00)
Royalty Paid	12.00	-	12.00
	(40.45)	-	(40.45)
Loan Received	424.00	-	424.00
	-	-	-
Loan Refunded	80.00	-	80.00
	(58.00)	-	(58.00)
Advance Received	650.00	-	650.00
	-	-	-
Refund of Loan Given	466.22	-	466.22
	-	-	-
Outstanding against Guarantees Obtained	-	5,633.82	5,633.82
	-	(7,127.20)	(7,127.20)
Balance Outstanding at the Balance Sheet Date	989.38 Cr	-	989.38 Cr
	(453.70 Dr)	(-)	(453.70 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.

Notes to accounts

NOTE NO : 39 (Contd.)

			₹ in lakhs	
Disclosure of Material Transactions with Related Parties	Year ended 31st March, 2022		Year ended 31st March, 2021	
Rent Received				
J S M & Company		2.25		2.40
Poushali Sales Private Limited		1.95		1.80
Interest Received				
Poushali Sales Private Limited		33.00		43.36
Aashray Enterprises Private Limited		2.95		6.48
Sales				
J S M & Company		10.13		-
Poushali Sales Private Limited		2.74		-
Consultancy Fess Received				
Poushali Sales Private Limited		24.00		-
Remuneration to KMP				
Shri Sudeep Chitlangia (Managing Director)		62.92		37.27
Short term employee benefit	57.41		33.29	
Post employment benefit	5.51		3.98	
Shri Ravi Kumar Murarka (CFO & Company Secretary)		22.91		17.38
Short term employee benefit	21.68		16.30	
Post employment benefit	1.23		1.08	
Purchase				
Aishani Infotech Private Ltd.		-		300.00
J S M & Company		135.71		85.72
Poushali Sales Private Limited		103.01		6.57
Interest Paid				
Chitperi Farm Private Ltd.		3.52		4.55
Calcutta Technicians & Advisers Private Ltd.		1.39		-
Rent Paid				
J S M & Company		5.50		6.00
Royalty Paid				
Chitperi Farm Private Ltd.		12.00		12.00
Aishani Infotech Private Ltd.		-		28.45
Loan Received				
Chitperi Farm Private Ltd.		80.00		-
Calcutta Technicians & Advisers Private Ltd.		344.00		-
Loan Refunded				
Chitperi Farm Private Ltd.		80.00		58.00
Advance Received				
Anugrah Foundation		130.00		-
Chitlangia Charitable Trust		520.00		-
Refund of Loan Given				
Poushali Sales Private Limited		394.22		-
Aashray Enterprises Private Limited		72.00		

Notes to accounts

NOTE NO : 39 (Contd.)

			₹ in lakhs	
Disclosure of Material Transactions with Related Parties	Year ended 31st March, 2022		Year ended 31st March, 2021	
Guarantees Obtained				
Sudeep Chitlangia		151.00		846.32
Outstanding against Guarantees Obtained				
Sudeep Chitlangia		5,633.82		7,127.20
Net Balance Receivable/(Payable)				
J S M & Company		(79.48)		(88.89)
Madhya Bharat Papers Ltd.		205.64		205.64
Aashray Enterprises Private Ltd.		-		80.92
Aishani Infotech Private Ltd.		(69.90)		(135.00)
Anugrah Foundation		(130.00)		-
Chitlangia Charitable Trust		(520.00)		-
Chitperi Farm Private Ltd.		-		(0.75)
Calcutta Technicians & Advisers Private Ltd.		(345.25)		-
Poushali Sales Private Limited		(44.66)		402.30
Shri Sudeep Chitlangia		(5.73)		(5.96)
Shri Ravi Kumar Murarka		-		(4.57)

13. Ratios

The following are the analytical ratio for the year 31st March 2022 and 31st March 2021

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance
Current Ratio	Current Assets	Current Liabilities	0.81	0.83	-2.34%
Debt Equity Ratio	Total Liabilities	Shareholders Fund	0.78	0.88	-12.17%
Debt Service Coverage Ratio (Note - a)	Net Operating Income (before interest)	Debt (Principal + Interest)	0.38	(0.11)	-445.45%
Return on Equity (Note - b)	Net Profit after Tax	Average Shareholders Fund	(0.09)	(0.03)	174.45%
Inventory Turnover Ratio	Cost of Sales	Average Inventory	2.57	2.48	3.52%
Trade Receivables Turnover Ratio	Sales	Average Trade Receivable	9.78	9.07	7.82%
Trade Payables Turnover Ratio	Purchase	Average Trade Creditors	2.94	2.58	13.95%
Net Capital Turnover Ratio	Net Sales	Working Capital	10.67	12.96	-17.71%
Net Profit Ratio (Note - b)	Net Profit	Net Sales	(0.03)	(0.01)	144.44%
Return on Capital Employeed (Note - c)	PBIT	Capital Employed	0.02	(0.06)	-131.37%
Return on Investment (Note - d)	Income from Investment	Average Investment	0.04	0.57	-92.98%

Note: -

- In FY 2021-22 the company has generated higher operating income to cover is annual debts and interest payments. Futher with lower debt and interest cost, the ratio is has significantly improved compared to FY 2020-21.
- In FY 2020-21 there was an exceptional item of ₹ 810.44 Lakhs which has impacted the profit after tax for the previous year, hence the ration was significantly down in current financial year.
- In FY 2020-21 there was an exceptional item of ₹ 810.44 Lakhs which has impacted the profit before Interest and tax for the previous year, hence the ration was significantly down in current financial year.



Notes to accounts

NOTE NO : 39 (Contd.)

- d. In the FY 2020-21 the company has done some short term Investments in mutual fund which resulted in a profit of ₹ 3.93Lakhs, which was not done in FY 2021-22. Hence the ratio is down during the current financial year.
14. Exceptional Items of ₹ 810.44 Lakhs for the year ended 31st March 2021 represents profit from sale of Tea Processing Business as going concern through Slump Sale.
15. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
16. The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)
17. The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
18. The company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
19. There has been no delay in Charges or satisfaction to be registered with ROC beyond the statutory period.
20. The Company does not have any transactions with struck off companies under the Companies Act, 2013 or the Companies Act, 1956, during the year.
21. The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: -
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provided any guarantee, security or the like to or on behalf of the ultimate beneficiaries.The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: -
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provided any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
22. The Company has utilised the fund borrowed from banks and financial institutions for the purpose it was taken.
23. 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.
24. 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.

As per our report of even date attached.

On behalf of the Board

For S K Agrawal And Co Chartered Accountants LLP
Chartered Accountants
(F.R. NO. 306033E/E300272)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No. 301571)
Partner
Place of Signature: Kolkata
Date : 30th May 2022

KOMAL DHRUV
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Notes



Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Sudeep Chitlangia, *Managing Director*

Shri Akhilesh Chitlangia, *Executive Director & COO*
(appointed w.e.f. May 30, 2022)

Shri Sujit Chakravorti, *Independent Director*

Dr. Kali Kumar Chaudhuri, *Independent Director*

Shri Ratan Lal Gaggar, *Independent Director*

Shri Probir Roy, *Independent Director*

Smt. Sheela Chitlangia, *Non-Executive Director*

Shri Sohan Lal Yadav, *Non-Executive Director*
(resigned w.e.f. May 06, 2021)

Shri Vinay Agarwal, *Non-Executive Director*
(appointed w.e.f. August 09, 2022)

CHIEF FINANCIAL OFFICER

Shri Ravi Kumar Murarka
(resigned w.e.f. February 11, 2022)

Shri Pawan Kumar Verma
(appointed w.e.f. August 09, 2022)

COMPANY SECRETARY

Shri Ravi Kumar Murarka
(resigned w.e.f. February 11, 2022)

Smt. Komal Dhruv
(appointed w.e.f. May 30, 2022)

BANKERS

Punjab National Bank

State Bank of India

STATUTORY AUDITORS

M/s. S K Agarwal And Co
Chartered Accountants LLP
Chartered Accountants
Suite Nos. – 606-608, The Chambers,
1865, Rajdanga Main Road,
Kolkata- 700107

**REGISTRAR AND SHARE TRANSFER
AGENT**

M/s. Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001
Phone: 033-2243 5029, Email: mdpldc@yahoo.com

REGISTERED OFFICE

9, Parsee Church Street, Kolkata – 700 001

CORPORATE OFFICE

North Block, 4th Floor, 113, Park Street, Kolkata - 700 016

CIN

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