DURO

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

The Forest Friendly Company

Ref: 5404/23-24/0031 July 19, 2023

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 2022-23

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 2022-23 along with the Notice dated May 19, 2023 convening the 66th Annual General Meeting of the Company scheduled to be held on Friday, August 11, 2023 at 11:00 A.M. (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/investor/public/img/document/1346125236.pdf.

This is for your information and records.

Thanking you,

Yours faithfully,
For DUROPLY INDUSTRIES LIMITED

Komal Dhruv
Digitally signed by Komal Dhruv
Date: 2023.07.19 19:53:32 +05'30'

[KOMAL DHRUV]
Company Secretary

Encl: As Above

The Forest Friendly Company

Duroply Industries Limited

Corporate Office: 113 Park Street, North Block 4th Floor, Kolkata-700016
Phone: (033) 22652274 | **Toll Free:** 1800-345-3876 (DURO)10:00am-6:00pm/Monday-Friday
E-Mail: corp@duroply.com | **Website:** www.duroply.in
Find us on:

TURNAROUND!

DUROPLY INDUSTRIES LIMITED | ANNUAL REPORT 2022-23

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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*

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

Smt. Sheela Chitlangia, *Non-Executive Director*
(resigned w.e.f. May 19, 2023)

Shri Arun Kumar Singhania, *Independent Director*
(appointed w.e.f. May 19, 2023)

Smt Suparna Chakrabortti, *Independent Director*
(appointed w.e.f. May 19, 2023)

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

COMPANY SECRETARY
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
Phone: 033-2265 2274
Email: investors@duroply.com

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

CIN
L20211WB1957PLC023493

WEBSITE
www.duroply.in

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 2022-23.

A TRISYS PRODUCT
info@trisyscom.com

INTRODUCTION

When Duroply presented its Annual Report for FY 21-22, the Company had reported a turnaround in one quarter (post-Balance sheet date development).

We are pleased to report that the turnaround in that quarter was not fleeting.

The Company reported a positive bottomline in all four quarters of the last financial year, 58.4% overall revenue growth and a return to significant profitability in the last fiscal year.

We are optimistic that the turnaround is sustainable and will graduate the Company into the next orbit.

PART

01

WHAT WE ARE AND WHAT WE DO

5

PRINCIPAL MESSAGES OF THIS ANNUAL REPORT

1 Duroply restructured its Balance Sheet through net worth infusion, providing precious growth capital

2 The Company is widening its distribution network, increasing sales opportunities

3 The Company entered the rapidly growing mid-priced plywood segment

4 The Company is putting material on retail shelves faster, strengthening its customer relationship management

5 The Company is investing further in technology and talent to strengthen its operations

CORPORATE SNAPSHOT

OUR PERSONALITY

Duro is a prominent and enduring Indian plywood brand.

The brand evokes trust for longevity (corporate and product) and a superior price-value proposition.

The Company is respected for evoking trust, design freshness, superior product integrity and responsive customer service.

THIS IS WHERE WE COME FROM

Our purpose: To ensure every home in India has durable woodwork

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

Our mission: We aim to continuously invest in technology 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.

Our commitment: 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.
- Forests in which genetically modified trees are planted

Our conformance: We manufacture products aligned around demanding national and international regulatory benchmarks.

- Low formaldehyde emission products conforming to E0 and E1 emission norms
- ISO 9001, ISO 14001, OHSAS 18001 certified company
- FSC-certified
- Member of Indian Green Building Council

Background

Duroply Industries Limited was founded in 1957 as Sarda Plywood Industries Pvt. Ltd. (name changed in December 2018). The Company's erstwhile business of tea chest manufacture was in Jeypore (Assam) and in 1964, the Company began producing commercial plywood. The Company entered the veneers business in 1994; a manufacturing facility was commenced in Rajkot (Gujarat) in 1999. The Company sustained its two businesses (tea processing and plywood manufacture) until 2021, following which the tea business was divested through a slump sale and the management selected to focus on the plywood business.

Governance

Mr. Akhilesh Chitlangia, Executive Director & COO, leads Duroply Industries Limited's operations. He possesses more than 13 years of working experience. He is mentored by Mr. Sudeep Chitlangia, who has been Managing Director of this company with more than 36 years of experience. Mr. Abhishek Chitlangia oversees the manufacturing function; he possesses more than 7 years of experience.

Products portfolio

The Company's product portfolio covers three categories:

- Plywood and blockboards
- Decorative veneers
- Flush doors

Quality

The Company's plywood is derived from the finest timbers hand-picked from forests around the world and tested on high physic-mechanical parameters for strength, stiffness, outlook and load bearing capacity. The Company's plywood variants are chemically treated to enhance longevity as well as pest resistance (termites and borers).

Talent

The Company employed 521 talents as on March 31, 2023 with an average age of 38. The Company's employees possess competencies in sales, branding, marketing, manufacturing, finance, legal, distribution, product development and human resource management, among others.

Sales channel

The Company's products are marketed through over 2000 retail points that are serviced by pan-India dealers and distributors. Around 60% of the Company's distribution partners are located in North India.

Duro Experience Center

Duro Experience Center (2000 sq. ft) in National Capital Region empowers customers to sample plywood and other products in terms of look and feel. The Centre is serving as a convenient decision-making location for architects, interior designers and specifiers. The centre showcases the Company's comprehensive portfolio of plywood, blockboards, veneers and doors.

Accreditations

Duro is a member of The Indian Green Building Council (IGBC), validating its commitment to environment friendly practices, processes and certifications. Duroply's FSC Certificate validates its commitment to responsible wood management, ISO 9001 and ISO 14001 certifications, as well as CARB certification for low formaldehyde emission products.

Listing

The Company is listed on BSE Limited and enjoyed a market capitalisation of ₹92.18 Crore as on March 31, 2023.

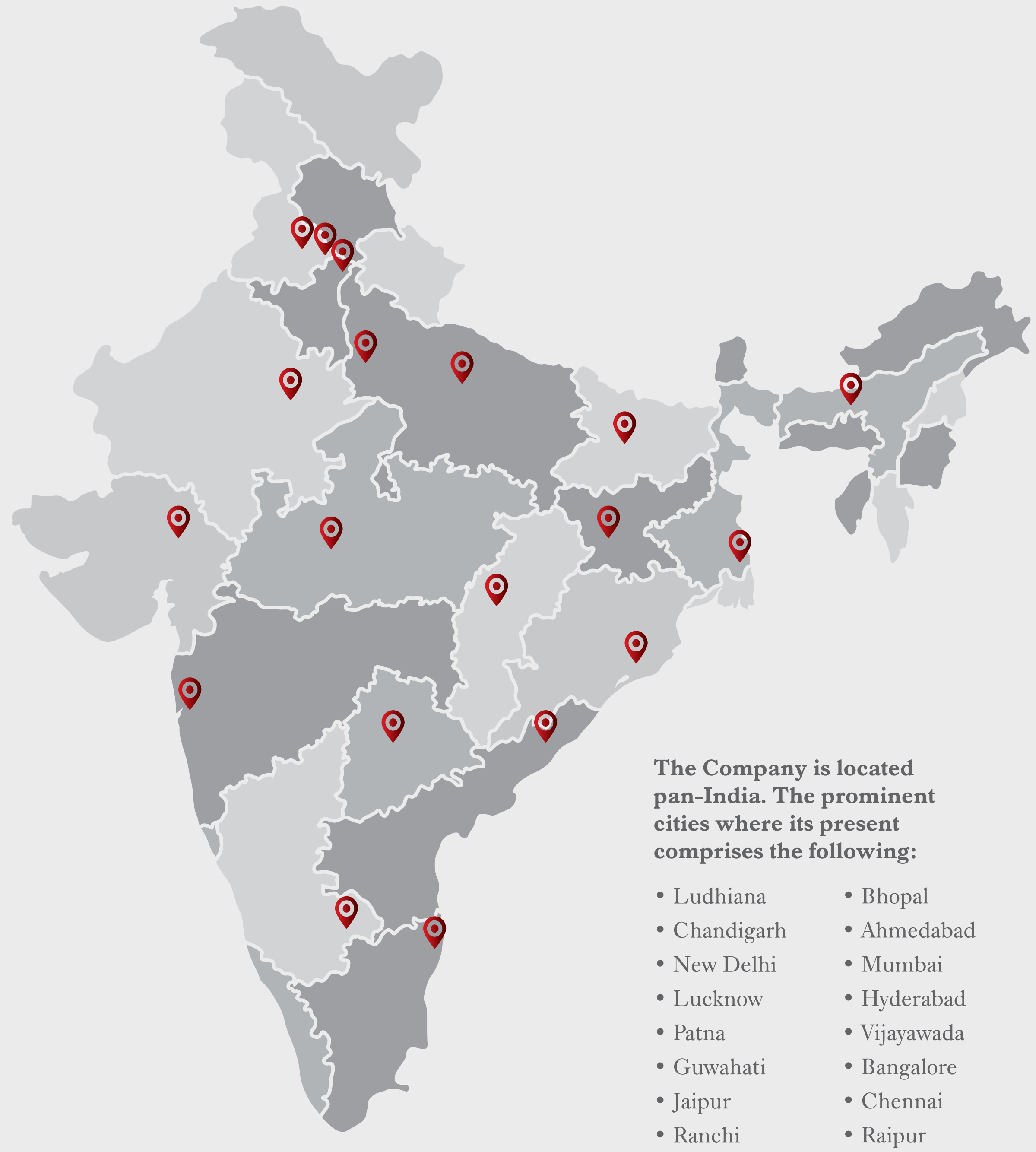
BIG NUMBERS

350+
Number of designs in the Company's portfolio

2000+
Number of channel partners as on March 31, 2023

500+
Number of employees as on March 31, 2023

THIS IS WHERE DURO IS PRESENT ACROSS INDIA



The Company is located pan-India. The prominent cities where its present comprises the following:

- Ludhiana
- Chandigarh
- New Delhi
- Lucknow
- Patna
- Guwahati
- Jaipur
- Ranchi
- Kolkata (Corporate office)
- Bhopal
- Ahmedabad
- Mumbai
- Hyderabad
- Vijayawada
- Bangalore
- Chennai
- Raipur
- Ghaziabad
- Bhubaneswar

OUR COMPANY'S PRODUCT PORTFOLIO

USP of Duro that sets it apart

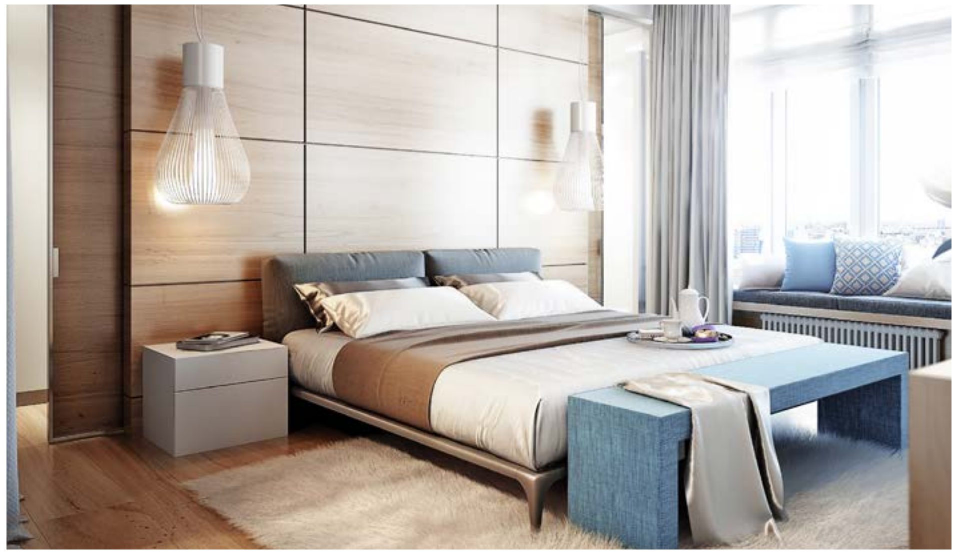
- Guarantee from insect infestation, ranging from 10 years to lifetime
- 3X money back promise - across its range that comes with a guarantee
- India's first company to do 10 feet plywood, boards and doors
- Triple heat treatment process
- QR code-based unique identification for authentication check

Our company provides a large variety of interior infrastructure products

PREMIUM PLYWOOD AND BLOCKBOARD RANGE

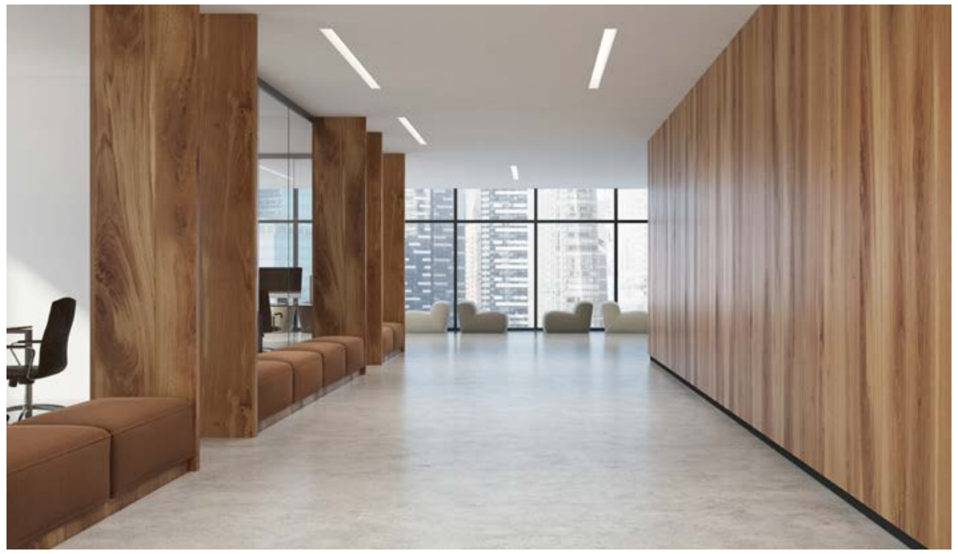
(With a lifetime guarantee)

DURO TITANIUM – LASTS FOREVER
DURO DERBY
DURO Pumaply – ALL WEATHER PROOF PLYWOOD
Duroboard – INDIA'S NO. 1 BLOCK BOARD
DUROFLEX – PREMIUM FLEXIBLE PLYWOOD
DUROPLY – COMMERCIAL PLYWOOD



SPECIALTY PLYWOOD RANGE

DURO TECHPLY – PLYWOOD • BLOCKBOARD
DURO Fireshield
DURO PLUS – 9' & 10' PLYWOOD | BOARDS | DOORS
TOWER BOARD & PLY



POPULAR PLYWOOD RANGE

DURO MACPLATINUM – PLYWOOD AND BLOCK BOARDS
DURO MACPRIME – PLYWOOD AND BLOCK BOARDS
DUROMARINE – MARINE PLYWOOD

DECORATIVE VENEERS

DURO NATURE SIGNATURE
DUROTEAK – TEAK DECORATIVE PLYWOOD

FLUSH DOORS

DURODOOR – FLUSH DOOR – KEEPS YOU SAFE
DURO TECHPLY DOORS
DURODOOR LITES – LIGHT AS FEATHER STRONG AS STEEL
TOWER DOOR

OUR MULTI-DECADE JOURNEY

1957 The Company was founded under the name of Sarda Plywood Industries Private Limited.

1960 In Jeypore, Assam, the Company established a small manufacturing company for tea chests.

1964 The Company launched commercial plywood production.

1966 The Company got a new identity and was named 'Duroply'

1969 The Company entered the door manufacturing business, launching the 'Durobord' and 'DuroDoor' brands.

1974 The Company was recognized as a public limited company. It also introduced a fresh product line called DuroTeak (Decorative Plywood)

1976 The ISI certification was attained by the Company.

1980 The Company launched BWP and BWR Plywood under the DuroCon brand for shuttering and for shipbuilding applications under the Duro Marine brand.

1986 The Company was listed on the BSE as a public limited company.

1987 Duro Pumaply, a premium all-weather plywood, was introduced by the Company.

1990 The Company made its second public offering.

1994 The Company entered the veneer market and started promoting the Nature's Signature brand.

1995 The Assam unit in Jeypore flourished to become India's single largest plywood factory at one location.

1998 In Assam, the Company expanded into tea production.

1999 The Company began operations in Rajkot, Gujarat.

2003 The tea unit emerged to become India's largest tea chest manufacturing facility.

2005-2007 Duro Titanium, Duro FabPly and DuroFlex were among the Company's newly introduced brands.

2010 The Company launched TechPly Door, an engineered flush door made with extruded particle board.

2012 The Company consolidated its environmental credentials by becoming FSC (license code FSC-C108194) and E1 certified.

2013 The Company pioneered the production and marketing of plywood made from European Beech.

2014 The Company established its 20th location in India.

2017 The Duro Exclusive Experience Centre was opened in New Delhi.

2018 The Company was renamed as Duroply Industries Limited.

2020 The Company divested its tea business in a bid to focus on plywood.

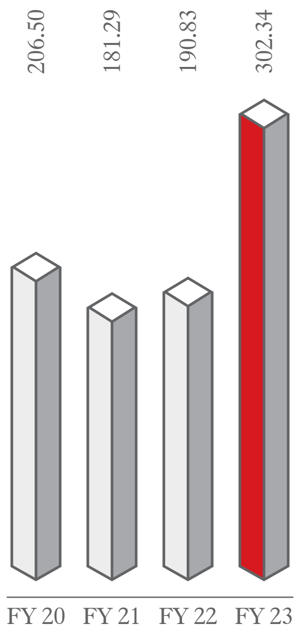
2021 The Company was among the first to introduce 9' and 10' plywood, block boards and doors under the Duro Plus brand.

2022 Through the preferential allocation of equity shares and warrants, the Company raised growth capital of ₹28.03 crore.

HOW WE HAVE GROWN OVER THE YEARS

Revenues

(₹ in Crore)



Definition
Growth in revenue net of taxes

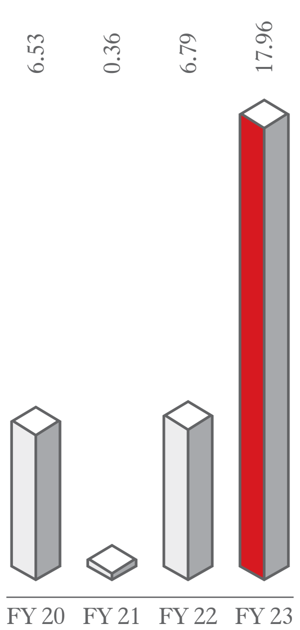
Why this is measured
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's success can be compared with sectoral peers and with its retrospective track record.

What this means
Helps enhance incomes that in turn makes it possible to amortise or pay for expenses.

Value impact
Aggregate revenues increased 58.4% to ₹302.34 Crore in FY 22-23, due to improved business operations and increase in distribution spread.

EBITDA

(₹ in Crore)



Definition
Earnings before the deduction of interest, depreciation, extraordinary items and tax

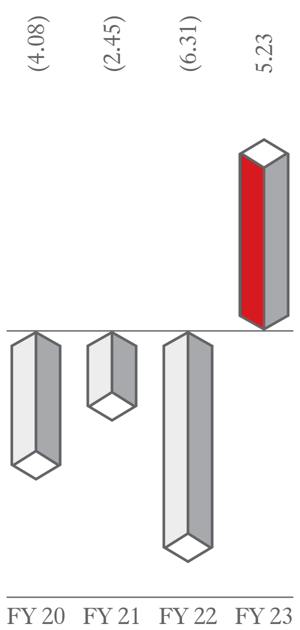
Why this is measured
It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

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 22-23 due to improved margins and substantial increase in revenue, resulting in better operating parameters.

Net profit

(₹ in Crore)



Definition
Profit earned during the year after deducting all expenses and provisions

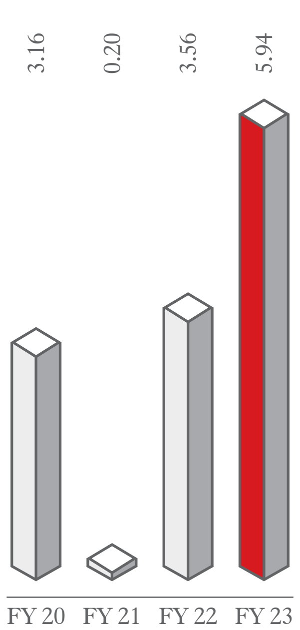
Why this is measured
It highlights the strength of the business model in enhancing value for shareholders

What this means
This ensures that adequate cash is available for reinvestment, leading to business sustainability

Value impact
The net profit increased on account of improved performance.

EBITDA margin

(%)



Definition
EBITDA margin is a profitability measure to ascertain a company's operating efficiency

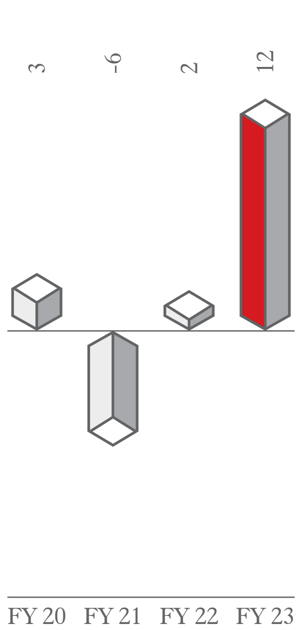
Why this is measured
The EBITDA margin provides an idea of how much a company earns (before accounting for interest, depreciation, amortisation and taxes) on each rupee of sales

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 238 bps increase in EBITDA margin to 5.94% in FY 22-23.

RoCE

(%)



Definition
This is a financial ratio that measures efficiency with which capital is employed in the Company's business

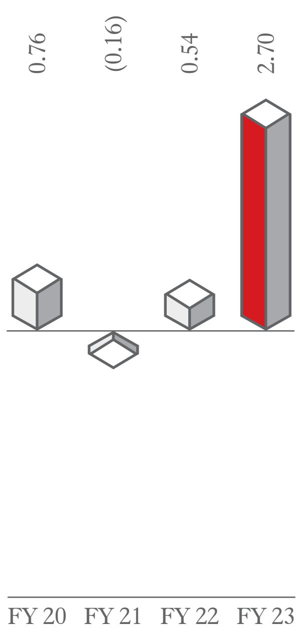
Why this is measured
RoCE is an insightful metric to compare profitability across companies based on their respective capital efficiency

What this means
Enhanced RoCE can potentially drive valuations and market perception

Value impact
The Company reported a 1000 bps increase in RoCE in FY 22-23.

Interest cover

(x)



Definition
This is derived through the division of EBITDA by interest outflow

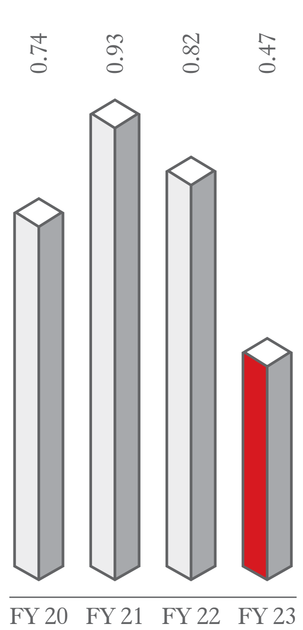
Why this is measured
Interest cover indicates the profit buffer available within the Company to service interest – the higher the better.

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 to 2.37 times as compared to 0.54 times in the last financial year

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 0.47, a 4268 bps decline from the previous year.

OUR EXPERIENCE CENTRE

THE MANAGEMENT'S PERSPECTIVES

HOW WE ARE BUILDING A NEW DUROPLY

THE DUROPLY MANAGEMENT HAS INVESTED IN A RANGE OF INITIATIVES TO REJUVENATE WITH SPEED AND EFFECTIVENESS

Youthfulness: Infusion of younger senior leadership; emphasis on organisational youthfulness

Digitalisation: Introduction of digital tools to engage with consumers and trade partners

Automation: Increased manufacturing automation, helping moderate quality rework and related costs

Brand investment: Increased brand investment in enhancing the visibility of Duroply

Marketing orientation: Shift from a legacy manufacturing focus to marketing orientation

Capacity debottlenecking: Nominal investment to enhance production capacity

Distribution broadbasing: Appointment of more dealers; structured programmes to enhance outcomes

Geographic broadbasing: Exploration of a presence outside of North India

Enhanced share of voice: Investment in radio and YouTube promotion

Entering the mid-priced segment: Addressing the fastest growing plywood segment

Building two brands: Investing deeper in Duro and Tower brands (addressing different consumers)

Protecting trade discipline: Focusing on timely cash inflows from trade partners

Net worth infusion: Right-sizing the Balance Sheet; raising captive growth capital

THE EXECUTIVE DIRECTOR'S OPTIMISM

AKHILESH CHITLANGIA
Executive Director and
Chief Operating Officer

The turnaround was based on record volumes and value. We didn't just price better; we sold more as well. This indicates that our products encountered superior traction. This underscores the point that we provided a superior value proposition in a competitive market.

Overview

The principal message that I wish to communicate is one of optimism.

Your company turned around and reported a profit after tax of ₹5.23 Crore, its first positive bottomline in four years.

The turnaround was real and not a one-time accounting surplus; the Company reported a profit in all four quarters, the trough to peak EBITDA margin strengthened from 4.63% to 7.18% and the Company finished with a cash profit of ₹11.29 Crore.

The turnaround was based on record volumes and value. We didn't just price better; we sold more as well. This indicates that our products encountered superior traction. This underscores the point that our products provided a superior value proposition in a competitive market. The result is that the Company reported ₹302.34 Crore in revenues, a 58.4% growth over the previous year and compared favourably with the previous revenue peak of ₹227.52 Crore in FY 18-19 (including revenue from the tea business that was later divested).

This sharp increase in revenues and corresponding turnaround indicate an inflection point in our existence.

Turnaround drivers

The big question that I have been asked: What did we do different during the last financial year to generate a turnaround performance?

One, we focused singularly on the plywood business. This focus was facilitated by the divestment of our tea business in the last couple of years, making it possible to plough all our accruals in growing the plywood business.

Two, we (promoters and preferential equity allottees) infused ₹28.03 Crore of net worth into the business in the second quarter of the last financial year. Until then, the business had been grown with moderate accruals and a commitment to generate more from less. From the third quarter onwards, the management infused relatively sizable growth capital, enhancing stakeholder confidence.

Three, the management selected to widen and deepen its distribution footprint. We always possessed a robust product that was distributed across a limited footprint. During the last financial year, we selected to enter select urban markets as well as B and C class cities outside of North India (where we have been adequately represented). The result is that we were able to put our products across a larger number of retail shelves during the last year.

Four, during the last few years, our capital investment programme had been interrupted by the need to mobilise incremental cash flows. Following the ₹28.03 Crore cash infusion in the second quarter of FY 21-22, we now possessed resources to engage in selective capital expenditure. The debottlenecking of our capacities and some selective investments will empower us to produce more, kickstarting a virtuous cycle of revenue and surplus growth.

Five, we recognise that the time has come to graduate from a manufacturing-centric positioning to a marketing orientation. During the last financial year, we invested 4.1% of our revenues in brand building. We believe that responsible brand building will make it possible for us to enhance our share of voice without product discounting, a virtuous cycle.

Six, we widened our market presence. For the last few years, we had played the premium game, competing with some of the best brands. However, the consumption markets have evolved; much of the growth is now coming out of the mid-market segment. We addressed this market for the first time in the last financial year: it empowered us to address the largest bulge of the market; it provided us with a basis to enter into a relationship and graduate the same consumer to premium varieties in the later years when the consumer selected to renovate his or her residence.

Seven, we strengthened our service responsiveness that made it possible for us to replace sales with speed and return our products back to vacant shelves. The speed of responsiveness encouraged our dealers (and retailers) to stock more of our products as it empowered them to stock across shorter holding periods – a superior financial return on their working capital.

Eight, we developed a strong contract manufacturing arm – growing our revenue from trading by 220% to 95.5 Crore.

We are optimistic of reporting yet another outperforming year in FY 23-24, growing revenues in the high teens without significant capital expenditure and further enhancing our EBITDA margin

Looking ahead

At Duroply, the objective will be to build on the turnaround of FY 22-23 through the following initiatives.

Even as we are deepening our presence in Tier 2 and 3 locations, we are making a selective entry in Tier 1 cities, where the appointment of a good distributor is likely to empower us to penetrate deeper.

We are continuously focused on trade discipline. We will strive to maintain/ control our debtors at 35 days of receivables. This focus will maximise cash flows, protect our brand and provide us with the liquidity to use accruals and grow our business.

We will market products through select trade partners, putting a premium on quality sales (where we recover proceeds on date and in full) over aggressive sales marked by a long receivables cycle.

We will enhance our brand visibility in a market that is increasingly cluttered. We expect to utilise conventional and emerging (social media) promotional channels; we expect to increase the outsourced proportion of revenues without compromising product quality, an asset-light approach.

We will continue to focus on the home buyer, which generated more than 90% of our revenues in FY 22-23. We will deepen training for our sales team, creating a succession plan and promoting from within.

We recognise that much of the last-mile conversion of product enquiry into sale is made on the advice of contractors and carpenters. In view of this, the Company intends to engage closer with opinion makers and trade influencers, making them endorsers of our product quality.

We will make prudent use of working capital, deploying the same judiciously to grow our business and generate better terms from our suppliers.

We intend to sustain the launch of innovative products (following on the launch of decorative veneers and 10 feet plywood in the last couple of years) and designs that reinforce our respect as a first-mover.

Conclusion

At Duroply, we recognise that the Indian interior infrastructure sector is at the cusp of significant growth.

The introduction of GST resulted in a watershed, which accelerated consumption away from unorganised players to organised brands.

As this shift accelerates, the addressable market for organised brand-driven companies like Duroply will grow faster.

In view of this, we are optimistic of reporting yet another outperforming year in FY 23-24, growing revenues in the high percentage teens without significant capital expenditure, enhancing our EBITDA margin.

We are optimistic that these targets are achievable, which should provide us two sequential years of growing cash flows that enhance value for our stakeholders in a sustainable way.

WHAT DURO CUSTOMERS AND TRADE PARTNERS HAVE TO SAY ABOUT THE BRAND

Subhash Bansal, Jawala Parshad and Co. Pvt. Ltd. New Delhi

"We started our business in 1975 with a focus on the builder and interior segments. We entered into a partnership with Duro after meeting Mr. PD Chitlangia. This partnership has endured on account of Duro's fair dealing, quality assurance, after-sales service and professionalism. The Company's lifetime guarantee against termite infestation has given our customers a peace of mind; its flexibility in adding new products has helped us approach the market with enhanced confidence."

Kanhaiya Lal Suthar, Duro skilled partner, Rajasthan

"I am a woodworks expert from Rajasthan and partnered Duro eight years ago after first using the Company's plywood sample. I now rely completely on Duro for my plywood: for its commitment to quality, timely delivery, after-sales service and sustained launch of new products (the 10 feet plywood for instance). The Duro Superstars initiative has helped us build a stronger bond with our downstream users."

Rahul Bamba, Principal architect, Mohali

"I have addressed more than 150 projects (residential, commercial, industrial, landscape and farmhouse). My design emphasises the importance of material selection and design, with a focus on green architecture and wood use. I have used Duro's veneers for nine years for the design range and quality finish."

Mahavir Jain and Sanjay Jain, Chanda Lal Kalyan Mal, Jaipur

"We were engaged in iconic projects (Jaipur Railway Station and Raj Mandir Theatre) and consistently emphasised the importance of product galleries and offering a one-shop solution. We use Duro for this reason: a holistic engagement predictability. We know what we are getting. This gives us a peace of mind."

Bhuwan Kapur, Interior designer, Lucknow

"I create creative yet functional design. I work with quality materials that ensure the longevity of my work. I have been associated with Duro for over 12 years and have incorporated various veneers in my commercial and residential projects."

Architect Ety Kapoor, Studio E Architects, Gurgoan

"I specialise in a combination of modern and traditional architecture ('comprehensive architecture'). When it comes to choosing plywood, I trust Duro's top premium ply medium, which possesses excellent longevity features."

Pranav Shah, Tessera Architects, Bengaluru.

'For six years, we have worked with Duro plywood and veneers. Duro's products offer beauty, durability and sustainability within a range of colours and finishes. What worked for us was high customised quality, making Duro an ideal partner for our architectural firm. Besides, they come with a lifetime guarantee against termites. A few years ago, we used veneer in an apartment project and it was a rare occurrence that the oak reacted with the melamine polish. We redid the entire wardrobe with a water-based polish three times on the same veneer sheet. It is creditable that Duro's veneer sustained the retouching, validating its durability.'

Piyush Lunia, The Stencil, Bengaluru

'We provide customers with a one-stop solution for their interior design needs. In 2020, we partnered Duro to bring quality plywood and veneer products to customers. Our experience center, Stencil NXT (2000 sq. ft.), comprises more than 1000 sq. ft. dedicated to Duro veneers and plywood. Our success is due to Duro's lifetime guarantee against termite infestation on products; Duro customises wood veneer design and its ten-feet veneer sheet became an industry benchmark; Duro and Stencil collaborated to develop a customer-centric approach through customised designs.'

Krishna G., skills partner, Hyderabad

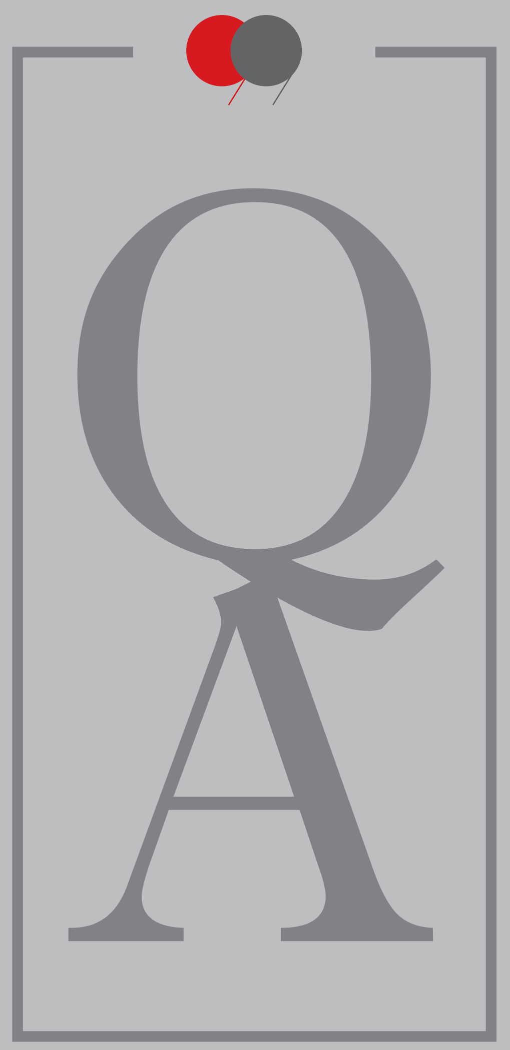
'I have been associated with Duro for 20 years. I started working with my father at a young age due to poverty, but with hard work, dedication and skill, I now work on six sites - simultaneously. I provide new life to villas, showrooms, offices and apartments with leading architects. Since 2007, I have built a relationship of trust by providing customers with quality solutions. The one company that helped take my business ahead was Duro.'

Abhay Kumar Chaudhary, contractor, Gorakhpur

'I have been associated with Duro for more than 20 years. My customers are satisfied with my service and promptness. This has been facilitated by quality plywood and service by Duro, providing me with a complete peace of mind.'

A QUESTION OF ANSWERS

An answer to all the questions that stakeholders would have liked to ask the management on its performance and prospects



Q: IS THE TURNAROUND THAT THE COMPANY REPORTED IN FY 22-23 SUSTAINABLE?

The turnaround in the Company's performance is definitely sustainable. This turnaround was achieved during the year under review at various levels – financial, branding, marketing and distribution. The broad-based nature of the turnaround provides the optimism that the improvement is not fleeting or selective.

The broadbased improvement is the result of a new energy within the organisation. There were a range of initiatives directed to enhancing the quantity and quality of outcomes; most of these improvements transpired with speed, reinforcing our team energy.

The result is that during the last financial year, revenues increased in three sequential quarters out of four; EBITDA strengthened in three sequential quarters out of four; EBITDA margin improved in three sequential quarters out of four; interest cover rose in three sequential quarters out of four.

The Company's revenues strengthened from ₹54.63 Crore in the last quarter of FY 21-22 to a peak of ₹84.22 Crore during FY 22-23; EBITDA strengthened from ₹2.69 Crore in the last quarter of FY 21-22 to a peak of ₹6.05 Crore in FY 22-23; EBITDA margin rebounded from 4.9% in the last quarter of FY 21-22 to a peak of 7.2% during FY 22-23. The result is that in FY 22-23, Duroply increased revenues by over 58% from a significant increase in our revenues from ₹190 Crore to ₹302 Crore and returned to significant profitability with a PBT of ₹7.92 Crore. In addition, our revenue from own manufacturing in Rajkot increased by 31% to 207 Crore and revenue from trading increased by 220% to ₹95 Crore, indicating the strength of our brand and the progressive asset-light nature of our business.

I am happy to state that most peaks - revenues, surplus and margins – were achieved towards the close of the last financial year, indicating that the momentum continued to be positive and is likely to extend into the current financial year.

The quality of the turnaround was reflected in the sharpness: the Company reported a 58.4% growth in revenues (nearly 8.5 times the growth of the Indian economy and 6.74% is the growth of the country's plywood sector (Source: Imarcgroup) where it reported a 165% improvement in EBITDA. The positive divergence between revenue and EBITDA growth indicates that the growth was profitable and not derived by eroding long-term brand competitiveness.

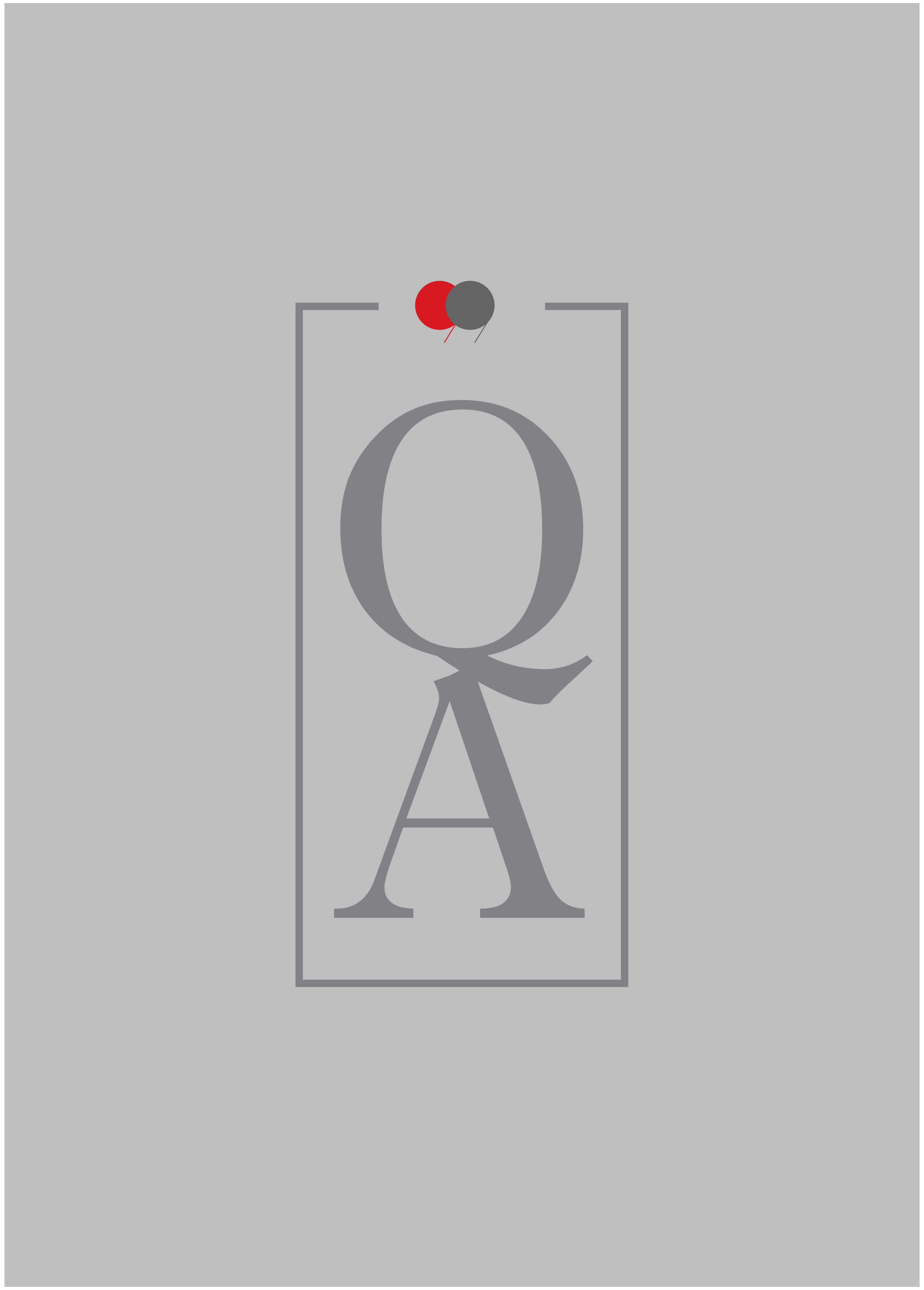
The management needs to add that virtually all segments of the Company's working are drawing up larger targets for the current financial year. This provides optimism that the turnaround is real and sustainable.

BIG NUMBERS

227.52
₹ Crore, revenues, FY 18-19

190.83
₹ Crore, revenues, FY 21-22

302.34
₹ Crore, revenues, FY 22-23



Q: WHAT IS THE SINGLE BIGGEST TAKE-HOME FROM THE COMPANY'S PERFORMANCE?

The single biggest take-home is that the Company is positioned at the start of a growth runway in one of the most attractive businesses in India. At Duroply, we believe that the interior infrastructure sector is at the cusp of a multi-decade growth opportunity for some good reasons.

As income levels increase, the usage of plywood is bound to increase. Purchase of homes remains an emotional dream for many Indians who look for durable wood work solutions. Plywood is best suited to serve this need and Duroply, through its 66+ years of sustained quality performance, is best positioned to take advantage.

The biggest take-home: Duroply is attractively placed to capitalise: the Company is relatively under-penetrated in emerging demand pockets of the country, is nimble, has been in business for six decades and possesses a visible brand. The time has come for the Company to transform its rich potential into reality, which transpired during the last financial year through a multi-quarter financial turnaround.

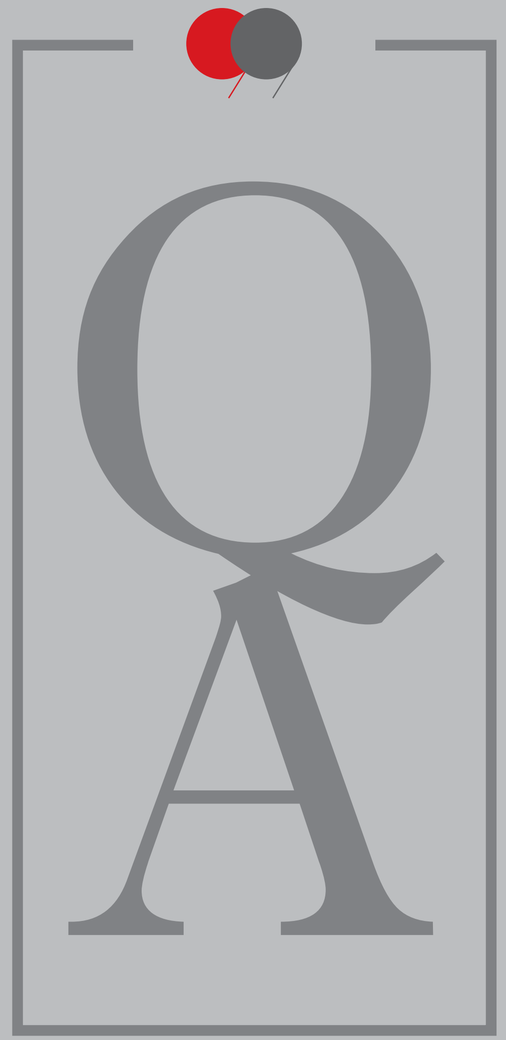
The management seeks to communicate that a large sectorial headroom is available that should translate into sustainable growth across the coming years.

BIG NUMBERS

5.23
₹ Crore,
Net profit in FY 22-23

(6.31)
₹ Crore,
Net loss in FY 21-22

0.98
₹ Crore,
Net profit in FY 18-19



Q: HOW WILL THE MANAGEMENT GRADUATE THE PERFORMANCE FROM A ONE-OFF REALITY TO MEDIUM-TERM SUSTAINABILITY?

Every single initiative being embarked upon by the Company is being addressed by an over-riding principle: will the initiative be scalable, improvable and sustainable?

This represents our three-sided approach to growing the business from one orbit into another.

The Company has empowered division heads to manage the various initiatives - who are not only meeting their goals but exceeding them.

The Company is investing in various initiatives – qualitatively and quantitatively - and we expect to see positive outcomes going ahead.

The Company deepened the asset-light nature of its business through the development of relationships with contract manufacturers (with a quality control program) that made it possible to increase regional non-proprietary product manufacturing capacities. This was pronounced in our growing supplies within South India and Tower segment supplies in North India. The result is that freight costs declined from 4.73% of revenues to 3.98% in FY 22-23.

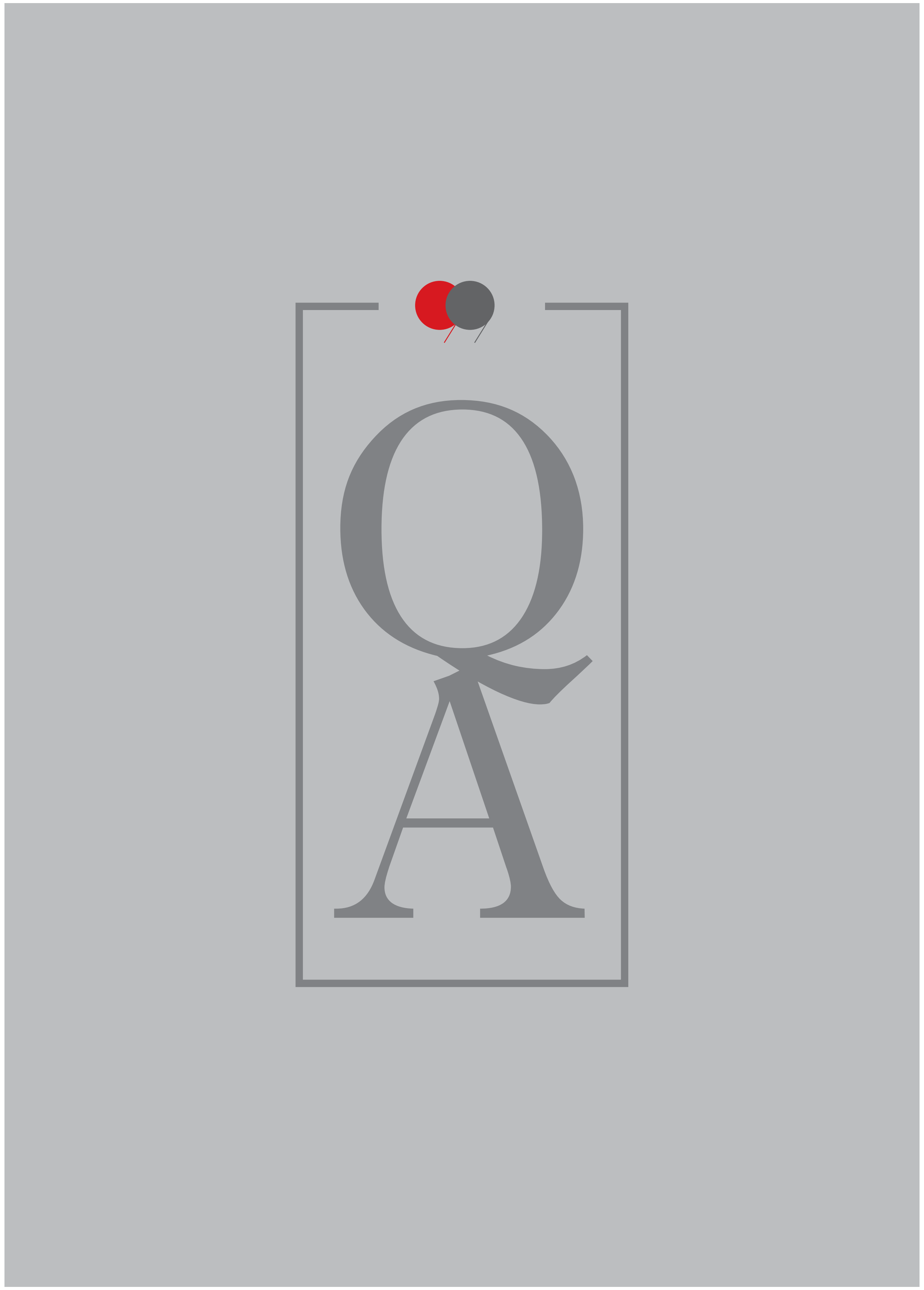
The top managerial team is focused on a three-year horizon for executing their plans, whereas the strategic team works on building large scale value for all its shareholders.

BIG NUMBERS

4
Number of profitable quarters at the EBIDTA level, FY 18-19

3
Number of profitable quarters at the EBIDTA level, FY 21-22

4
Number of profitable quarters at the EBIDTA level, FY 22-23



Q: HOW IS THE MANAGEMENT STRENGTHENING ITS GOVERNANCE COMMITMENT?

The management has demonstrated its commitment to good governance through various initiatives.

The Company is focused on the plywood business, divesting its interests in tea plantation in the last few years. The result is that the entire management bandwidth and accruals are now deployed completely to grow the plywood business.

The promoters and preferential equity allottees infused ₹28.03 Crore of net worth into the business in the second quarter of the last financial year. The infusion of precious growth capital should enhance stakeholder confidence.

The management has infused young blood in growing the business to the next level. The Company is stewarded by Akhilesh Chitlangia, who has 13 years of experience of this business; he is supported by Abhishek Chitlangia who manages the manufacturing side of the business.

The Company is increasingly digitalised, process-driven and delegated across tactical responsibilities, enhancing scalability. Most stakeholder engagement programmes (Duro Superstar- Contractor loyalty program among them) touch our target groups digitally and directly – quicker, transparent and confidence-enhancing.

Promoters will hold 62.47% equity capital following the conversion of warrants, indicating adequate skin in the game even after the private equity placement of 2022.

The Company right-sized its Balance Sheet through the net worth mobilisation of ₹28 Crore following a preferential allotment of equity shares and warrants.

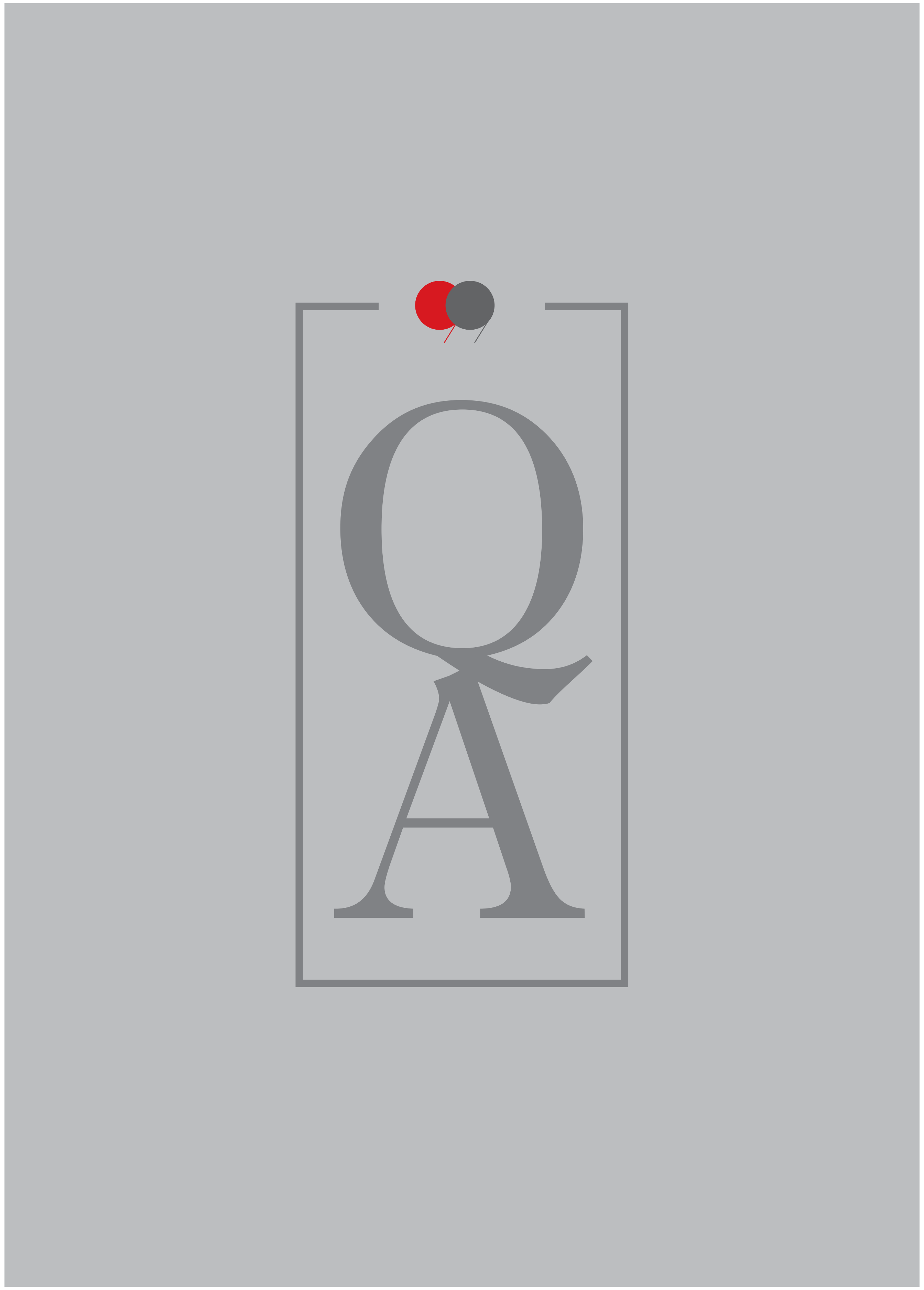
The Company liquidated non-core assets following the sale of surplus land in North East India, strengthening its focus on the core business.

BIG NUMBERS

63.09
% stake of the promoters before the net worth infusion of 2022

58.06
% stake of promoters as on 31.03.2023 after part conversion of warrants

62.47
% stake of promoters on full conversion of the balance warrants



Q: WHAT WAS THE RATIONALE FOR THE COMPANY TO INVEST IN THE TOWER BRAND IN FY 22-23?

The success of the Tower plywood brand was a milestone in FY 22-23. The brand was relaunched to address the need for an entry-level plywood brand within the Company. The relevance of this entry level space deepened in the last few years following the introduction of the Goods & Services Tax (GST). This tax has been a landmark: it has made unorganized plywood brands less competitive compared to organized alternatives like Tower. This reality has created a wider opportunity in the entry-level plywood segment in India. By entering this mass premium segment, the Company has provided consumers with a branded alternative.

Tower signifies a milestone for good reasons. It has opened the Company to a considerably larger market. It has evolved the Company from the premium end to a hybrid (volume and value-based). This transformation enables the Company to capitalize on economic upturns and increasing demand with a broader product portfolio.

This development is timely, considering the growing demand for products originating from non-metropolitan regions in India (Category B and C urban clusters). Duroply's wider portfolio is now positioned to address a wider plywood range to address varied consumer needs.

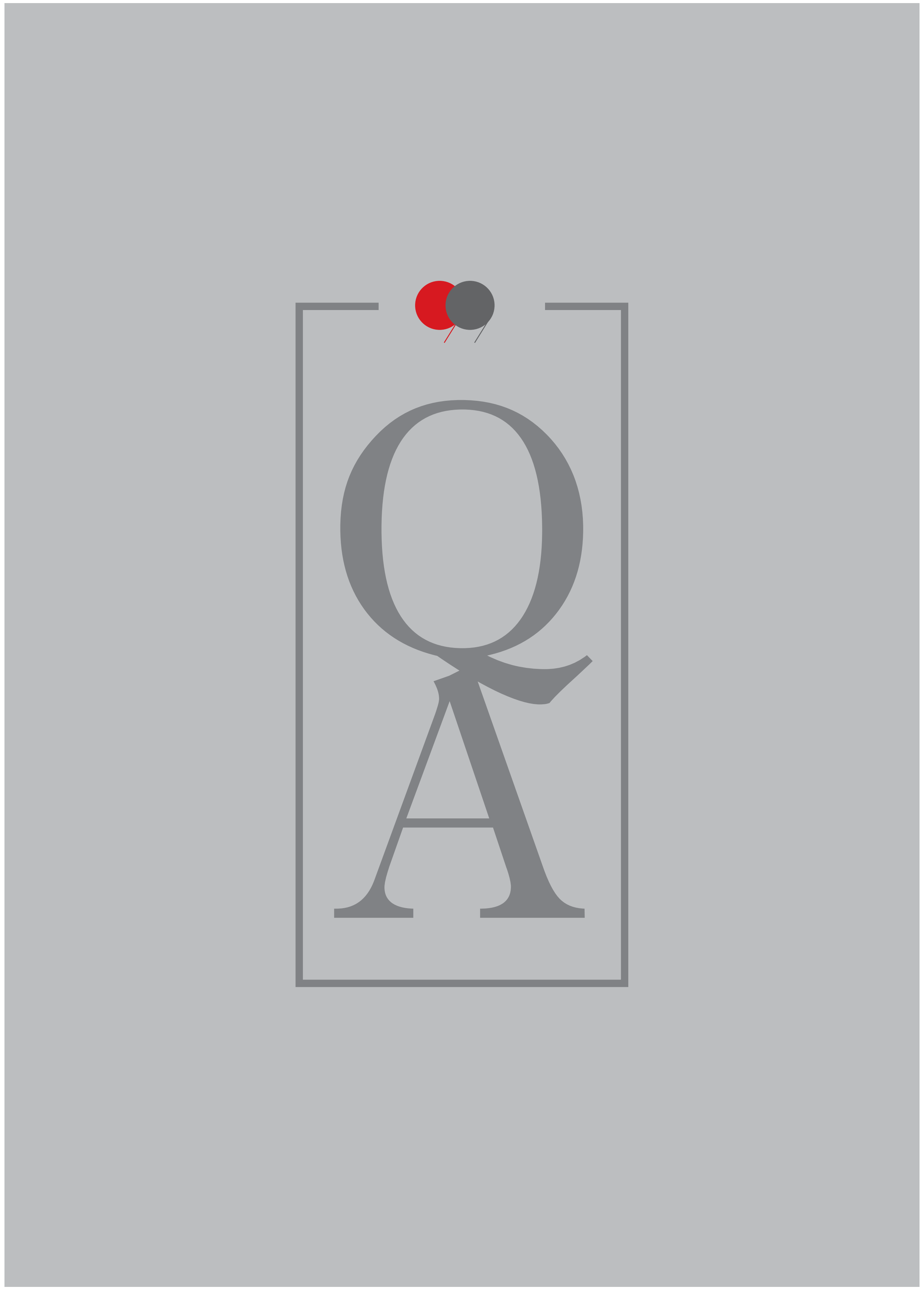
Tower accounted for 14.7% of the Company's revenues during the last financial year (3.8% in FY 21-22). Tower revenues increased 534% during the year under review and the objective is to enhance Tower revenues further.

As income levels in India increase and people move above poverty levels, they will invest more in better quality products, making the Indian middle-class a larger consumer of branded plywood.

BIG NUMBERS

14.7
% of revenues derived from Tower brand, FY 22-23

3.8
% of revenues derived from Tower brand, FY 21-22



Q: HOW DID THE DURO AND TOWER BRANDS PERFORM IN FY 22-23?

The Company's brands (Duro and Tower) generated 58.43%revenue growth during the last financial year; this was creditable, considering that the Indian economy grew 7.2% and the plywood sector grew 6.5%.

The Company's brands continued to perform creditably in a competitive market with a growth of 44% in Duro products: receivables (in terms of days of turnover equivalent) declined from 38 days in FY 21-22 to 35 days in FY 22-23.

The increasing competition within the sector notwithstanding, the proportion of revenues from the premium plywood segment accounted for 70% + of the Company's revenues. The rapidly growing mid-priced plywood segment accounted for 14.7% of revenues (from 3.7% in the previous year). As a conscious decision, the Company refrained from being present in the low-cost price-sensitive segment, marked by the presence of unorganised competition.

The Company entered the mid-priced segment with its Tower brand, which capitalised on the visibility of the flagship Duro brand and contributed ₹45 Crore in revenue in FY 22-23, a seven-fold increase over the previous year. By the virtue of being present in both segments, the Company can provide a one-stop solution, enhancing its overall impact. Since the lower priced product segment is being outsourced, the Company is scaling the business with an asset-light approach - a win-win proposition. The enhanced shelf share across trade partners is expected to help the Company price better and cover the gap in realisations when compared with regional brand leaders.

The Company capitalised on its innovation-driven recall by launching the 10 feet plywood variety, enhancing its brand respect.

The Company strengthened its brand spending by 4.1% to ₹12.5 Crore; a large part of the spending comprised influencer incentives and engagement, in-shop and out-shop branding, visibility, radio advertisements in select markets and digital marketing.

The strength of the Company's brand was reflected in enhanced capital efficiency; return on employed capital (EBITDA divided by average capital employed during the financial year) increased 1000 bps to 12% in FY 22-23.

BIG NUMBERS

36
Receivables cycle (days) as on March 31, 2019

38
Receivables cycle (days) as on March 31, 2022

35
Receivables cycle (days) as on March 31, 2023

Q: THERE IS A PREMIUM ON THE NEED TO COMPETENTLY MANAGE WORKING CAPITAL. HOW IS THE COMPANY ADDRESSING THIS FACET?

The Company recognises that financial discipline represents the heart of its business.

The Company's financial discipline is manifested in its working capital management – the capacity to manufacture the right product, sell with speed and recover proceeds on schedule.

Across the last few years, the Company strengthened its working capital efficiency through the following priorities.

One, the Company manufactured a product that generated a superior marketplace traction – walk-in consumers seeking to buy Duro, which made it possible stock products for a lower period. In turn, this resulted in trade partners agreeing to pay Duroply quicker than they would pay most plywood brands.

Two, the Company encouraged its trade partners to stock less, compensated by a frequent products replenishment. The result is that the Company moderated its working capital cycle (the time from which raw materials are purchased to the time sales proceeds are recovered), making it possible to fund more inventory turns with the same financial outlay.

Three, the Company balanced its portfolio – a combination of fast moving mid-priced products or moderately quick moving value-added products. The combination of financial gains generated from working capital efficiency and value-addition helped enhance liquidity.

Four, the Company moderated employee cost intensity in its business with a 400 bps reduction to 9.5% in FY 22-23; debt decline moderated interest outflow by 21% even as the Company's revenues increased 58%; interest cost as a percentage of revenues declined from 4.5% of revenues to 2.2% in FY 22-23; cash consumption cycle in FY 22-23 moderated from 59 days to 49 days of turnover equivalent.

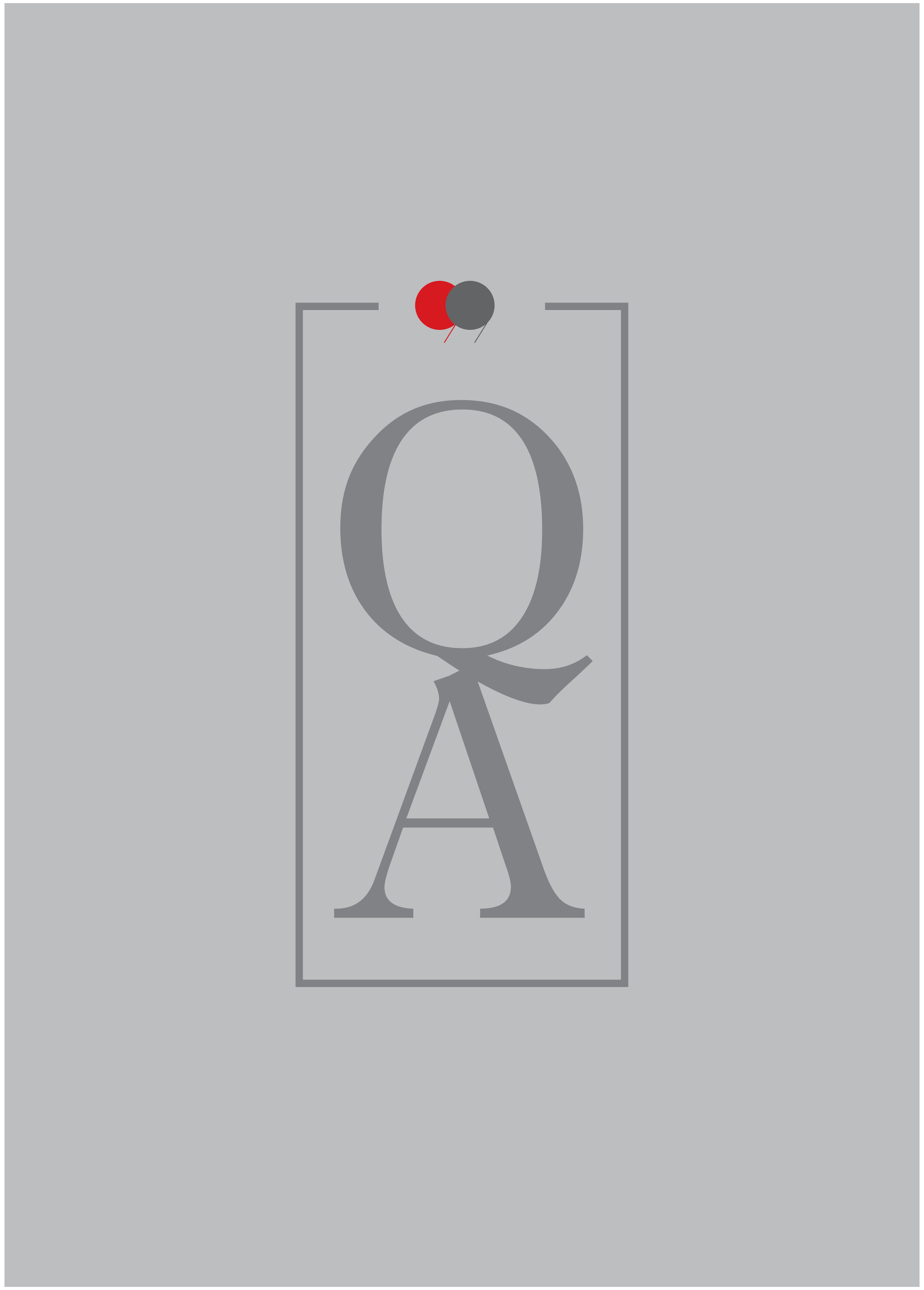
The outcome: Debtor days declined from 38 days of sales to 35 days of sales; inventory declined from 195 days of revenues to 134 days. In turn, RoCE improved from 2% in FY 21-22 to 12% plus in FY 22-23.

BIG NUMBERS

38
Days of working capital cycle, FY 18-19

37
Days of working capital cycle, FY 21-22

41
Days of working capital cycle, FY 22-23



Q: THERE IS A GROWING PREMIUM ON PAN-INDIA DISTRIBUTION. HOW DOES THE COMPANY INTEND TO STRENGTHEN THIS ASPECT?

At Duroply, we believe that growth will also be derived from distribution-linked initiatives (accounting for over 90% of our sales). The more a product is distributed better and displayed visibly on shelves – 'Jo dikhta hai woh bikta hai' – the higher the sales probability. We are attractively placed here: the strengths of the Company's distribution coverage – around 600 distributors billed directly – comprise about 16% who have been with the Company for more than 20 years. Besides, most Duro distributors comprise the top end of partners in their locations, strengthening the traction of our products.

Traditionally, the Company focused on penetrating Bharat (rural and semi-urban India) deeper on account of the reasonable cost of land and building in these markets, which incentivised the building of *kothis,* mansions and bungalows (generating a higher offtake of plywood) where the cost of plywood used in a standard 5000 sq. ft mansion would not be more than 3% of the overall project cost.

During the last financial year, the Company entered select urban markets as well as B and C class cities - outside North India. The Company addressed untapped markets like Karnataka, Maharashtra, Bihar, Jharkhand, Gujarat, Madhya Pradesh and east Uttar Pradesh. It appointed over 100 new dealers/distributors, strengthening its pan-India coverage.

The result is that the percentage of revenues generated from markets beyond North India experienced a growth of 38%. In the new markets, the Company worked with prominent dealers servicing a large number of retailers, a one-stop distribution solution.

The Company intends to deepen its presence in South India; this will help de-risk the Company from an excessive concentration in one zone and also expose it to growing opportunities. In South India, the Company engaged intensively with interior designers, contractors, architects and last mile decision influencers (carpenters) through customised media campaigns and trade exhibitions. It launched mass media (radio) campaigns; it placed billboards and hoardings at strategic locations. The Company enhanced visibility in Tirupati, addressing large footfalls through hoardings and public vehicle branding.

It would be relevant to indicate that the Company strengthened its service responsiveness. This made it possible to dispatch products with speed to dealers (who engaged similarly with retailers) and return products to vacant shelves. The speed of responsiveness encouraged our trade partners to stock more across shorter holding periods, generating a superior financial return on working capital.

Even as the Company intends to widen its presence in West and South India, it will continue to deepen its presence in North India, its traditional stronghold. This approach will help the Company engage with a large spread of trade partners, widening its pan-India presence.

Q: HOW IS THE COMPANY ADDRESSING GROWING MARKET CONSUMERISATION?

In the last two years, Duroply has emerged younger and nimbler. Its focus is to beat the growth of India's plywood market by multiples in a sustainable manner across the coming years.

The Company is reinventing its personality to address a transforming market reality.

One, the Company is selecting to be present in every fast growing Indian consuming pocket (as opposed to focused North India presence in the past).

Two, the Company is investing larger and deeper in its brand as we believe that the brand can generate larger revenues. Our estimate is that the Duro brand can generate significantly higher sales owing to its strong brand equity.

Three, the Company is graduating its erstwhile manufacturing-driven recall into a marketing-centric personality. This reinvention will enrich our portfolio (products and grades), places where we sell, promotions, engagement format (physical or digital) and trade terms.

Four, this marketing-oriented company will increasingly provide a single-stop plywood solution, address the bulge and upper end of the market, strengthen its people capital and emerge as a distinctively digital company.

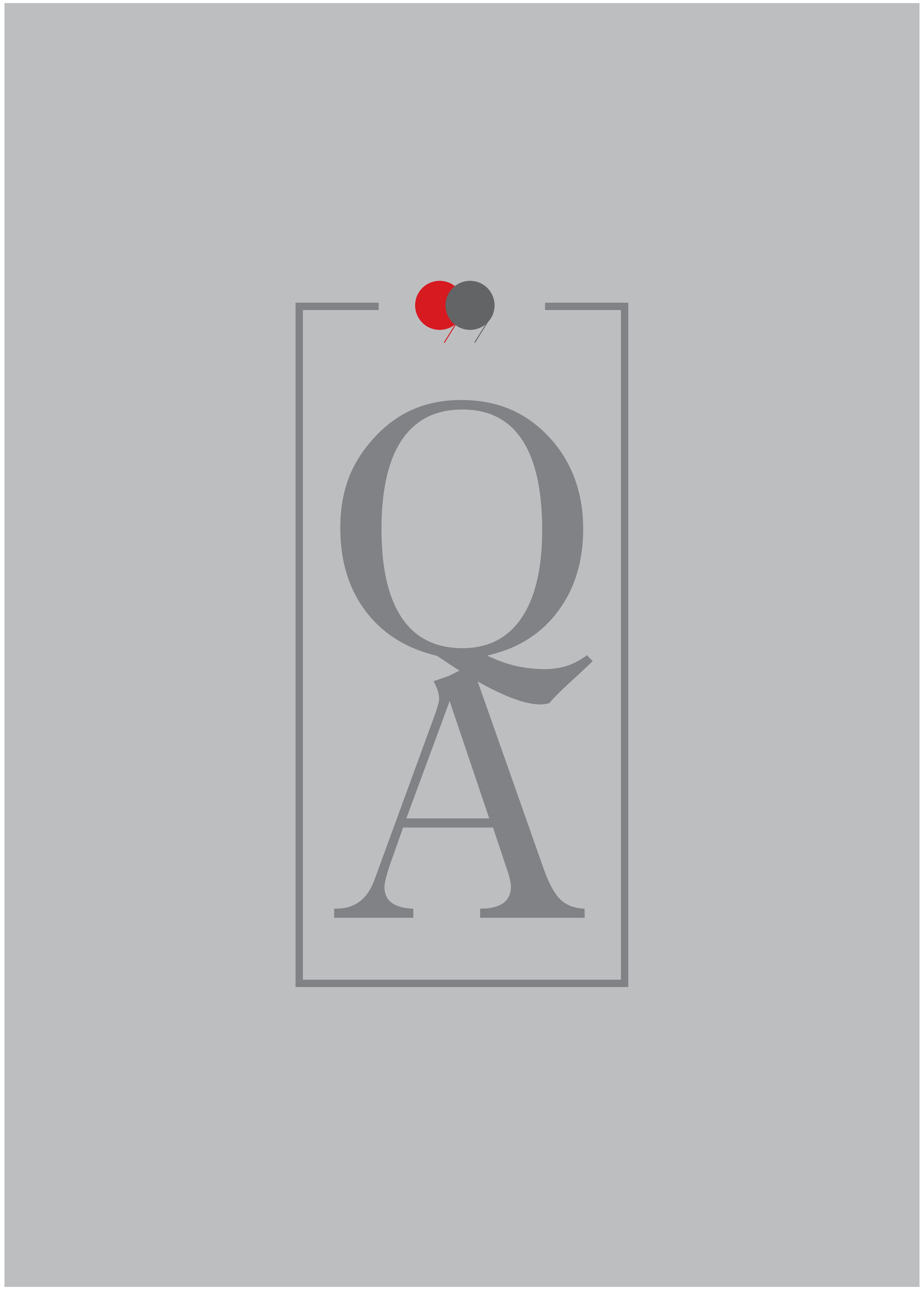
Five, the Company is penetrating the mass segment, the fastest growing today. We intend to evolve our product mix from the premium, marked by a relatively small market and move to the mid-market segment (balance of size and relative value-addition) with the possibility of graduating a transaction into an ongoing relationship.

Six, the focus at the Company is not 'How much did we manufacture today?' but is 'How much did we market today?' and 'How much was the average realisation of our product mix?'

BIG NUMBERS

71.4
% of revenues from the premium segment, FY 22-23

13.9
% of revenues from the mid-market segment, FY 22-23



Q: HOW DID THE COMPANY STRENGTHEN ITS ENGAGEMENT WITH TRADE PARTNERS?

The Company continued to recognise that its marketplace effectiveness was influenced by trade partners. The Company's superior performance was the outcome of positive engagements with dealers, distributors and retailers, where it invested a majority of its marketing budget.

The Company launched campaigns - radio, Duro TV on YouTube, outdoor, social media and influencer marketing - that engaged and educated customers.

The Company launched engagement programmes with architects and sales influencers.

The Company recognised prominent contractors through its Duro Superstars campaign; it launched a pioneering app-based loyalty points programme that helped catalyse sales through direct engagement (without using the dealer as an intermediary).

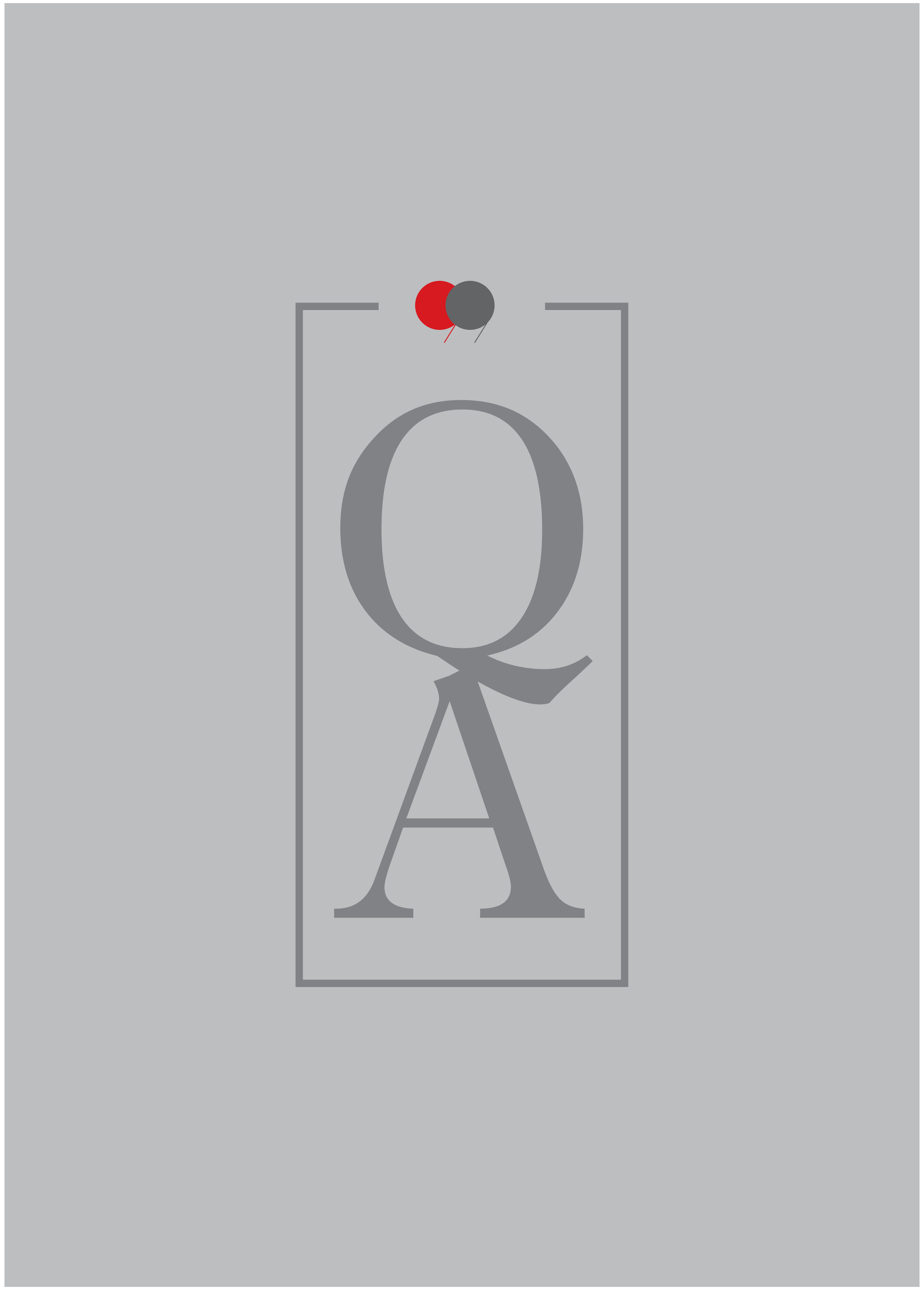
The Company launched a Duro Legends campaign for high performing dealers, followed up by increased store visibility, product displays and secondary sales support.

The Company participated in large national and regional trade exhibitions to enhance brand visibility that generated revenues for trade partners.

The Company involved trade partners and influencers in its radio campaign where they spoke about the Duro brand, a first of its kind initiative.

The Company launched a free book (authored by Mr. Akhilesh Chitlangia) that educated consumers in selecting the right plywood variety, strengthening traction for trade partners.

The Company continuously invests in training its sales team that helps provide the best service to all customers.



Q: WHY IS THE COMPANY OPTIMISTIC OF GROWING ITS BUSINESS FROM THIS POINT?

The market outlook in the country is positive due to the rapid expansion of distribution networks and decreased manufacturing costs.

The Indian plywood market is primarily driven by the growing demand for furniture from the residential sector, due to factors such as urbanisation, changing lifestyle patterns and an increasing number of nuclear families in India.

We are optimistic of sustaining the growth of our business through the interplay of Balance Sheet, capacity debottlenecking, geographic broadbasing and brand investment.

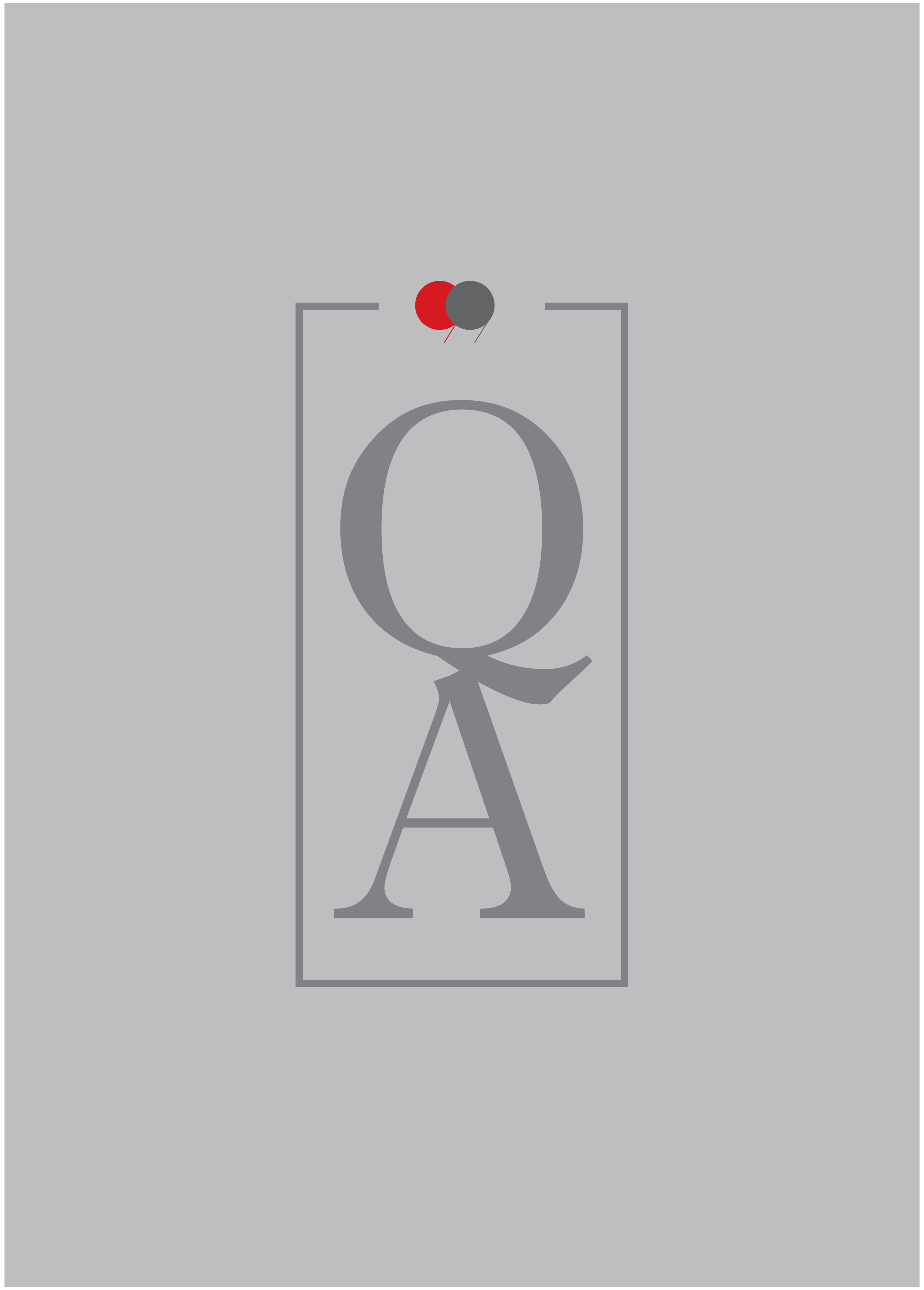
One, the Company's Balance Sheet has been adequately capitalised (for the moment) through a preferential issue of equity shares and warrants convertible into equity shares. The issue has provided the Company with precious net worth that not only represents growth capital but has also helped correct its gearing, a foundation for being appraised better by credit rating agencies. The infusion will also strengthen our working capital outlay, a pre-requisite for growing the business.

Two, the Company debottlenecked its manufacturing capacity during the last financial year. The debottlenecking will provide our company with a larger throughput, strengthening revenues and enhancing the Company's equity: capacity ratio (considering that moderate investment resulted in a disproportionately larger output).

Three, the Company intends to grow the non-North India proportion of its revenues. The revenue broadbasing will make it possible to moderate its excessive revenue dependence on one zone and empower the Company to address demand upturns from various national markets. The Company intends to build on the growing confidence of trade partners following increased growth across the quarters.

Four, the Company will continue to increase the proportion of contract manufacture (quality controlled), an asset-light approach.

Our optimism is derived from the vast operating leverage available to us: out digital platforms generate 0.3% of revenue and we see the potential of increasing this to multifold. We have around 600 distributors and we see the potential of substantially increasing revenues from this area.



Q: WHAT IS THE OPTIMISM WITH REGARD TO THE GROWTH OF THE PLYWOOD SECTOR IN INDIA?

At Duroply, we believe that we are entering a new age in the existence of the interior infrastructure sector in India. This conviction has been centred around the following realities.

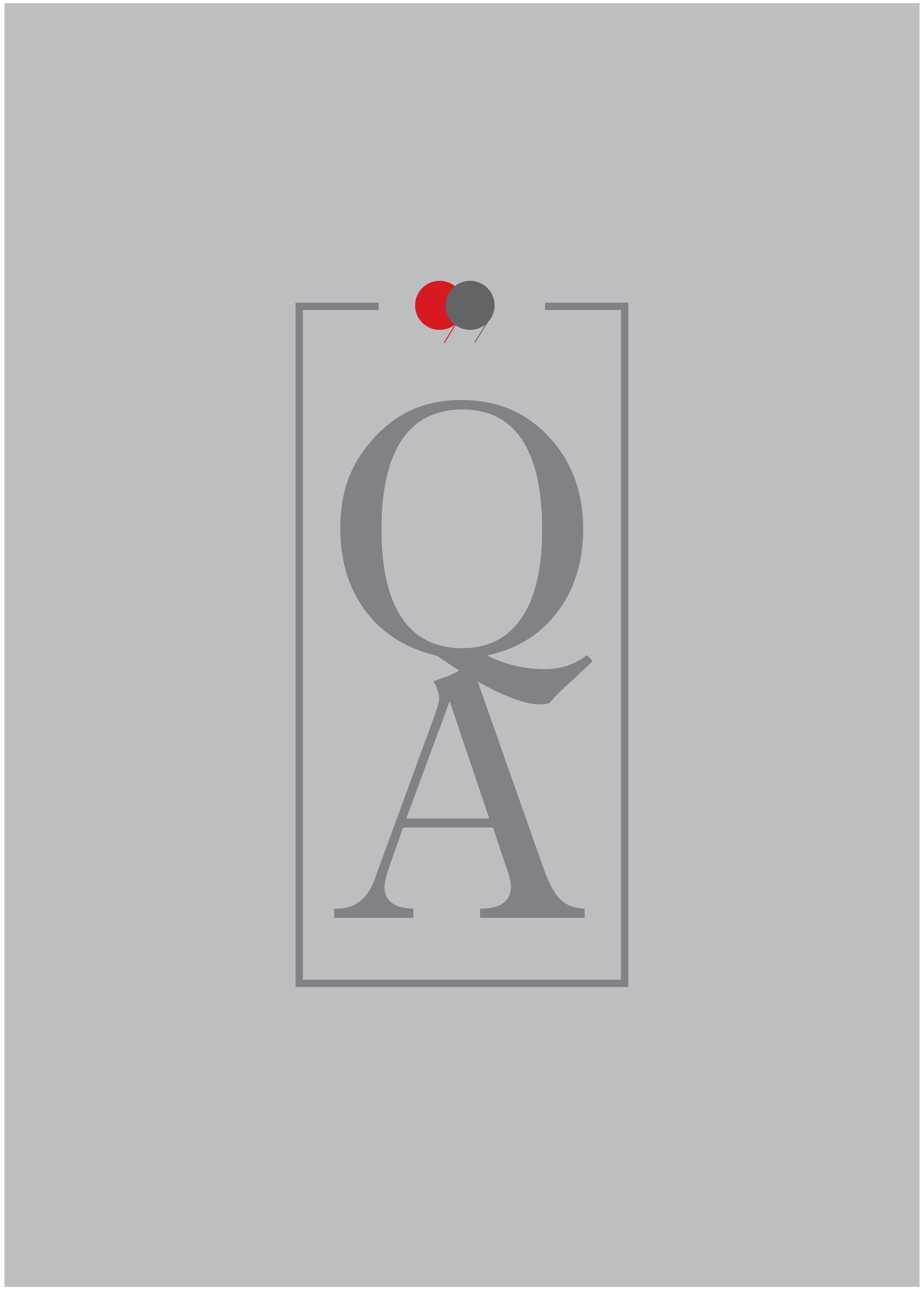
One, the combination of home building and home renovation are on the rise. These are the result of a direct play of population growth and enhanced lifestyle aspirations. The former widens the market; the latter enriches it. The former adds scale to the sector; the latter enhances scope. This interplay (volume and value) empowers plywood brands to enhance capacities and business investments.

Two, a structural shift has transpired in India's plywood sector in the last few years. Following the introduction of Goods and Services Tax (GST), bringing India's unorganised plywood sector within the tax ambit, a costing shift has transpired: the relatively cheaper unorganised plywood offerings have turned expensive; the organised branded players have become more competitive. A decline in the cost (and hence price) differential has catalysed the offtake of organised plywood brands. The result is that the proportion of organised plywood brands being sold has increased; the pace of organised plywood offtake is quicker than the unorganised alternative.

Three, in the past, much of India's retail consumption was concentrated in the large cities. A large shift has transpired since; the large cities are relatively saturated; consumption is growing rapidly in a large number of India's smaller cities. As the standard of India's living improves across the economic classes, these non-metro urban clusters are consuming more (larger quantities) and consuming better (value-added varieties).

Even though India's population is slightly larger than that of China, for every 1.0 unit of plywood consumed in India, 20.0 units is consumed in China, a large growth runway for Indian companies like Duroply.

In view of this, we believe that India's interior infrastructure sector is at the cusp of a large consumption growth wave.



Q: WHAT DOES THE COMPANY EXPECT TO ACHIEVE IN FY 23-24?

India's wood products sector is expected to grow at around 8%; Duroply expects to grow in the high to mid percentage teens.

On the macro level, the Company expects to capitalise on the sustained growth momentum within the plywood sector: the Union Budget 2023-24 announced a 33% increase in infrastructure outlay; the plywood sector is evolving faster from the unorganised to the organised; there is a consumer maturing reflected in a preference for superior products within price categories (declining price-sensitivity); the preference for factory-made furniture (over residential fabrication) is driving the use of standard plywood varieties.

Duroply intends to capitalise on this sectorial tailwind.

The Company plans to strengthen its market position in major Indian metropolitan cities. It aims to establish a compelling presence in the Western and Southern regions of the country. The Company also aims to increase the prominence of its flagship product, DuroTech Ply and capitalize on its utilization in the prestigious Central Vista project in New Delhi, which has national significance.

The Company intends to effectively communicate the unique selling points of its products to consumers, improving brand recall and boosting revenues.

We also believe that the turnaround represents an inflection point and we should grow sustainable year-on-year. The Company accounted for a mere 1.44% of India's plywood sector (based on its FY 22-23 turnover). There is room for a number three in a sector dominated by two plywood groups (Century Plyboard and the Greenply Group) and this is a position that we would like to grow into.

What shareholders can look forward to in FY 23-24

Headroom: Plug the market vacuum for a third large player (after the industry leaders)

Carpenter-contractor loyalty programme: Run digitally through the mobile app

Broadbased presence: Add more channel partners; engage in handholding and nurturing

Tower offtake: Projected to emerge as a significant growth driver as India shifts purchases from the unorganised to the organised sector

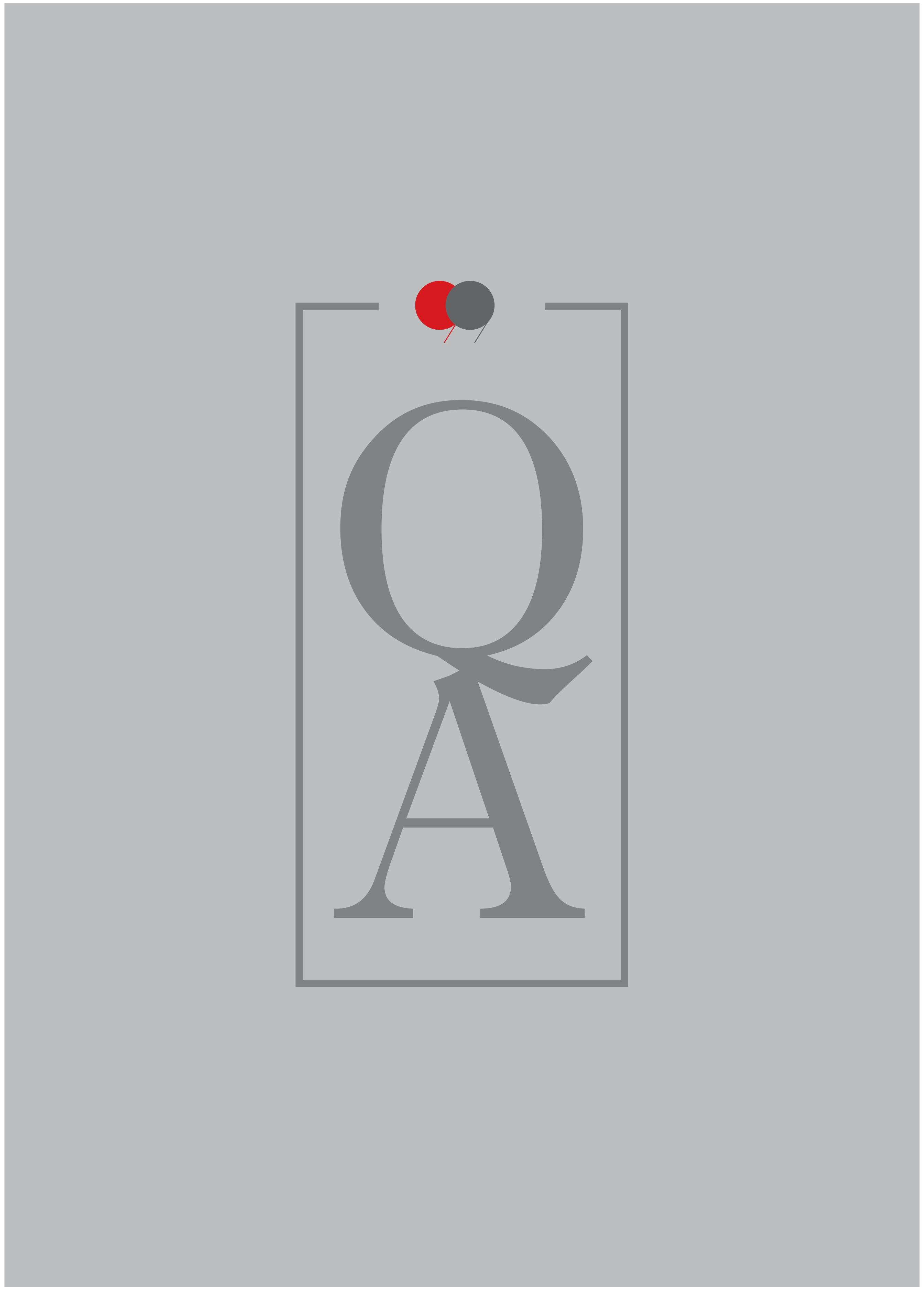
Digital marketing: Launch innovative digital marketing initiatives to engage with influencer architects and interior designers

Revenue growth: Moderate increase in manufactured revenues; disproportionate revenue growth from outsourced revenues

Scaled presence: Deeper presence in West and South India, resulting in an enhanced proportion of revenues

Economies: Superior pricing power and lower cost procurement on account of stronger financials and growing scale

Outcome: Volume growth of around 22% and value growth of around 20% (based on an altered product mix)



Q: HOW WILL THE COMPANY TAKE ITS BRANDS AHEAD?

There is a greater awareness that the overarching Duro brand (and Tower) is the Company's biggest asset.

This intangible asset generates the following recalls: 'trusted', 'innovative', 'superior price-value proposition', 'long-lasting products' and 'credible organised entity.' We believe that each of these recalls is relevant and generates superior outcomes. For instance, trust is the glue that attracts like-minded stakeholders – employees who seek enriching careers, vendors who like to work with credible managements that pay on time, customers who seek quality branded products, shareholders who believe we will grow their investments, bankers who are confident we will service repayment obligations on schedule and the government who will be paid taxes on time and in full.

The brand has been built around innovation, validated by the launches of 9 and 10 feet plywood, blockboard and doors. The Company launched Duro TV on YouTube to help consumers make an informed plywood purchase decision, strengthening trust. The Company launched a smart plywood buying guide. We believe that in a market marked by brand profusion, the consumer needs an impartial friend-philosopher-guide, a vacant space that the Company addressed successfully. The Company strengthened its website; it activated a two-way engagement with trade partners and influencers.

We widened our portfolio to offer laminated doors in select projects through our contract manufacturers, enhancing consumer convenience and increasing Duro's spread in the market.

We innovated by providing customised calibration to premium furniture manufacturers across India. Our initiative of offering 10x4 size (normal 8x4) size plywood and customised products for trade partners has only strengthened our off take. Over the coming year, we will continue to promote the visibility of our brand through the allocation of 4% of our revenues towards promotion.

We will continue to reinforce the 'Duro' brand to not just stand for product integrity but also service excellence.

We will capitalise on the multi-decade Duro presence, sending out a message that we provide stakeholders with a dependable presence.

We will build our Tower brand that addresses the mid-market plywood segment, the fastest growing within the sector.

We are engaged in widening our segment coverage – from the conventional premium to the mid-market segment, marked by the largest volume and fastest growth. The result is that we now intend to stock products that extend from one price segment to another, empowering consumers to buy products from the same company (Duroply) across time and price points.

We recognise the need to graduate from a conventional manufacturing-centric positioning to a marketing personality, which will not only make us more contemporary but have a cascade impact on our portfolio, realisations and mindset.

In view of the higher financial ammunition and stated strategic direction, we expect that the positive recall of the Duro brand will translate into enhanced revenues, margins and surplus across the foreseeable future.

4.1
% of revenues invested in brand building and brand marketing, FY 22-23

Our quality assurances and certifications

Lifetime guarantee

We provide a Lifetime Product Guarantee against infestation with a 3x money back assurance

FSC certification

Our timber is FSC-certified, indicating that it is sourced sustainably from forests with no deforestation. We engage with local officers to ensure the regrowth of trees and minimise long-term environment damage.

IGBC membership

We are members of the Indian Green Building Council (IGBC), which promotes green construction in India. Plywood is the most forest-sustainable and environmentally friendly resource; we discourage the use of environmentally harmful and non-renewable teak wood.

EO Certification

We were the first few branded companies to offer EO certification or CARB certification. We produce EO products with zero harmful chemicals, protecting consumer health.

Other initiatives

Plywood is twice more efficient than raw timber, maximising the utilisation and reducing timber wastage. We obtain twice the yield from the same timber compared to raw timber.

We regenerate timber to balance environmental protection and business needs.

BIG NUMBERS

12.46
₹ crore, investment in the Duro brand, FY 22-23

3.05
₹ crore, investment in the Duro brand FY 21-22

25
X, revenue generated for every rupee invested in the Duro brand, FY 22-23

63
X, revenue generated for every rupee invested in the Duro brand, FY 21-22

GOVERNANCE AND VALUE-CREATION

ENVIRONMENT-SOCIAL-GOVERNANCE

HOW WE ARE BUILDING A ROBUST ESG BACKBONE

OUR OBJECTIVE IS TO BUILD A RESPONSIBLE, PROFITABLE AND SUSTAINABLE BUSINESS

Overview

The primary focus when evaluating companies is their commitment to environmental, social and governance principles. This emphasis stems from the rapidly changing economic landscape and the need for organisational stability. It is widely believed that a strong ESG foundation fosters stability, resilience and long-term stakeholder value.

The environment aspect is a priority with businesses encouraged to utilise sustainable resources, optimize resource consumption, recycle waste, reduce dependence on finite fossil fuels, mitigate climate change risks and minimise their carbon footprint.

The social aspect emphasizes investments in people, organisational culture, customer relationships and social responsibility.

The governance component outlines the principles and practices that govern business conduct. This includes strategic clarity, ethical values, codes of conduct, board composition and adherence to the principles of the United Nations global compact (UNGC), generating responsible expectations among stakeholders.

The convergence of environmental, social and governance priorities forms the foundation for Duroply's sustainable long-term growth.

Our Environment commitment

At Duroply, we prioritise investments in environmentally friendly processes, recognizing the significance of minimising material and resource consumption to strengthen our environmental responsibility. Our business operations align with the UN's Sustainable Development Goals, aiming to create a better and sustainable future for all by integrating community and environmental efforts.

Duroply's teams collaborate across development, manufacturing and operations departments to ensure environmental compliance and strategy.

Duroply has implemented comprehensive risk mitigation measures, coupled with ambitious target setting, performance monitoring, compliance discipline and continuous improvement. Our environmental initiatives focus on reducing freshwater consumption in manufacturing processes, horticulture activities and support facilities. We actively monitor and manage water-related impacts, including groundwater, municipal water and surface water use.

During quarterly Board meetings, the management provides updates on environmental performance and highlights initiatives undertaken.

We ensure responsible waste management by reusing, recycling, or repurposing waste generated during manufacturing processes as much as possible. Precautionary measures are implemented, such as sprinkling water to control dust emission, operating high-noise equipment in isolated areas and preventing effluents from entering external water bodies. We actively monitor water, electricity and fuel consumption to moderate our overall resource consumption.

Our Social commitment

At Duroply, we recognise the significance of strong relationships in driving our business. The stability and strength of these relationships contribute in making our business stable. We attribute our outperformance to the dedication and passion of both experienced and young employees. Our efficiency and throughput are enhanced by the commitment of dedicated vendors.

Employees: At Duroply, we invested in an operating culture benchmarked around the standards of excellence prevailing in the interior infrastructure sector. These standards comprise better people productivity, skills and capability, the right person for the right job, training and skill renewal, talent safety and retention.

Customers and vendors: Duroply maintained a stable ecosystem of vendors, including those supplying capital equipment, spare parts and resources, through ongoing partnerships. Similarly, the Company fostered long-standing relationships with primary customers, resulting in a significant portion of costs and revenues originating from a stable ecosystem that spanned a decade or more, enhancing systematic predictability.

Community: The Company engaged with the community around its manufacturing locations, widening its circle of prosperity in line with the United Nations' Sustainable Development Goals. At Duroply, responsibility is derived from safe, clean and hygienic workplaces. Such an environment enhances talent productivity and morale. Besides, a company with a credible HSE record enhances its reputation and credit-rating, translating into enhanced competitiveness.

EMPLOYEES

2590.98
₹ Lakh, remuneration to employees in FY 21-22

2,864.51
₹ Lakh, remuneration to employees in FY 22-23

482
Employees in FY 22

521
Employees in FY 22-23

CUSTOMERS

19,083.00
₹ Lakh, revenues from sales in FY 21-22

30,233.86
₹ Lakh, revenues from sales in FY 22-23

VENDORS

12,089.69
₹ Lakh, procurement from vendors in FY 21-22

20,453.64
₹ Lakh, procurement from vendors in FY 22-23

Our governance commitment

The need for governance represents the lifeblood of virtually every company today, Duroply included. There is a greater importance of governance on sustainability. The economic and business environment has become uncertain; there is a greater premium on corporate stability. This need for increased stability is warranting deeper governance. Governance is no longer peripheral to a company's existence, but integral.

As a result, investors are turning to the governance commitment and pedigree of companies as the litmus test of whether they meet their investment filter or not.

Sustainability: The Company is committed to growth-driven repeatability ('sustainability') across every aspect of its operations, manifested in a growing use of net worth and eco-system stability.

Integrity: The Company places the role of trust and integrity above everything else, recognising that stakeholder trust (derived through the highest integrity standard) is directly proportionate to growth

Holistic: The Company recognises that its approach to business needs to be holistically successful, addressing the needs of all stakeholders (employees, lenders, customers, shareholders, lenders and government).

Enunciation: The Company has articulated its commitment to stakeholder value creation in addition to how it intends to enhance value - a clarity on the 'what' and how'

Documentation: The Company has documented and disseminated the fundamentals of value-creation, enhancing its acceptance and understanding across stakeholders

Measurability: The Company has selected to measure every compliance parameter, making it possible to appraise effectiveness across time

Auditability: The Company has enhanced the integrity of its reporting system through periodic audits conducted by internal and external agencies

Discipline: The Company has emphasised the role of strategic consistency, leading to a comforting predictability of how the Company will respond in specific situations (including not taking speculative positions on plywood resources)

Balance: The Company is committed to doing the right things (strategic) and doing them the right way (tactical), helping attract similar stakeholders and building a predictable eco-system

Directors: The Company's strategic direction is influenced by its Board of Directors (professionals and industrialists) who provide strategic oversight either directly or through focused committees

Brand: The Company will invest deeper in its brand, winning markets through visibility, innovation and speed

Long-term: The Company continues to invest in its business with a long-term outlook (plywood focus being one of them), enhancing strategic stability, stakeholder buy-in and a distinctive recall

Data: The Company is accelerating digitalisation with the objective to enhance consumer traction, shrink process tenures and enhance the role of informed decision making

Innovation: The Company will continue to invest in product innovation (plywood grades launched for the first time in India) that creates a distinctive recall and consumer pull

Controlled expansion: The Company will build its business to the extent its Balance Sheet can sustain

Role balance: The Company will comprise hands-on promoters who have delegated functional responsibilities to experienced professionals around a structured reporting process

Compliance culture: The Company puts a priority on audits and compliances, enhancing the credibility of its processes

HOW WE INTEND TO ENHANCE SHAREHOLDER VALUE

VALUATION

58.05
₹ Crore, market capitalisation, March 31, 2022

92.18
₹ Crore, market capitalisation, March 31, 2023

VALUE DRIVERS

Brand

Enhanced brand investment by ₹9.41 Crore

Increased brand spending as % of revenues by 250 bps, FY 22-23

Enhanced brand visibility; enriched personality ('innovation' and dependability')

Marketing

Graduated positioning from manufacturing-centric to marketing-driven

Enhanced focus on product mix, average realisation and capital efficiency

Engaged professionals from non-plywood backgrounds

Enhanced share of voice

Footprint

Broadened its presence from North India to West / South / East India

Deepened its zonal presence

Plugged market gaps; enhanced presence

Began to focus on increasing urban visibility

Debt management

Commitment to moderate debt and enhance interest cover

Progressive debt repayment through accruals

Repricing high-cost loans with lower cost alternatives

Reduce the debt-equity ratio to less than 1.0.

Manufacturing assets

Purchase balancing equipment.

Strengthen the manufacturing capacity

Automate manual processes

Do more with existing infrastructure

Capital infusion

Net worth infusion of ₹28.03 crore

Sequence of returns and reinvestment

Minimal promoter equity dilution

Possibility of a virtuous reinvestment cycle

OUR EXECUTIVE TEAM

Sudeep Chitlangia

Managing Director

Mr. Sudeep Chitlangia has over 36 years of experience in the plywood industry. In 1993, he was appointed Managing Director. He is a wood material and operations expert with comprehensive expertise in incorporating new wood technologies and cutting-edge management practises such as the Theory of Constraints. He is an active member of the Kolkata Entrepreneur Organisation. Sudeep is currently a Committee Member for the Merchant Chamber of Commerce and Industry in Kolkata. He previously served on the board of the Indian Plywood Industries Research and Training Institute for two terms (IPIRTI).

Akhilesh Chitlangia

Executive Director and COO

Mr. Akhilesh Chitlangia has worked in the plywood industry for over 13 years. He specialises in distribution expansion, operations management and the implementation of new initiatives. As Executive Director and COO, Akhilesh is based in New Delhi and is in charge of the Company's day-to-day operations.

He has earned a Bachelor of Science in Business Administration and a Bachelor of Arts in Economics from Boston University in the United States.

Abhishek Chitlangia

Vice President, Manufacturing

Mr. Abhishek Chitlangia has over 7 years of industry experience. He is currently in charge of DURO's production activities and has actively promoted lean and six sigma to improve quality and efficiency. He is a member of the NCCF Safeboards Standards Committee and the BIS Working Group on Plywood Standards.

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

Devesh Ahluwalia

Vice President, Sales

Mr. Devesh Ahluwalia has over 31 years of experience in Sales and Marketing in a variety of industries. His areas of expertise include Sales and Business Growth, Team Building and Energising, Market Expansion, Change Expeditor and Product Development and Promotions. He is currently serving as VP Sales at Duroply Industries Ltd., where he is accountable for overseeing all operational issues of Sales Management across India, including manpower management, profit and loss, delivery and sales growth.

Pawan Kumar Verma

Chief Financial Officer

Mr. Pawan Kumar Verma is a Bachelor of Commerce and a qualified member of the Institute of Chartered Accountants of India, with over 17 years of experience.

He has been with our company for 14 years. He has overseen a diverse range of duties in 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 with our company for 34 years and has handled multiple positions of responsibility. He plays a key role in Supply Chain Management and the acquisition of high-quality raw materials. He is currently in charge of contract manufacturing and the sourcing of low-cost material for our Tower brand.

NOTICE

NOTICE is hereby given that the 66th Annual General Meeting of DUROPLY INDUSTRIES LIMITED will be held on Friday, the August 11, 2023 at 11.00 am (IST) through video conferencing / other audio visual means to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Akhilesh Chitlangia (DIN: 03120474), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **Appointment of Mr. Arun Kumar Singhania as Non-Executive Independent Director of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Regulation 16(1)(b) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and approved by the Board of Directors, Mr. Arun Kumar Singhania (DIN: 00160194), who was appointed as an Additional Director of the Company w.e.f 19th May, 2023, to hold office until the date of the next Annual General Meeting in terms of Section 161 of the Act and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, be and is hereby appointed as Non-Executive Independent Director of the Company for a term of five consecutive years w.e.f. 19.05.2023 and upto 18.05.2028, not liable to retire by rotation.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all the necessary acts, deeds, matters and things as may be considered necessary, expedient and desirable to give effect to this resolution."

4. **Appointment of Ms. Suparna Chakrabortti as Non-Executive Independent Woman Director of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Regulation 16(1)(b) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration Committee and approved by the Board of Directors, Ms. Suparna Chakrabortti (DIN: 07090308), who was appointed as an Additional Director of the Company w.e.f 19th May, 2023, to hold office until the date of the next Annual General Meeting in terms of Section 161 of the Act and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, be and is hereby appointed as Non-Executive Independent Woman Director of the Company for a term of five consecutive years w.e.f. 19.05.2023 and upto 18.05.2028, not liable to retire by rotation.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all the necessary acts, deeds, matters and things as may be considered necessary, expedient and desirable to give effect to this resolution."

5. **Revision in remuneration of Mr. Sudeep Chitlangia, Managing Director of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Schedule – V thereto, and the rules made thereunder, provisions of Regulation 17(6)(e) and other applicable regulations 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 May 19, 2023, consent of the Members of the Company be and is hereby accorded to the revision in remuneration payable to Mr. Sudeep Chitlangia, (DIN: 00093908), Managing Director of the Company as follows with effect from May 19, 2023 till the end of his tenure on March 31, 2026 treating the said revised remuneration as the minimum remuneration payable to him in the event of inadequacy or absence of profits in any of the financial year(s) during the aforesaid tenure, with the other terms and conditions of his appointment remaining the same as was approved by the shareholders of the Company in the form of Special Resolution in the 65th Annual General Meeting of the Company held on September 28, 2022 and with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Sudeep Chitlangia within and in accordance with the Act or such other applicable provisions or any amendment thereto and subject to continuous fulfillment of all other conditions stipulated in Schedule V of the Companies Act, 2013 and any other approval, if any:

   i. Basic Salary of ₹ 4,25,000/- per month with such increments as the Board/Committee may decide from time to time, however subject to a ceiling of 25% of the basic salary last drawn.

   ii. House Rent Allowance of ₹ 2,55,000/- per month with such increments as the Board/Committee may decide from time to time, however subject to a ceiling of 25% of the basic salary last drawn.

   RESOLVED FURTHER THAT the Board of Directors 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."

6. **Revision in remuneration of Mr. Akhilesh Chitlangia, Whole-Time Director of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Schedule – V thereto, and the rules made thereunder, provisions of Regulation 17(6)(e) and other applicable regulations 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 May 19, 2023, consent of the Members of the Company be and is hereby accorded to the revision in remuneration payable to Mr. Akhilesh Chitlangia, (DIN: 03120474), Whole-Time Director of the Company as follows with effect from May 19, 2023 till the end of his tenure on May 29, 2025 treating the said revised remuneration as the minimum remuneration payable to him in the event of inadequacy or absence of profits in any of the financial year(s) during the aforesaid tenure, with the other terms and conditions of his appointment remaining the same as was approved by the shareholders of the Company in the form of Special Resolution in the Extra-Ordinary General Meeting of the Company held on August 8, 2022 and with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Akhilesh Chitlangia within and in accordance with the Act or such other applicable provisions or any amendment thereto and subject to continuous fulfillment of all other conditions stipulated in Schedule V of the Companies Act, 2013 and any other approval, if any:

   i. Basic Salary of ₹ 2,80,000/- per month with such increments as the Board/Committee may decide from time to time, however subject to a ceiling of 25% of the basic salary last drawn.

   ii. House Rent Allowance of ₹ 1,40,000/- per month with such increments as the Board/Committee may decide from time to time, however subject to a ceiling of 25% of the basic salary last drawn.

   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."

By order of the Board of Directors

Date: May 19, 2023
Place: Kolkata

KOMAL DHRUV
Company Secretary
ACS-41850

NOTES:

1. 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, Circular No. 2/2022 dated 5th May, 2022 and Circular No. 10/2022 dated 28th December, 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 SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 (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:

   a) Notice of the AGM along with Annual Report for the Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / RTA /Depositories.

   b) 66th AGM of the Members will be held through VC / OAVM.

2. Members may note that the AGM Notice along with the Annual Report for the Financial Year 2022-23 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.

3. 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 Director proposed for appointment /re-appointment at the meeting are annexed hereto.

4. 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 66th 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 66th 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 66th AGM through VC/OAVM Facility and e-voting during the 66th 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 66th 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 August 05, 2023 to August 11, 2023 (both days inclusive) for the purpose of 66th 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.

Vide latest SEBI Circular No. SEBI/HO/MIRSD/MIRSD-POd- 1/P/CIR/2023/37 dated 16th March, 2023, the shares held in physical mode and for which any documents of shareholders viz PAN, KYC, Bank account particulars, Specimen Signature update & Nomination form etc. is not available with RTA on or after October 01, 2023, shall be frozen.

15. Members holding shares in physical or demat form as on the cut-off date i.e. August 04, 2023 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 August 04, 2023 (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 atleast 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 August 08, 2023 at 9:00 a.m. (IST) and ends on August 10, 2023 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 August 04, 2023 will be eligible to vote by 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 August 04, 2023 (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**	1. 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. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting 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.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN 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**	1. 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.
	2. 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 3. 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) • 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. • 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: May 19, 2023
Place: Kolkata

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

Item No. 3

Pursuant to the provisions of Section 161 of the Companies Act, 2013, and the Articles of Association of the Company, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Arun Kumar Singhania (DIN: 00160194), as an Additional Independent Director of the Company with effect from 19th May, 2023.

In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Arun Kumar Singhania would hold office up to the date of this Annual General Meeting. He is proposed to be appointed as an Independent Director for a term of 5 (Five) consecutive years w.e.f. 19.05.2023 upto 18.05.2028 pursuant to Section 149 (including other applicable provisions if any) of the Companies Act, 2013 and rules made thereunder.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Company has also received declarations from Mr. Arun Kumar Singhania that he meets with the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that Mr. Arun Kumar Singhania fulfills the conditions specified in the said Act and the rules made thereunder and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management.

The Board considers that his experience and expertise would be of immense benefit to the Company and it is desirable to avail services of Mr. Arun Kumar Singhania as an Independent Director for a term of 5 (Five) consecutive years w.e.f. 19.05.2023 upto 18.05.2028. Brief profile of Mr. Arun Kumar Singhania is given in the Annexure - 2 to this Notice.

The draft letter for the appointment of Mr. Arun Kumar Singhania as independent director setting out the terms and conditions is available at https://www.duroply.in/.

Except Mr. Arun Kumar Singhania, none of the other Directors or Key Managerial Personnel of the Company or their relatives, are concerned or interested financially or otherwise in this resolution.

The Board recommends resolution set out in Item No. 3 of the notice for approval by the members.

Item No. 4

Pursuant to the provisions of Section 161 of the Companies Act, 2013, and the Articles of Association of the Company, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Suparna Chakrabortti (DIN: 07090308), as an Additional Independent Woman Director of the Company with effect from 19th May, 2023.

In terms of the provisions of Section 161 of the Companies Act, 2013, Ms. Suparna Chakrabortti would hold office up to the date of this Annual General Meeting. She is proposed to be appointed as an Independent Woman Director for a term of 5 (Five) consecutive years w.e.f. 19.05.2023 upto 18.05.2028 pursuant to Section 149 (including other applicable provisions if any) of the Companies Act, 2013 and rules made thereunder.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. The Company has also received declarations from Ms. Suparna Chakrabortti that she meets with the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that Ms. Suparna Chakrabortti fulfills the conditions specified in the said Act and the rules made thereunder and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and she is independent of the management.

The Board considers that her experience and expertise would be of immense benefit to the Company and it is desirable to avail services of Ms. Suparna Chakrabortti as an Independent Director for a term of 5 (Five) consecutive years w.e.f. 19.05.2023 upto 18.05.2028

Brief profile of Ms. Suparna Chakrabortti is given in the Annexure – 2 to this Notice.

The draft letter for the appointment of Ms. Suparna Chakrabortti as independent director setting out the terms and conditions is available https://www.duroply.in/.

Except Ms. Suparna Chakrabortti, none of the other Directors or Key Managerial Personnel of the Company or their relatives, are concerned or interested financially or otherwise in this resolution.

The Board recommends resolution set out in Item No. 4 of the notice for approval by the members.

Item No. 5

Mr. Sudeep Chitlangia was re-appointed as Managing Director by way of a special resolution passed by the members at the 65th Annual General Meeting of the Company held on 28th September, 2022 with effect from 1st April, 2023 for period of three years upto 31st March, 2026.

The Managing Director has provided dedicated and meritorious services and significant contribution to the overall growth of the Company. Therefore the Nomination and Remuneration Committee is of the view that the existing remuneration of Mr. Sudeep Chitlangia, Managing Director of the Company be revised w.e.f 19th May, 2023. It is proposed to revise the basic salary from ₹ 3,50,000/- to ₹ 4,25,000/- per month and HRA from ₹ 2,10,000/- to ₹ 2,55,000/- per month, with a provision of annual increment not exceeding 25% of the last basic salary drawn by him and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Rest of the terms and conditions will remain at par with that of the earlier approval as was already granted by the members of the Company.

Further, if in any financial year the company has no profits or inadequate profits, the remuneration payable to him by way of salary and perquisites will be the minimum remuneration in termsof Schedule V of the Companies Act, 2013.

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.

The Board recommends the Resolution at Item No. 5 for approval of the members Except Mr. Sudeep Chitlangia 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.

Item No. 6

Mr. Akihilesh Chitlangia was appointed as the Whole-Time Director of the Company by way of a special resolution passed by the members at the Extra Ordinary General Meeting of the Company held on 8th August, 2022 for period of three years upto 29th May, 2025.

Mr Akhilesh Chitlangia has provided dedicated and meritorious services and significant contribution to the overall growth of the Company. Therefore the Nomination and Remuneration Committee is of the view that the existing remuneration of Mr. Akhilesh Chitlangia, Executive Director & COO of the Company be revised w.e.f 19th May, 2023. It is proposed to revise the basic salary from ₹ 2,35,000/- to ₹ 2,80,000/- per month and HRA from ₹ 1,17,500/- to ₹ 1,40,000/- per month, with a provision of annual increment not exceeding 25% of the last basic salary drawn by him and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Rest of the terms and conditions will remain at par with that of the earlier approval as was already granted by the members of the Company.

Further, if in any financial year the company has no profits or inadequate profits, the remuneration payable to him by way of salary and perquisites will be the minimum remuneration in terms of Schedule V of the Companies Act, 2013.

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.

The Board recommends the Resolution at Item No. 6 for approval of the members Except Mr. Akhilesh Chitlangia 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. 6 as contained in the Notice.

Annexure – 1

I. General Information

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

Particulars	2022-23	2021-22	2020-21
Total Revenue from Operations	30246.15	19088.54	18132.08
Profit/(Loss) before tax	791.79	(451.98)	(484.91)
Profit/(Loss) after tax	522.57	(630.97)	(245.13)

5. **Foreign investments or collaborations, if any :** Nil

II. Information about the appointee:

Particulars	Sudeep Chitlangia	Akhilesh Chitlangia
Background details	Mr. Sudeep Chitlangia is a commerce graduate and working with the Company since August, 1986. He brings with him over 36 years of experience in the plywood business. He became the Managing Director in 1993.	Mr. Akhilesh Chitlangia holds dual degrees from Boston University, USA – Bachelor of Science in Business Administration and Bachelor of Arts in Economics. He has over 13 years of experience in the plywood business.
Past remuneration	His last drawn remuneration during the financial year 2022-23 was ₹ 72,41,700/- (inclusive of all perquisites).	His last drawn remuneration during the financial year 2022-23 was ₹ 48,03,397/- (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).	He has authored "The Smart Plywood Buying Guide" - first of a kind book that educates consumers on buying the right plywood.
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.	Mr. Akhilesh Chitlangia has been actively associated in company's business operations. He has played a pivotal role in all strategic business policies/ decisions of the Company. In addition to implementing new initiatives in the organization, he has worked relentlessly in increasing the company's footprint. In view of his experience, the Board has bestowed the above responsibilities on Mr. Akhilesh 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	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Sudeep Chitlangia and Mr. Akhilesh Chitlangia the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.	

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.	Mr. Akhilesh Chitlangia holds 1,69,628 equity shares and 1,95,265 convertible warrants in the company.

III. Other information:

1. **Reasons of loss or inadequate profits:**

   During the financial year 2022-23, the Company earned Net Profit after tax of ₹ 5.23 crores as compared to losses being incurred in past few financial years. However, profits are not adequate for payment of managerial remuneration under Section 197 and Schedule V of the Companies Act, 2013. Company has witnessed the beginning of a turnaround during FY 2022-23 and the Company is hopeful that turnaround is sustainable and it has a long way to go ahead.

2. **Steps taken or proposed to be taken for improvement:** Various steps are being taken to improve the profitability of the Company. However, the following measures are always being taken care of, to sustain its predominance in the market.

   a) Focus on high quality performance delivery and good relationship with existing customers to generate rapid new order flows.

   b) Conscious efforts for the development of customer base in the respective business segments.

   c) Focus on significant improvement in operating costs.

3. **Expected increase in productivity and profits in measurable term:**

   The Management expects to have improvement in the performance of the Company and to take Company to new heights in the coming time.

Annexure -2

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

Name	Mr. Akhilesh Chitlangia	Mr. Arun Kumar Singhania	Ms. Suparna Chakrabortti
DIN	00174354	00160194	07090308
Date of Birth / Age	31.05.1988 (34 yrs)	02.11.1965 (57 yrs)	28.06.1966 (57 yrs)
Date of Appointment on the Board	30.05.2022	19.05.2023	19.05.2023
Qualification	He holds dual degrees from Boston University, USA – Bachelor of Science in Business Administration and Bachelor of Arts in Economics.	He is a Member of The Institute of Companies Secretaries of India. He holds B.Com Hons. Degree from Calcutta University.	She is a Member of The Institute of Chartered Accountants of India. She holds Masters of Business Administration (major in Finance) Degree from Rutgers University, New Jersey, USA and a Master of Education Degree from Hunter College, City University of New York, USA.
Expertise in Specific functional area	He is an expert on distribution expansion, marketing and implementation of various new initiatives within the organization. During the last decade he has worked innovatively and relentlessly to successfully increase the Company's footprint in the market.	His key skills and expertise in specific functional areas includes among others business strategy legal, finance, wealth management and project management. He also has excellent strategic oversight over business operations, managerial experience and leadership skills.	Specialization in evaluation of projects and economic viability studies contributing to the development of effective governance practices to serve all stakeholders in the long term.
Terms and Conditions of Appointment / Re-appointment	Whole-Time Director, liable to retire by rotation	Non-Executive & Independent Director, not liable to retire by rotation	Non-Executive & Independent Director, not liable to retire by rotation
Skills & capabilities required for the role & manner in which proposed person meets such requirements (for Independent Directors)	Not Applicable	Over the years Mr. Singhania has also been on the Board of several companies which includes Swadeshi Polytex Ltd, a listed company, 10 other Indian Companies and 7 Companies incorporated outside India, thus adding on to the excellent strategic oversight over business operations, managerial experience and leadership skills.	Ms. Chakrabortti has been an Independent Director on the Boards of Rydak Syndicate Ltd, Dhelakhat Tea Company Ltd, Genesis Exports Ltd and La Opala RG Ltd., contributing to the development of effective governance practices to serve all stakeholders in the long term.
Number of Board meetings attended out of five Board meetings held during the Year	Four	Not Applicable	Not Applicable
Remuneration last drawn by such person, if applicable	₹ 48,03,397/- paid during the FY 2022-2023	Not Applicable	Not Applicable

Name	Mr. Akhilesh Chitlangia	Mr. Arun Kumar Singhania	Ms. Suparna Chakrabortti
Directorship held in other Public Companies	NIL	As provided in the Corporate Governance Report.	As provided in the Corporate Governance Report.
Committee membership/ Chairmanship held in other Companies	Nil	As per Annexure 2(i)	As per Annexure 2(i)
Relationship with other Directors/KMP	Not related	Not related	Not related
Number of shares held in the Company :			
a) Self	169628	19841	Nil
b) As beneficial owner	-	-	
No. of listed entities from which the person has resigned in the past three years	-	1 (One)	-

Annexure -2 (i)

Committee membership/Chairmanship held in other Companies:

Mr. Arun Kumar Singhania

Name of the Company	Name of Committee	Member/ Chairman
Swadeshi Polytex Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member

Suparna Chakrabortti

Name of the Company	Name of Committee	Member/ Chairman
Rydak Syndicate Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Stakeholders Relationship Committee	Member
Dhelakhat Tea Company Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member

DIRECTORS' REPORT

to the Members

Your Directors are pleased to present the 66th Annual Report of Duroply Industries Limited along with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Particulars	As on 31.03.2023	As on 31.03.2022
Turnover	30233.86	19083.00
Other Income	216.14	224.06
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	1795.72	678.57
Less: Finance Charges	666.22	848.08
Profit before Depreciation/ Amortization (PBTDA)	1129.50	(169.51)
Less: Depreciation	337.71	282.47
Profit before Tax and Exceptional Items	791.79	(451.98)
Net profit before taxation (PBT)	791.79	(451.98)
Provision for taxation	269.22	178.99
Profit/ (Loss) after Taxation (PAT)	522.57	(630.97)
Other Comprehensive Income	(13.26)	9.54
Total Comprehensive Income	509.31	(621.43)

STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has achieved a turnover of ₹ 302.34 Crores as against ₹ 190.83 Crores in the preceding financial year, an increase of 58.43. Profit before Tax is ₹ 7.92 crores as against a loss of ₹ 4.52 crores in the preceding year. Profit after Tax is ₹ 5.23 crores as against a loss of ₹ 6.31 crores in the preceding year.

DIVIDEND

During the year under review, the Directors regret their inability to recommend any dividend for the financial year ended March 31, 2023.

TRANSFER TO RESERVES

No amount has been proposed to be transferred to the General Reserve for the financial year ended March 31, 2023.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2023 was ₹ 7.77 Crores.

Preferential issue of equity shares and share warrants

During the year under review, the Board of Directors of the Company vide its meeting held on July 13, 2022, approved the proposal for raising of funds by way of issue, offer and allotment of upto 10,33,968 equity shares of ₹ 10/- each ("Equity Shares") for cash at a price of ₹ 126/- (including a premium of ₹ 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 ₹ 10/- each ("Warrants") at a price of ₹ 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 ₹ 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. The allotment of 10,33,968 equity shares and 11,91,032 Warrants on Preferential Basis was approved by the Allotment Committee in their meeting held on September 02, 2022.

Conversion of share warrants into equity shares of the company

The Allotment Committee vide its meeting held on March 25, 2023, considered and approved allotment of 2,78,224 equity shares of face value of ₹ 10/- each fully paid up at an issue price of ₹ 126/- per share, pursuant to conversion of 2,78,224 warrants allotted to Promoters on preferential allotment basis on September 02, 2022. 9,12,808 Warrants will be converted into equity shares in due course.

Further, the fund raised through this preferential issue has been used for the stated purpose to augment the long-term resources of the Company for meeting funding requirements of its business activities, strengthen balance sheet, maintain adequate liquidity, pursue growth opportunities and general corporate and other purposes. There is no deviation in the use of the proceeds.

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 ₹ 4133.34 Lakhs as at March 31, 2023 as against ₹ 5435.14 Lakhs as on March 31, 2022, i.e. a decrease of ₹ 1301.80 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 were not applicable to the Company in the financial year 2022-2023. However, the said provisions would be applicable to the Company during the financial year 2023-24 as the Profit of the Company is more than ₹ 5 Crores in the financial year 2022-2023. The Company has adopted a CSR Policy and the same is hosted and is available on the website of the Company i.e. www.duroply.in

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

Directors

Retirement by Rotation

Mr. Akhilesh Chitlangia (DIN: 03120474), Executive Director and COO of the Company, 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

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.

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, as an Additional (Non-Executive Non-Independent) Director of the Company with effect from August 09, 2022. The resolution for his appointment as a Non-Executive Non-Independent Director was approved by the Shareholders at the 65th Annual General Meeting of the Company held on September 28, 2022.

The Board of Directors at its meeting held on May 19, 2023, based on the recommendation of Nomination and Remuneration Committee has appointed Mr. Arun Kumar Singhania (DIN: 00160194) and Mrs Suparna Chakrabortti (DIN: 07090308) as Additional (Non-Executive Independent) Directors of the Company w.e.f. May 19, 2023. The special resolutions for their appointment have been included in the Notice convening 66th AGM for the approval of Members.

Resignation of Director

Mrs. Sheela Chitlangia (DIN: 00174354), Non-Executive Director has resigned from the Directorship of the Company with effect from May 19, 2023 due to her commitments in other engagements.

Your Directors placed on record their appreciation for the valuable contribution made by her during her tenure as Director of the Company.

Key Managerial Personnel

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 Chief Financial Officer of the Company with effect from August 09, 2022.

In terms of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the key managerial personnel of the Company are:

- Sudeep Chitlangia, Managing Director
- Akhilesh Chitlangia, Whole-Time Director & Chief Operating Officer
- Pawan Kumar Verma, Chief Financial Officer
- Komal Dhruv, Company Secretary

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.

BOARD MEETINGS

During the year under review, five 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 2022-23, was held on February 09, 2023, 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, 2023 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 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 recording and providing reliable financial and operational information, compliance with applicable laws, safeguarding of assets from unauthorized use, executing transactions with proper authorization and compliance with corporate policies.

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down by the Company and that such controls are adequate and operating effectively.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) That in the preparation of the accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit/loss of the Company for the year on that date;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors have prepared the accounts for the year ended March 31, 2023 on a 'going concern' basis.

(v) That the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.

(vi) That the Directors incorporated proper systems to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company has in place the SEBI guidelines pertaining to Corporate Governance. The Corporate Governance Report giving 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, 2023 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 seven Committees out of which three have been mandatorily constituted in compliance with the requirements of Companies Act, 2013 and the Listing Regulations while four 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:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Investor Committee
- Borrowing Committee
- Allotment Committee
- CSR 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 statutory auditors of your Company namely, M/s. S K Agrawal and Co Chartered Accountants LLP, Chartered Accountants, (Firm Registration No. 306033E/E300272) (Formerly known as : M/s. S K Agrawal & Co.) were appointed for a period of five years at the Annual General Meeting held on September 28, 2022. The statutory auditor confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the statutory auditors.

The report of the Statutory Auditor forms part of the Annual Report 2022-23. 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 of fraud 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 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sumantra Sinha, Practicing Company Secretary (ACS: 11247), was appointed to conduct the Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit report for the financial year ended March 31, 2023 is attached herewith as **"Annexure-7"**. The said report does not contain any reservation, qualification or adverse remark.

Based on the consent received and on recommendation of the Audit Committee, the Board has re-appointed Mr. Sumantra Sinha, Practicing Company Secretary as the secretarial auditor for the financial year 2023-2024.

COST AUDITORS

During the year under review Cost Audit is not applicable to the Company.

INVESTOR EDUCATION & PROTECTION FUND

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

STOCK EXCHANGE LISTING

The Equity Shares of the Company are listed at the BSE Limited. The Company confirms that the annual listing fees has been paid to the BSE Limited for the financial year 2023-2024.

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, 2023 is available at the web link: https://www.duroply.in/siteassets/pdf/Form_MGT_7_Draft.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

There were no material changes and commitment affecting the financial position of the Company since the close of the financial year i.e. March 31, 2023 till the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016

An application filed in the financial year 2021-22 against the Company under Insolvency and Bankruptcy Code, 2016 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.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the financial year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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

Date: May 19, 2023
Place: Kolkata

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Annexure-1

Management Discussion and Analysis Report

Global economy

Overview: The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices decreased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year could be slower.

The global equities, bonds and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to $55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to $36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Performance of major economies

United States	Reported GDP growth of 2.1% compared to 5.9% in 2021
China	GDP growth was 3% in 2022 compared to 8.1% in 2021
United Kingdom	GDP grew by 4.1% in 2022 compared to 7.6% in 2021
Japan	GDP grew 1.7% in 2022 compared to 1.6% in 2021
Germany	GDP grew 1.8% compared to 2.6% in 2021

(Source: PWC report, EY report, IMF data, OECD data)

Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth is estimated at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY 23
Real GDP growth(%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Real GDP growth(%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 million metric tons (MMT) in 2022-23 from 107 MMT in the preceding year. Rice production at 132 million metric tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 million hectares from 28 million hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 lakh hectares in 2021-22 to 109.84 lakh hectares in 2022-23.

India's auto industry grew 21% in FY23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 million units in FY23, crossing 3.2 million units in FY19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3FY23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to $714 billion as against $613 billion in FY22. India's merchandise exports were up 6% to $447 billion in FY23. India's total exports (merchandise and services) in FY23 grew 14 percent to a record of $775 billion in FY23 and is expected to touch $900 billion in FY24. Till Q3 FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to $18.2 billion, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ ₹ 17.55 lakh crore and 6.4% of GDP for the year ending March 31, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from US$74.01 billion in 2021 to a record $84.8 billion in 2021-22, a 14% Y-o-Y increase, till Q3FY23. India recorded a robust $36.75 billion of FDI. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹ 50,000 crore against a target of ₹ 65,000 crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately $70 billion in 2022, primarily influenced by rising inflation and interest rates. Starting from $606.47 billion on April 1, 2022, reserves decreased to $578.44 billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹ 75.91 to a US dollar to ₹ 82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4 percent in 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8 percent.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

The total gross collection for FY23 was ₹ 18.10 lakh crore, an average of ₹ 1.51 lakh a month and up 22% from FY22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹ 1.6 lakh crore. For 2022–23, the government collected ₹ 16.61 lakh crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6 percent more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹ 1,72,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of $2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3 percent in 2022-23.

Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5 percent in April 2023. India is expected to grow around 6-6.5 percent (as per various sources) in FY2024, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometres; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year *(Source: IMF)*.

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions and slowing external demand.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹ 10 lakh crores, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gatishakti, Inclusive Development, Productivity Enhancement and Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹ 5.94 lakh crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹ 20,000 crores was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹ 1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services

Global furniture market overview

The global furniture market is projected to reach USD 1,070.87 billion by 2030, with a CAGR of 5.7% from 2022 to 2030. The increasing demand for branded home furniture and rising consumer spending on home decor products are among the key factors driving the furniture industry.

The emergence of commercial spaces, particularly in India, is anticipated to boost market growth in the coming years. Moreover, government-backed initiatives to provide housing for all are expected to have a positive impact on growth. North America is expected to witness the fastest growth in the global market due to growing demand for multifunctional furniture in the region.

The beds segment was valued at USD 162.23 billion in 2021 and is projected to reach USD 257.74 billion by 2030. The increasing focus on incorporating current bedroom styles in home renovations is driving growth. The commercial application segment is expected to experience a significant CAGR of 6.1% from 2022 to 2030, driven by a rising demand for office space and growth in hospitality sectors across the world. Europe's global furniture market is valued at USD167.81 billion in 2021. The market is expected to register a CAGR growth of over 5%, mainly due to a growing tourism industry and subsequent demand for luxury furniture in the hospitality sector.

The global office furniture market is pegged at USD 60.8 billion in 2022. According to IMARC, the market is expected to reach USD 77.4 billion by 2028, with a compound annual growth rate of 4.05% from 2023 to

2028. The expansion of new offices, growth of IT parks and commercial areas are driving factors for the global demand for office furniture. *(Source: grandviewresearch, globenewswire.com, prnewswire, openpr.com)*

Indian furniture industry overview

The Indian furniture market is expected to generate a revenue of USD 5.33 billion in 2023, with an expected annual growth rate of 8.27% (CAGR 2023-2027). The home décor segment is the largest contributor with a volume of USD 1.75 billion in 2023. Technological advancements like the availability of high-speed internet networks and spiked absorption of smart gadgets are boosting the e-retail sector in India. These advancements are expected to provide ease to customers to buy furniture through online channels. Besides, the rising number of smartphone users across the country and the increased volume of online shopping has encouraged the furniture industry players to introduce their products through online channels.

India's furniture market is anticipated cross USD27 billion by the end of 2025. The growth of this market is driven by the expanding middle-class population, rising disposable income and an increasing number of urban households. With India projected to become the world's third-largest economy in the near future, the government has identified the furniture industry as a key player in promoting 'Make in India' goods globally. Additionally, Indian furniture exports have seen a remarkable growth rate of 222 percent between the years of 2021-22, compared to 2013-14, highlighting the competitiveness of Indian-made products in global markets. *(Source: statista.com, prnewswire.com, aninews.in)*

Global furniture e-commerce industry overview

The global furniture e-commerce market worldwide generated around USD 29 billion in 2022 . The market is expected to reach about USD 41 billion by 2030, representing a growth rate of 41%.

The growth potential of the industry is reflected in the steady increase in the average value of online orders for home furniture, which surpassed USD 500 per order in the second quarter of 2022. The United States remains the largest furniture market in the world, but the Asia-Pacific region is also expanding in both size and significance, representing two of the top six major markets. *(Source: shopify.com)*

Indian plywood sector overview

The Indian plywood market reached a size of ₹ 195.8 billion in the fiscal year 2021-2022. Plywood is a type of engineered wood product made from several layers of thin wooden veneers that are glued together with the grains of adjacent layers rotated at a 90-degree angle. It offers many benefits such as being reusable, flexible, resistant to chemicals and fire, easy to install and having increased stability under changes in temperature and moisture. Plywood is commonly used in construction for building floors, roofs, furniture, doors, interior walls and exterior cladding.

The Indian plywood market is primarily driven by the growing demand for furniture from the residential sector, due to factors such as urbanisation, changing lifestyle patterns and an increasing number of nuclear families in India. Additionally, with many people preferring semi-furnished or fully furnished houses, there has been a significant increase in the renovation and refurbishment of existing residential areas, which is further driving the demand for plywood in the Indian market.

In addition, the market outlook in the country is positive due to the rapid expansion of distribution networks and decreased manufacturing costs. The market value is projected to reach INR 297.2 Billion by 2027-28, with a CAGR of 7.4% from 2022-23 to 2027-28. *(Source: imarcgroup.com)*

Indian veneer market overview

Veneer sheets are widely used in both residential and commercial buildings as a surface material due to their aesthetic appeal, durability and versatility. They are made from thin slices of real wood and require less wood during production compared to other wood sheets. They are commonly used to enhance the appearance of furniture, doors and architectural elements. Additionally, veneer sheets provide comfort and longevity. *(Source: databridgemarketresearch.com)*

Indian flush door segment overview

Flush doors are a more cost-effective option compared to traditional wooden doors and offer several advantages such as being resistant to stains, scratches, damage, termites and easy to clean. It is predicted that these features will drive the need for flush doors in both residential and commercial constructions. Flush doors come in a variety of types such as laminated flush doors, hollow core flush doors and cellular core flush doors.

During the period ranging from 2022-2029, the Asia Pacific region is expected to dominate the flush door market with India and China being the major contributors. The flush door market is expected to grow as a result of the rapid development of infrastructure in the region. *(Source: fortunebusinessinsights.com)*

Plywood growth drivers

Digital technologies: Industry 4.0 is also high on the agenda for the furniture industry, as the incorporation of digital technologies is expected to lead to better manufacturing flexibility and speed, mass customisation and increased productivity. *(Source: Euromonitor)*

Rise in the number of nuclear families: Nuclear families make up 58.2% of households, causing a rise in demand for compact and space-saving products. *(Source: business-standard.com)*

Sustainability: The trend is expected to create future growth opportunities and significantly reduce energy costs. Furthermore, changes in consumer preferences and buying habits are shifting more furniture production companies towards digital channels for sales, leading to increased investment in e-commerce solutions and the use of CGI and Augmented reality technologies to enhance the online shopping experience. *(Source: Euromonitor)*

Urbanisation: Urbanisation is driving an uptick in construction projects worldwide, prompting a greater focus on building structures that can withstand natural disasters like earthquakes. This has led to a significant increase in investments in plywood products, which are known for their strength and flexibility. Many companies and residential areas are turning to plywood to ensure the stability and safety of their buildings. *(Source: futuremarketinsignts)*

Shift in consumer preference: In major cities, 53% of renters prefer semi-furnished homes, while 32% prefer unfurnished and only 15% prefer fully furnished. There has been a significant rise in the renovation of residential areas, leading to an increase in demand for plywood in the Indian market. *(Source: Times of India)*

Emergence of new marker players: The Asia Pacific region is expected to dominate the plywood market, driven by growing demand for softwood plywood in construction projects. The market growth is attributed to factors such as rising infrastructure development, rapid industrialisation and a large proportion of furniture manufacturing in the region. *(Source: futuremarketinsights)*

Demand for interior design: The growth in the interior design and furniture sectors are driving the plywood market. These industries are increasingly using plywood over raw wood, leading to more plywood usage in households. Plywood's versatility, which can be used for various applications such as speaker making and cost-saving benefits through minimal waste generation and high durability compared to particle board and MDF board are driving increased usage. *(Source: futuremarketinsights)*

SWOT analysis

Strengths

- The company has a broadbased distribution network throughout India, enabling to reach a large customer base.
- The company offers a range of different types of plywood catering to the diverse market.
- The company's distribution system ensures that their products are widely available and easily accessible to customers.
- The company's brand is well-established and holds a strong market position as a leader in the North Indian region.
- The location of the company's manufacturing facility is advantageous in meeting the demands and needs of the market they serve.
- The industry in which the company operates has high entry barriers, providing the company a competitive edge.

Weaknesses

- The company faces competition from companies that are not as well-established or structured as they are.
- The availability of resources and fluctuation in raw material prices may impact the functioning of the company.
- An excess in supply of the company's products could negatively impact its financial performance.

Opportunities

- The market for wood panel products from organised sector is expanding at a rapid rate than the unorganised sector.
- The country's national per capita income is enhancing.
- The percentage of India's population that belongs to the millennial generation is higher than the worldwide average.
- The implementation of GST has accelerated the expansion of India's organised furniture industry.

Threats

- Unorganised plywood manufacturers in India may resort to pricing their products lower, which could affect the competition in the market.
- Export restrictions for the countries rich in timber might be levied.
- Raw material cost might remain in a higher growth trajectory.

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 2023	March 2022	% change*
Current ratio	1.01	0.81	24.69
Debt equity ratio	0.43	0.78	-44.87
Debt service coverage ratio	1.52	0.38	300.00
Return on equity	0.06	(0.09)	-168.29
Inventory turnover ratio	3.77	2.57	46.78
Trade receivables turnover ratio	12.42	9.78	27.01
Trade payables turnover ratio	4.15	2.94	41.16
Net capital turnover ratio	27.28	10.67	155.72
Net profit ratio	0.02	(0.03)	-160.48
Return on capital employed	0.12	0.02	537.49

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

Company overview

Duroply Industries Limited (DIL) is a well-established plywood manufacturer in India. The company operates a plywood and related products facility in Rajkot, Gujarat. The company's DURO line of products is becoming increasingly popular among consumers due to its innovative design, craftsmanship and exceptional customer service.

Company's financial performance

During the year under review, the Company generated a revenue of ₹ 302.34 Crores compared to ₹ 190.83 Crores in the previous year, a growth of 58.43%. The Company earned a net profit of ₹ 5.23 Crores, as opposed to a net loss of ₹ 6.21 Crores in the previous year.

Business risk management

Risk management is an important aspect of any business. However, having a comprehensive risk management framework in place can help the organisation effectively mitigate risks and ensure business continuity. An effective risk management system can help minimise surprise, improve services, proactively manage changes, source resources efficiently, optimise resource utilisation, prevent losses and reduce waste. Duroply Industries Limited has a robust risk management process in place, which is regularly reviewed by the Board of Directors to assess its effectiveness. The process involves evaluating risks related to various business activities and implementing effective mitigation strategies to minimise their impact.

Risks and concerns

Competition risk: Rising competition may result in a reduction in the Company's market share.

Mitigation: Duroply has a strong network of distribution and a wide range of products across plywood, veneers and doors categories, helping the Company in deepening its market penetration. Moreover, focus on product quality and innovation is projected to result in growth across the market cycle.

Product risk: The Company's products may become irrelevant and experience weakened business, leading to an excess in the inventory and a decline in its revenues.

Mitigation: While manufacturing its products, Duroply not only considers the current trends but also the future ones. Moreover, the Company considers product usability, quality, aesthetically pleasing and price-value proposition.

Finance risk: The Company's inability of effective financial management could have a negative impact on the sustainability of its operations.

Mitigation: The Company benefits from a debt-service ratio of 1.52 and a healthy interest cover of 2.37x and is focusing on improvement of working capital days and receivable days to ensure an optimal financial stability.

Risks and concerns *(contd...)*

Quality risk: Lack of product quality may have a severe impact on product sales and brand.

Mitigation: The Company has state-of-the-art facilities manufacturing best quality products to ensure maximising of resource utilisation and minimisation of wastage.

Distribution risk: An inefficient distribution network may restrict the Company's geographical expansion.

Mitigation: Duroply has over 950 dealers, distributors and retailers spread throughout India, which helps in maintaining a wide and robust logistics network, further helping in addressing the customer needs faster.

Demand risk: There is a risk that emerging product demand may not materialize the way once forecasted.

Mitigation: Each of the company's product segments was selected based on a relatively under-explored demand pattern that has only grown over time. The company has selected to deal in a product mix whose relevance is only likely to increase in a prosperous India.

People risk: The company could fail to attract or retain competent professionals.

Mitigation: Duroply is a preferred industry employer and the company's talent retention is the highest within its sector. The company offers unmatched professional and personal growth opportunities within its sector.

Innovation risk: The company could face brand erosion if it does not introduce new products.

Mitigation: The Company's R&D team consistently introduces new products that keeps trade channels energised and the end consumer engaged.

Human resources management

The company believes that the quality of its workforce is crucial to its success and is dedicated to providing them with the necessary skills and knowledge to adapt to advancements in technology. During the year, the company maintained positive relations with its employees and focused on providing training and skill development opportunities to help them navigate the changing work environment. The Company's permanent employee strength stood at 521 as on 31st March, 2023.

Cautionary statement

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

Annexure-2

PARTICULARS OF REMUNERATION

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

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

Requirement of Rule 5(1)	Details	
(i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23	**Executive Directors**	
	Shri Sudeep Chitlangia	13.71
	Shri Akhilesh Chitlangia*	N.A.
	Independent Directors	
	Dr. Kali Kumar Chaudhuri	N.A.
	Shri Sujit Chakravorti	N.A.
	Shri Probir Roy	N.A.
	Shri Ratan Lal Gaggar	N.A.
	Non-Executive Directors	
	Smt. Sheela Chitlangia	N.A.
	Shri Vinay Agarwal**	N.A.
(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 2022-23	**Executive Director**	
	Shri Sudeep Chitlangia (Managing Director)	15.11%
	Shri Akhilesh Chitlangia* (Executive Director & COO)	N.A.
	Independent Directors	
	Dr. Kali Kumar Chaudhuri	N.A.
	Shri Sujit Chakravorti	N.A.
	Shri Probir Roy	N.A.
	Shri Ratan Lal Gaggar	N.A.
	Non-Executive Directors	
	Smt. Sheela Chitlangia	N.A.
	Shri Vinay Agarwal**	N.A.
	Chief Financial Officer	
	Shri Pawan Kumar Verma#	N.A.
	Company Secretary	
	Smt. Komal Dhruv##	N.A.
(iii) The percentage increase in the median remuneration of employees in the financial year	37.77%	
(iv) The number of permanent employees on the rolls of the Company	521 permanent employees as on March 31, 2023	
(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, 2023 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.

**Appointed as an Executive Director w.e.f. May 30, 2022*
***Appointed as Non-Executive Director w.e.f. August 09, 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]

Names of Top 10 employees in terms of remuneration drawn during the Financial Year 2022-2023:

Sl. No.	Name	Designation	Remuneration Received (₹)	Qualification	Total years of Experience	Date of commencement of employment	Age	Last employment
1	Sudeep Chitlangia	Managing Director	72,41,700	B.Com	34	27-05-1988	56	Nil
2	Akhilesh Chitlangia	Executive Director & COO	48,03,397	B.Sc. B.A.	12	01-07-2010	34	Nil
3	Devesh Ahluwalia	Vice- President Sales	43,00,788	B.Sc., PGDBM	31	03-07-2014	55	Sheela Foam Pvt. Ltd.
4	Abhishek Chitlangia	Vice- President (Mfg)	33,24,996	BBA , B.Sc (Eng)	7	01-04-2017	30	Bain & Company
5	Shashank Hissaria	General Manager	32,16,156	B.Com.	33	15-12-1988	53	Nil
6	Harender Verma	Dy General Manager-Sales & Marketing	31,06,188	M.Sc., MBA	25	26-09-2015	51	Lafarge India Pvt. Ltd.
7	Pawan Kumar Verma	Chief Financial Officer	27,79,818	B.Com., ACA	15	18-12-2008	42	Reliance Retail Ltd.
8	Prakash Kumar Agarwal	General Manager	24,47,555	B.com	30	01-04-2022	52	Pallorbund Tea Ltd
9	Vikas Zadoo	Dy. General Manager - Marketing	24,41,268	MBA (Marketing), B.Sc	16	02-04-2021	41	Greenlam Industries Limited
10	A Srinivas	Deputy General Manager-Sales	24,41,053	MBA(Sales & Marketing)	25	09-10-2013	50	HIL LTD, (Formerly Hyderabad Industries Limited), C.K.Birla Group

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

Date: May 19, 2023
Place: Kolkata

For and on behalf of the Board

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 Personnels 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. The Company recognizes that the enhancement of corporate governance is one of the most important aspects in terms of achieving the Company's goal of enhancing corporate value by deepening societal trust.

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, 2023 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 9 (nine) Directors, of which 6 (six) are Independent Directors.

The composition of the Board of Directors as on March 31, 2023, 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 28.09.2022	No. of Board Committee# positions including this listed entity	
					Member	Chairman
Shri Sudeep Chitlangia (Managing Director)	00093908	Promoter, Executive	5	No	1	-
Shri Akhilesh Chitlangia*	03120474	Promoter, Executive	4	Yes	-	-
Dr.Kali Kumar Chaudhuri	00206157	Independent Non-Executive	5	Yes	4	1
Shri Probir Roy	00033045	Independent Non-Executive	5	Yes	7	3
Shri Ratan Lal Gaggar	00066068	Independent Non-Executive	4	Yes	5	1
Shri Sujit Chakravorti	00066344	Independent Non-Executive	5	Yes	5	4
Shri Arun Singhania@	00160194	Independent Non-Executive	NA	NA	1	-
Smt Suparna Chakrabortti@	07090308	Independent Non-Executive	NA	NA	3	-
Shri Vinay Agarwal#	06431086	Non- Independent Non-Executive	2	No	-	-
Smt Sheela Chitlangia ^	00174354	Non- Independent Non-Executive	5	No	-	-

 # Includes Audit Committee and Stakeholders Relationship Committee in both listed and unlisted public companies

** Appointed w.e.f. May 30, 2022*
@ Appointed w.e.f. May 19, 2023
#Appointed w.e.f. August 09, 2022
^ Resigned w.e.f. May 19, 2023

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 Directors	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	Independent Director
		Manaksia Steels Limited	Independent Director
Shri Probir Roy	6	Industrial and Prudential Investment Co. Ltd.	Independent Director
		Century Plyboards (India) Ltd.	Independent Director
Shri Sujit Chakravorti	5	Deepak Industries Limited	Independent Director
		WEBFIL Limited	Independent Director
Shri Ratan Lal Gaggar	6	Sumedha Fiscal Service Ltd.	Independent Director
		International Combustion (India) Limited	Independent Director
Shri Arun Singhania@	3	Swadeshi Polytex Ltd	Non-Executive Non-Independent Director
Smt Suparna Chakrabortti@	4	Rydak Syndicate Limited	Independent Director
		Dhelakhat Tea Co. Ltd	Independent Director
		La Opala RG Limited	Independent Director
Shri Vinay Agarwal#	1	-	-
Smt Sheela Chitlangia ^	1	-	-

** Appointed w.e.f. May 30, 2022*
@ Appointed w.e.f. May 19, 2023
#Appointed w.e.f. August 09, 2022
^ Resigned w.e.f. May 18, 2023

*** 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, 2023

During the financial year five Board Meetings were held on May 30, 2022, July 13, 2022, August 09, 2022, November 07, 2022 and February 09, 2023.

Information placed before the Board of Directors

As required under the Regulation 17(7) read with Part – A of Schedule-II of 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 www.duroply.in.

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

Smt. Sheela Chitlangia held 2,71,650 Equity Shares of ₹10/- each of the Company as on March 31, 2023

Shri Arun Singhania and Shri Vinay Agarwal hold 19,841 and 15,874 Equity Shares of ₹10/- each of the Company as on March 31, 2023 respectively.

Independent Directors Meeting

During the year, the Independent Directors of the Company met separately on February 09, 2023, 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/Familiarization-Programme-for-the-Financial-Year-2022-2023.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	Shri Akhilesh Chitlangia	Shri Probir Roy	Shri Ratan Lal Gaggar	Shri Sujit Chakravorti	Dr.Kali Kumar Chaudhuri	Smt. Sheela Chitlangia	Shri Vinay Agarwal
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 Executive Directors, 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. To review 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. To review 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. The Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- 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 year ended March 31, 2023

During the year under review, four Audit Committee Meetings were held on May 30, 2022, August 09, 2022, November 07, 2022 and February 09, 2023.

Attendance at the Audit Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Sujit Chakravorti	4	4
Shri Ratan Lal Gaggar	4	3
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 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:

I. 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;

II. Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may use the services of an external agencies, if required, consider candidates from a wide range of backgrounds having due regard to diversity and consider the time commitments of the candidates.

III. Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;

IV. Devising a policy on diversity of the board of directors;

V. 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.

VI. 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.

VII. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Nomination & Remuneration Committee Meeting held during the year ended March 31, 2023

During the year under review, three Nomination & Remuneration Committee Meetings were held on May 30, 2022, August 09, 2022 and February 09, 2023.

Attendance at the Nomination & Remuneration Committee Meeting

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	3	3
Shri Ratan Lal Gaggar	3	3
Shri Sujit Chakravorti	3	3

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

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 transactions 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	72,41,700	-	72,41,700
Shri Akhilesh Chitlangia	48,03,397	-	48,03,397
Smt. Sheela Chitlangia	-	1,00,000	1,00,000
Dr. Kali Kumar Chaudhuri	-	1,07,500	1,07,500
Shri Ratan Lal Gaggar	-	1,37,500	1,37,500
Shri Probir Roy	-	1,40,000	1,40,000
Shri Sujit Chakravorti	-	1,62,500	1,62,500
Shri Vinay Agarwal	-	40,000	40,000

Notes:

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

b) The company pays sitting fees to Independent Directors for attending the Board and Committee meetings. Other than that, Independent Directors have no pecuniary relationships or transactions with the Company.

c) The aggregate annual remuneration to promoter executive directors are duly approved by shareholders in the form of Special Resolution.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition of the Committee

The Stakeholders Relationship Committee has been constituted by the Board in accordance with the section 177(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 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 year ended March 31, 2023

During the year under review, one Stakeholders Relationship Committee Meeting was held on February 09, 2023.

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	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, 2023, the Company has not received any 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. No complaint was received through SCORES, the web based complaint redressal system of SEBI.

INVESTOR COMMITTEE

Composition of the Committee

The Investor Committee has been constituted by the Board to deal with all the activities/terms of reference of Stakeholders Relationship Committee. The Investor Committee consists of Shri Sudeep Chitlangia, Managing Director and Dr. Kali Kumar Chaudhuri, Non-Executive Independent Director and Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

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 year ended March 31, 2023

During the year under review, eight Investor Committee Meetings were held on April 06, 2022, July 07, 2022, October 06, 2022, October 27, 2022, December 15, 2022, February 02, 2023, February 23, 2023 and March 09, 2023.

Attendance at Investor Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	8	8
Shri Sudeep Chitlangia	8	8
Smt. Komal Dhruv*	8	7

** 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 year ended March 31, 2023

During the year under review, two Borrowing Committee Meetings were held on May 02, 2022 and June 08, 2022.

Attendance at Borrowing Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	2	2
Shri Sudeep Chitlangia	2	2
Smt. Sheela Chitlangia	2	2

ALLOTMENT COMMITTEE

Composition of the Committee

The Allotment Committee has been constituted by the Board of Directors on July 13, 2022, to carry out all activities related to preferential issue & allotment of equity shares and / or convertible warrants. The Allotment Committee consists of Shri Sudeep Chitlangia, Managing Director, Dr Kali Kumar Chaudhuri, Independent Director (Chairman of the Committee) and Mrs Komal Dhruv, Company Secretary. During the year under review, the committee members met twice on September 02, 2022 and March 25, 2023.

Attendance at Allotment Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	2	2
Shri Sudeep Chitlangia	2	1
Smt. Komal Dhruv	2	2

Terms of Reference

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

- Issue and Allotment of Equity Shares and/ or Convertible Warrants.
- Co-ordinate with RTA and Depositories for allotment.
- Issue of Share / Warrant Certificate on Allotment.
- To settle any question, difficulty or doubts of the allottees that may arise in regard to the issue and allotment of shares/ warrants.
- Reference to Board of Directors in case of any question, doubts or difficulty in respect of issue, allotment, transfer of shares and any shareholders grievances, if necessary.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition of the Committee

The CSR Committee has been constituted by the Board of Directors on May 19, 2023. It consists of Shri Sudeep Chitlangia, Managing Director and Chairman of the Committee, Shri Akhilesh Chitlangia, Executive Director & COO and Shri Probir Roy, Independent Director. The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

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

- Recommending to the Board the annual action plan and the amount to be spent on CSR activities;
- Reviewing and approving the CSR projects/ programs to be undertaken by the Company either directly or through implementation partners as deemed suitable, during the financial year and specifying modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Company;
- Monitoring the implementation of the CSR policy;
- Monitoring and reporting mechanism for the projects or programmes;
- Reviewing the need for impact assessment, if any, for the projects undertaken by the Company and undertaking the same if needed;
- Reviewing implementation of the action plan; and
- Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as may be entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

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
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
2021-2022	Held through Video Conferencing / Other Audio Visual Means	28.09.2022	AGM	12.00 P.M.	One

Notes:

Special Resolution passed in the previous three Annual General Meetings

The following Special Resolutions were passed at the 65th Annual General Meeting held on September 28, 2022.

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

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.

Extra Ordinary General Meeting

During the financial year 2022-23, one extra ordinary general meeting was held on 8th August, 2022.

The following Special Resolutions were passed at the Extra Ordinary General Meeting held on 8th August, 2022.

- To offer, issue and allot equity shares on Preferential Basis.
- Issuance of warrants convertible into equity shares on preferential basis.
- Appointment of Mr. Akhilesh Chitlangia as a Whole-time Director of the Company and fixing his remuneration.

Postal Ballot

During Financial Year 2022-23, the Company has not passed any Special resolution(s) through the Postal Ballot. Approval, if any required through, Postal Ballot during the Financial Year 2023-24 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 except fine of ₹ 69,620/- levied by BSE Limited vide their e-mail dated 22nd August 2022 under Regulation 6(1) of SEBI (LODR) Regulations, 2015 imposed as per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 and which was subsequently waived off on Company's application for waiver.

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 Secretarial Standards on Board Meeting and General Meeting.

f) The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Directors of any company by SEBI or Ministry of Corporate Affairs or any such statutory authorities. The certificate is annexed separately to this Report.

g) The Company does not have any subsidiary.

h) The Company has complied with all the mandatory requirements of the listing regulations including those specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations and sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

i) 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

j) During the Financial Year 2022-23, the Company has not provided any loans and/or advances to firms/companies in which Directors are interested.

k) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

   The Company has received ₹ 19,40,89,644/- till 31st March, 2023 pursuant to-

   i. Issue and allotment of 1033968 Equity shares

   ii. Issue and allotment of 1191032 Convertible Warrants

   iii. Conversion of 278224 Warrants into Equity Shares

   ₹ 16.71 crores has been utilised for the objective for which the preferential issue was approved by the members on 8th August, 2022 i.e to meet the funding requirements of its business activities, strengthen balance sheet, maintain adequate liquidity, pursue growth opportunities and/or for general corporate purposes. Funds unutilized as on March 31, 2023 is ₹ 2.70 Crores.

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) Presentations on the quarterly / annual financial results are filed with the stock exchange and are also displayed on the Company's website at www.duroply.in

e) Media Releases are sent to Stock Exchange, as applicable under Regulation 30 of SEBI(LODR), and are also displayed on the Company's website www.duroply.in

Fee to Statutory Auditor

Total fees (excluding reimbursement of expenses) for all services paid by the Company to Statutory Auditor was ₹ 5.25 lakhs.

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. He is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

SHAREHOLDER INFORMATION

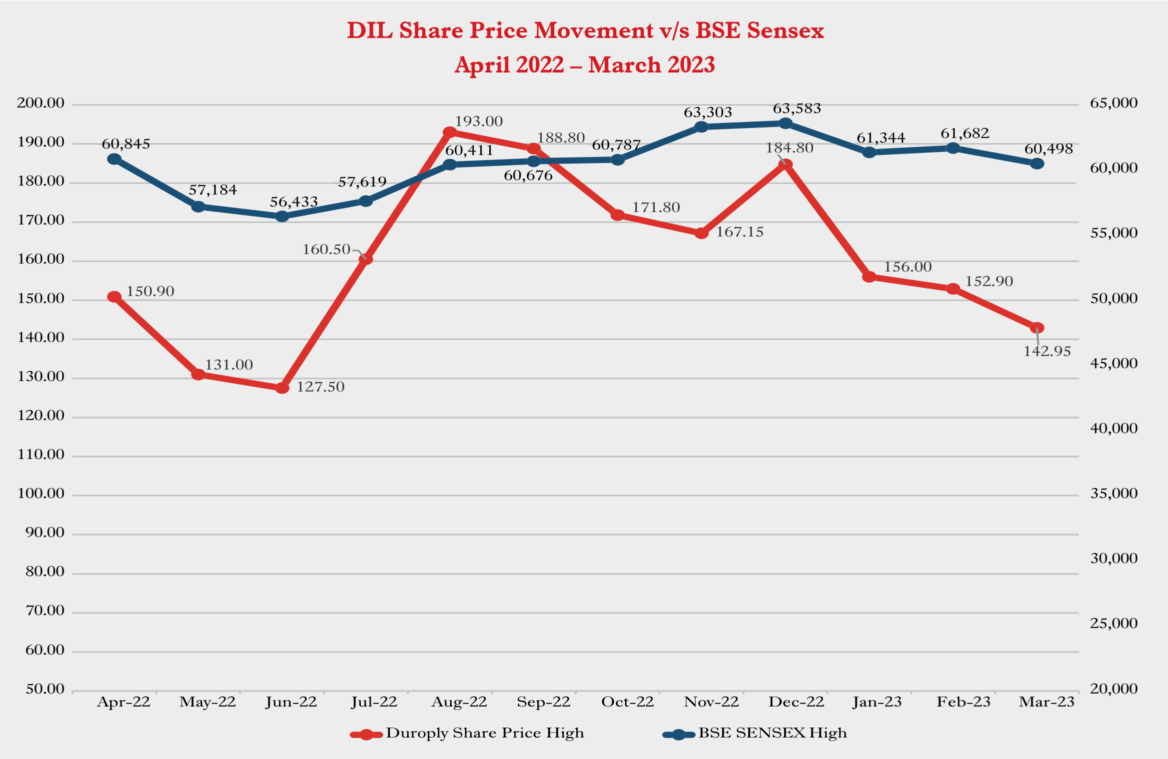
General Information

I.	Annual General Meeting	As per the Annual General Meeting Notice
	• Date and time	
	• Venue	
II.	Financial Calendar for the year 2023-2024	
	Particulars of Quarter	Tentative Dates
	Results for the first quarter	On or before second week of August
	Results for the second quarter	On or before second week of November
	Results for the third quarter	On or before second week of February
	Annual Audited Results	On or before last week of May
III.	Book Closure Date	As provided in Annual General Meeting Notice
IV.	Dividend Payment Date	Not Applicable
V.	Listing on Stock Exchange	BSE Limited Corporate Relationship Department Rotunda Building, 1st Floor, New Trading Wing, P.J. Towers, Dalal Street, Mumbai-400 001
VI.	Scrip Code	516003

VII. Market Price Data

Month	Stock Prices on BSE		BSE SENSEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	150.90	89.85	60845.10	56009.07
May 2022	131.00	98.85	57184.21	52632.48
June 2022	127.50	93.25	56432.65	50921.22
July 2022	160.50	112.05	57619.27	52094.25
August 2022	193.00	151.00	60411.20	57367.47
September 2022	188.80	155.10	60676.12	56147.23
October 2022	171.80	151.05	60786.70	56683.40
November 2022	167.15	141.60	63303.01	60425.47
December 2022	184.80	132.30	63583.07	59754.10
January 2023	156.00	136.00	61343.96	58699.20
February 2023	152.90	124.10	61682.25	58795.97
March 2023	142.95	101.00	60498.48	57084.91

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



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, 2023

No. of shares of ₹10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6419	93.7765	734415	9.4484
501-1000	192	2.8050	148068	1.9049
1001-2000	89	1.3002	132699	1.7072
2001-3000	26	0.3798	63572	0.8179
3001-4000	16	0.2337	57022	0.7336
4001-5000	18	0.2630	85089	1.0947
5001-10000	27	0.3944	205071	2.6383
10001 & above	58	0.8473	6346998	81.6551
TOTAL	**6845**	**100.0000**	**7772934**	**100.0000**

XI. Categories of Shareholding as on March 31, 2023

Category of Shareholders	No. of Shares held	Percentage
Indian Promoters	4513262	58.06
Banks and Mutual Funds	10800	0.14
Body Corporates	482657	6.21
Individuals/HUF	2719045	34.99
Clearing Members	106	0.001
Non- Resident Indian	46864	0.60
Unclaimed Shares Account	200	0.00
Total	**7772934**	**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, 2023, 91.21% of the Share Capital has been dematerialised.

XIII. Outstanding GDR/ADR/Warrants :

The company has allotted 11,91,032 convertible warrants on 2nd September, 2022. The warrant holders has the option of applying for and being alloted equity shares of the company at a face value of ₹ 10/- each within 18 months from the date of allotment of the warrants. Accordingly three warrant holders exercised the option of conversion of their holdings and out of the said 11,91,032 warrants, 2,78,224 warrants were converted in 2,78,224 equity shares on 25th March, 2023, which increased the paid up share capital of the company from ₹ 7,49,47,100 to ₹ 7,77,29,340.

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
E-mail: komal.desai@duroply.com

XVI. E-mail id for investor grievances:

investors@duroply.com

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

Date: May 19, 2023
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
9, Parsee Church Street
Kolkata – 700001
West Bengal

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Probir Roy	00033045	09.05.2011
2.	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
7.	Akhilesh Chitlangia	03120474	30.05.2022
8.	Vinay Agarwal	06431086	09.08.2022

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 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 : 19/05/2023

Signature :

Name : CS Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238
PRCN : 1038/2020
UIN : S1999WB026800
UDIN : F004848E000376065

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, 2023.

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Date: May 19, 2023
Place: Kolkata

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, 2023, 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, 2023.

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, 2023.

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: - 23301571BGSYAW261

Date: May 19, 2023
Place: Kolkata

Annexure-6

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

To,
The Members of
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, 2023 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 state that to the best of our knowledge and belief, there are no transactions entered into by company during the financial year ended March 31, 2023, 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 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.

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.

For Duroply Industries Limited

(SUDEEP CHITLANGIA)
Managing Director
(DIN:00093908)

(PAWAN KUMAR VERMA)
Chief Financial Officer

Date: May 19, 2023
Place: Kolkata

Annexure-7

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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 – 700001

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 31.03.2023, 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 statues 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 31.03.2023 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) During the audit period, the Company has effected the following activities/events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

i. Appointment of Mr. Akhilesh Chitlangia as an Executive Director;

ii. Issuance and allotment of 11,91,032 warrants, each carrying a right to subscribe to 1 equity shares of the Company at an issue price of ₹ 126/- on a preferential allotment basis;

iii. Issuance and allotment of 10,33,968 fully paid up equity shares of the Company having a face value of ₹ 10/- each at a price of ₹126/- per equity share for a consideration not exceeding an aggregate amount of ₹13,02,79,968/- by way of preferential issue on private placement basis;

iv. Appointment of Shri Vinay Agarwal as a Non-Executive Director

v. Allotment of 2,78,224 equity shares of face value of ₹ 10/- each fully paid up, pursuant to part conversion of 2,78,224 warrants out of total 11,91,032 warrants

(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
PR: 1421/2021
UDIN: A011247F000333514

Place: Kolkata
Date: 19th May, 2023

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

- Optimization of Drying cycle to improve quality and power consumption.
- Periodic check of the electric distribution network for safe and efficient performance.
- Installations of Clear Roofing sheet for maximum use of Natural Light and reduced dependency on LED lighting.
- Educating employees about how to save energy at work and at home. Factory Lighting and equipment are fully shutoff during Lunch Break and Tea Break to save energy.
- Installed and commissioned a 20 K-Cal Boiler in factory to achieve higher efficiency against old 2 x 10 K-Cal Boiler.
- The Company initiated a comprehensive Energy Audit for better utilization of Energy and plan to implement the suggestions in the best possible way.

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.
- Company installed automated Wide Belt Sanding line to achieve higher efficiency and lesser defect due to Handling.
- Company has installed a new peeling machine to achieve lesser handling loss of Veneer and using of Timber more efficiently.

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: (Rupees in Lakhs)

(i) Foreign Exchange earnings	NIL
(ii) Foreign exchange outgo (imports and other expenditure in foreign currency)	1745.38

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

Date: May 19, 2023
Place: Kolkata

For and on behalf of the Board

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 2023, 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, 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, 2023, the profit and total comprehensive income, 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.

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
1.	**Allowance for Credit Losses** The company determines the allowance for credit losses based on historical loss experience adjusted to reflect the current and future economic conditions. 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. We identified allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses. Refer Notes 10 to the financial statements.	**Principal Audit Procedures** Our audit procedures related to the allowance for credit losses for trade receivables included the following, among others: We tested the effectiveness of controls over the 1. Development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions. 2. Completeness and accuracy of information used in the estimation of probability of default and 3. computation of the allowance for credit losses. For a sample of customers: 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.

S. No	Key Audit Matter	Auditor's Response
2.	**Conversion of Share Warrants and issue of Equity Share on preferential basis** During the financial year 2022-2023, the Company has issued convertible Share warrant 11,91,032 on preferential basis at ₹ 126 each, out of which 2,78,224 share warrant has been converted into equity share during FY 2022-23 and the balance 9,12,808 share warrant is pending for conversion. Consideration received towards these warrants which are pending for conversion (25% of Issue price of ₹ 126/-) was depicted in 'Other Equity' which subsequently was utilized for conversion into equity. Further the company has also issued 10,33,968 equity share on preferential basis during the year at a price of ₹ 126/-. As the conversion of Share warrants and issue of equity share by the company during the financial year 2022-2023, has the effect of enhancing the Equity of the Company the same is considered to be a key audit matter Refer Notes 17 and 18 to the Financial Statements.	**Principal Audit Procedures** Our audit procedure includes gaining an understanding of the process of issue of share warrants followed by the company, to include amongst others: 1. Authorization by the Memorandum and Articles of Association of the Company;' 2. Passing of resolution in a validly convened and constituted Board meeting of the company. 3. Passing of resolution in a validly convened and constituted general meeting of the company and necessary regulatory filing done by the Company. Obtaining permission from the NSE/BSE Ltd. under SEBI (Listing obligations and Disclosure requirements) Regulations, 2015. 4. We assessed the adequacy of disclosures in the financial statements. 5. We checked that allotment money are received in full and in a separate bank account. Also, checked that funds are flowing from the bank account of allottee only.

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 Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Standalone 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 statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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, other than as referred to Note No. 39(11) to the Financial Statement, 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, other than as referred to Note No. 39(11) to the Financial Statement, 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

   v. The company has not declared divided in the previous year and nor during the current year ended March 31, 2023, therefore the company is not required to comply with section 123 of Companies Act, 2013.

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No. - 306033E/E300272

CA VIVEK AGARWAL
Partner
Membership No - 301571
UDIN: 23301571BGSYAV4133

Place: Kolkata
Date: May 19, 2023

Annexure -A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Duroply Industries Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets

   (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

   (B) The Company has maintained proper records showing full particulars of Intangible Assets.

   (b) All Property, Plant and Equipment (including right- of-use assets) have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held 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) According to information and explanations given to us and on the basis of our examination of the records of the Company no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies were not noticed in respect of such confirmations. No discrepancies of 10% or more in aggregate for each class of inventory were noticed by the Company.

   (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions 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. (a) According to information and explanations given to us and the records examined by us, the company has not provided loans, advances in the nature of loan, stood guarantee or provided security to any company, firms, Limited Liability Partnerships and other parties, during the year.

   (b) According to information and explanations given to us, the Company has not made any investments, provided security, guarantees and granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year.

   (c) According to information and explanations given to us and the records examined by us 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 have generally been regular as per stipulation.

   (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

   (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

   (f) The Company has not granted loans or advance in the nature of loan which is repayable on demand without specifying any terms during the year.

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. According to information and explanations given to us and the records examined by us, the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, are not applicable to the company, accordingly reporting under clause 3(vi) of the Order is not applicable.

vii. In respect of statutory dues:

(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.

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, 2023 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us statutory dues which has not been deposited on account of any dispute 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	1985-86	Income tax Appellate Tribunal
Income Tax Act,1961	Income Tax	5827.57	2018-19	Calcutta High Court
Central Excise Act,1944	Excise duty	1198.78	April, 2010 to December, 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 issued equity shares and convertible shares warrant on preferential basis and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

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) According to the information and explanation given to us no whistle blower complaints received by the Company during the year (and up to the date of this report), hence reporting under clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(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 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 not incurred cash losses during the financial year covered by our audit, however in the immediately preceding financial year company had incurred cash losses.

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 applicable to the company. However, the company incurred losses in previous years therefore no amount is required to be spend under section 135 of Companies Act, 2013.

a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) In respect of ongoing projects, the Company has no such ongoing project as part of their CSR activity, hence reporting under clause 3(xx)(b) of this Order is not applicable.

For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No. - 306033E/E300272

CA VIVEK AGARWAL
Partner
Membership No - 301571
UDIN: 23301571BGSYAV4133

Place: Kolkata
Date: May 19, 2023

Annexure -B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Duroply Industries Limited of even date)

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 2023 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 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S K Agrawal and Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No. - 306033E/E300272

CA VIVEK AGARWAL
Partner
Membership No - 301571
UDIN: 23301571BGSYAV4133

Place: Kolkata
Date: May 19, 2023

Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
I. ASSETS					
(1) Non - Current Assets					
(a) Property, plant and equipment	3	10,142.12		10,198.96	
(b) Capital Work-in-Progress	3	23.03		6.60	
(c) Other Intangible assets	4	60.84		50.74	
(d) Financial Assets					
Investments	5	1.48		1.56	
Loans	6	651.76		651.76	
Other Financial Assets	7	43.76		116.89	
(e) Other Non - Current Assets	8	56.48	10,979.47	8.78	11,035.29
(2) Current assets					
(a) Inventories	9	7,190.90		6,381.19	
(b) Financial Assets					
Trade receivables	10	2,863.79		2,003.15	
Cash and Cash Equivalents	11	9.42		43.75	
Other Bank Balances	12	333.62		310.08	
Other Financial Assets	13	67.21		66.47	
Others	14	86.35		55.42	
(c) Current Tax Assets (Net)	15	48.96		37.11	
(d) Other current assets	16	877.75	11,478.00	547.04	9,444.21
TOTAL			**22,457.47**		**20,479.50**
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity Share capital	17	777.58		646.36	
(b) Other Equity	18	8,064.39	8,841.97	5,745.40	6,391.76
(2) Non - current liabilities					
(a) Financial Liabilities					
Borrowings	19	579.48		911.21	
Lease Liabilities	20	329.91		466.39	
(b) Provisions	21	517.20		416.60	
(c) Deferred Tax Liabilities (Net)	22	839.19		569.98	
(d) Other Non - Current Liabilities	23	56.13	2,321.91	66.98	2,431.16
(3) Current liabilities					
(a) Financial Liabilities					
Borrowings	24	3,566.13		4,404.00	
Lease Liabilities	25	166.34		139.14	
Trade payables	26				
Total Outstanding dues of Mirco Enterprises and Small Enterprises		-		-	
Total Outstanding dues of Creditors other than Mirco Enterprises and Small Enterprises		6,390.17		5,708.16	
Other Financial Liabilities	27	966.39		997.04	
(b) Other current liabilities	28	197.94		403.14	
(c) Provisions	29	6.62	11,293.59	5.10	11,656.58
TOTAL			**22,457.47**		**20,479.50**
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. On behalf of the Board

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

PAWAN KUMAR VERMA
Chief Financial Officer

SUDEEP CHITLANGIA
Managing Director
DIN: 00093908

CA VIVEK AGARWAL
(Membership No. 301571)
Partner

KOMAL DHRUV
Company Secretary

SUJIT CHAKRAVORTI
Director
DIN: 00066344

Place of Signature: Kolkata
Date : 19th May 2023

Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I. Revenue from operations			
Sale of goods	30	30,233.86	19,083.00
Other operating Income	31	12.29	5.54
Total Revenue from Operations		**30,246.15**	**19,088.54**
II. Other income	32	203.85	218.52
III. Total Income (I+II)		**30,450.00**	**19,307.06**
IV. Expenses:			
Cost of materials consumed	33	12,551.48	9,403.66
Purchases of stock-in-trade	34	7,592.26	2,750.19
Changes in inventories of finished goods, work -in-progress and stock-in-trade	35	(543.66)	(231.20)
Employee benefits expense	36	2,864.51	2,590.98
Finance costs	37	666.22	848.08
Depreciation and amortization expense	3 & 4	337.71	282.47
Other expenses	38	6,189.69	4,114.86
Total Expenses		**29,658.21**	**19,759.04**
V. Profit/(Loss) before exceptional items and tax (III - IV)		**791.79**	**(451.98)**
VI. Exceptional items (Refer Note No. 39(14))		-	-
VII. Profit/(Loss) before tax (V-VI)		**791.79**	**(451.98)**
VIII. Tax expense :			
Current tax		-	0.12
Deferred tax		269.22	178.87
IX. Profit/(Loss) for the year (VII - VIII)		**522.57**	**(630.97)**
X. Other Comprehensive Income			
i) Items that will not be reclassified to Profit and Loss			
- Remeasurement of Defined Benefit Liabilities		13.26	(9.54)
XI. Total Comprehensive Income for the year (IX+X)		**509.31**	**(621.43)**
Earnings per equity share of ₹ 10/- each			
Basic		7.40	(9.77)
Diluted		7.39	(9.77)
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. On behalf of the Board

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

PAWAN KUMAR VERMA
Chief Financial Officer

SUDEEP CHITLANGIA
Managing Director
DIN: 00093908

CA VIVEK AGARWAL
(Membership No. 301571)
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KOMAL DHRUV
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Director
DIN: 00066344

Place of Signature: Kolkata
Date : 19th May 2023

Statement of Changes in Equity for the year ended 31st March, 2023

A) Equity Share Capital

1. Current Reporting Period

Particulars	Balance as the beginning of current reporting period		Changes in Equity Share Capital During the year		Balance as the end of current reporting period	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity Shares of ₹ 10 each subscribed and fully paid	64,60,742	646.08	13,12,192	131.22	77,72,934	777.30

2. Previous Reporting Period

Particulars	Balance as the beginning of current reporting period		Changes in Equity Share Capital During the year		Balance as the end of current reporting period	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity Shares of ₹ 10 each subscribed and fully paid	64,60,742	646.08	-	-	64,60,742	646.08

B) Other Equity

1. Current Reporting Period

(₹ in Lakhs)

Particulars	Reserves and Surplus				Money Received against Share Warrant	Total
	Securities Premium	General Reserve	Retained Earning	Remeasurment of the net Defined Benefit Plans		
Opening as at 1st April 2022	754.15	1,216.84	3,774.41	-	-	5,745.40
Profit for the year	-	-	522.57	-	-	522.57
Received during the year	1,522.14				287.54	1,809.68
Other Comprehensive Income for the year	-	-	-	(13.26)	-	(13.26)
Transfer to Retained Earning	-	-	(13.26)	13.26	-	-
Balance as at 31st March 2023	**2,276.29**	**1,216.84**	**4,283.72**	-	**287.54**	**8,064.39**

2. Previous Reporting Period

(₹ in Lakhs)

Particulars	Reserves and Surplus				Money Received against Share Warrant	Total
	Securities Premium	General Reserve	Retained Earning	Remeasurment of the net Defined Benefit Plans		
Opening as at 1st April 2021	754.15	1,216.84	4,646.50	(250.66)	-	6,366.83
Profit for the year	-	-	(630.97)	-	-	(630.97)
Received during the year	-	-	-	-	-	-
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)

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SUJIT CHAKRAVORTI
Director
DIN: 00066344

Place of Signature: Kolkata
Date : 19th May 2023

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A.	**Cash Flow from Operating Activities**		
	Net Profit/(Loss) before tax	**791.79**	**(451.98)**
	Adjustments for:		
	Depreciation and Amortisation expenses	337.71	282.47
	Provision for fair value of Investments	0.08	0.08
	Unspent Liabilities Written Back	(4.11)	(3.24)
	Government Grant	(10.85)	(10.85)
	Loss/(Profit) on Sale of Property, Plant and Equipment	(31.45)	13.06
	Loss/(Profit) on Sale of Investments	-	(0.45)
	Interest Income	(58.79)	(94.66)
	Finance Costs	666.22	848.08
	Dividend Income	-	(0.61)
	Operating Profit/(Loss) before Working Capital Changes	**1,690.60**	**581.90**
	Decrease/(Increase) in Non Current Financial Assets - Loan	-	466.22
	Decrease/(Increase) in Non Current Other Financial Assets	73.13	18.23
	Decrease/(Increase) in Other Current Financial Assets	(0.74)	(19.80)
	Decrease/(Increase) in Other Non Current Assets	(47.70)	4.68
	Decrease/(Increase) in Other Current Assets	(330.71)	773.83
	Decrease/(Increase) in Inventories	(809.71)	(175.67)
	Decrease/(Increase) in Trade Receivables	(860.64)	(190.00)
	Increase/(Decrease) in Long Term Provisions	90.21	75.66
	Increase/(Decrease) in Short Term Provisions	1.51	(1.00)
	Increase/(Decrease) in Other Financial Liabilities	(24.86)	456.01
	Increase/(Decrease) in Other Current Liabilities	(205.20)	44.67
	Increase/(Decrease) in Trade Payables	682.01	378.47
	Cash generated from Operating activities	**257.90**	**2,413.20**
	Direct Taxes Paid (Net of Refund)	(11.85)	(22.97)
	Net Cash Flow from/(used in) Operating Activities	**246.05**	**2,390.23**
B.	**Cash Flow from Investing Activities**		
	Additions to Property, Plant and Equipment	(258.28)	(248.17)
	Additions to Intangible Fixed Assets	(23.67)	(29.96)
	Addition to Fixed Deposits	(23.54)	(11.54)
	Sale of Property, Plant and Equipment	40.29	9.91
	Sale of Long Term Investments	-	15.85
	Interest Income	27.86	86.90
	Dividend Income	-	0.61
	Net Cash flow from/(used in) Investing activities	**(237.34)**	**(176.40)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Equity Shares	1,653.36	-
	Proceeds from Convertible Warrants	287.54	-
	Proceeds from Working Capital Loan	(200.39)	(1,266.34)
	Proceeds from Other Short Term Borrowings	(662.00)	334.00
	Proceeds from Term Loan	(307.20)	(276.45)
	Principal Paid on Lease Liabilities	(142.34)	(139.56)
	Interest Paid on Lease Liabilities	(80.53)	(43.45)
	Interest Paid other than on Lease Liabilites	(486.24)	(722.43)
	Other Borrowing Costs	(105.24)	(83.26)
	Net Cash Flow from/(Used in) Financing Activities	**(43.04)**	**(2,197.48)**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(34.33)**	**16.34**
	Opening Cash and Cash Equivalents	43.75	27.41
	Closing Cash and Cash Equivalents as per Note No. 11	9.42	43.75

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Components of Cash and Cash Equivalents as per Note No. 11		
Balances with banks in Current Account	1.91	31.48
Cheques, drafts on hand	4.02	8.52
Cash on hand	3.49	3.75
Total	**9.42**	**43.75**

Note:

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

(₹ in Lakhs)

Particulars	As at 1st April 2022	Net Cash flows	Change in fair values/ Accruals	Unsecured Perpetual Securities	Others	As at 31st March 2023
Non Current Borrowings	1,262.82	(307.20)	-	-	-	955.62
Current Borrowings	4,052.39	(862.39)	-	-	-	3,190.00
Interest Accrued	11.70	(5.79)	-	-	-	5.91

(₹ in Lakhs)

Particulars	As at 1st April 2021	Net Cash flows	Change in fair values/ Accruals	Unsecured Perpetual Securities	Others	As at 31sr 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

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)

PAWAN KUMAR VERMA
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Partner

KOMAL DHRUV
Company Secretary

SUJIT CHAKRAVORTI
Director
DIN: 00066344

Place of Signature: Kolkata
Date : 19th May 2023

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.

Notes to accounts

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

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

d. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

e. Use of estimates and critical accounting judgements

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

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

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

f. Property, plant and equipment

Recognition and initial measurement

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

Notes to accounts

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

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

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

For transition to Ind AS, the Company has elected to continue with carrying value of all its property, plant and equipment (except free hold land which is recognised at fair value) recognised as at 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

Notes to accounts

Freehold land is not depreciated.

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

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

i. Impairment of non-financial assets

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

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

j. Leases

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

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

The Company as lessee

(i) **Operating lease –** Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

(ii) **Finance lease –** Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

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

The Company as lessor

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

Notes to accounts

k. Financial Instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost

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

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

Notes to accounts

future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

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

Derecognition of financial assets

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

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

Derivative financial instruments

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

l. 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.

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:

i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

iii. Stores and spares & Chemicals: Cost is determined on FIFO/weighted average basis.

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

n. Provisions, Contingent liabilities and Contingent assets

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

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

Notes to accounts

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

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

o. Government grants

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

p. Income taxes

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

Current tax

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

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

Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax asset shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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.

Notes to accounts

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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract

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.

Notes to accounts

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

u. Trade receivables

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

v. Cash and cash equivalents

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

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

w. Trade and other payables

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

x. 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 2023, except for the adoption of new standard effective from 1st April 2023. 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") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules,2023, as below:

Ind AS 1- Presentation of Financial Statements- This amendment requires the Company to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on are after April 1, 2023.The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors- This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help Company distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12- Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

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 01.04.2022 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2023	Upto 31.03.2022	For the Year	Sales/ Adjustment	Upto 31.03.2023	As at 31.03.2023
Freehold Land	8,313.51	-	-	8,313.51	-	-	-	-	8,313.51
Buildings	515.99	24.67	-	540.66	102.00	17.24	-	119.24	421.42
Right to Use - Building	932.15	42.69	8.39	966.45	365.17	167.56	-	532.73	433.72
Plant and Equipments	1,116.01	103.38	0.07	1,219.32	365.92	96.54	0.04	462.42	756.90
Motor Vehicles	144.38	93.28	39.84	197.82	76.94	21.95	31.19	67.70	130.12
Furniture and Fixtures	108.82	0.26	0.23	108.85	56.33	7.85	0.21	63.97	44.88
Office Equipments & Computer	113.29	20.26	0.47	133.08	78.83	13.00	0.32	91.51	41.57
Sub - total	**11,244.15**	**284.54**	**49.00**	**11,479.69**	**1,045.19**	**324.14**	**31.76**	**1,337.57**	**10,142.12**
Capital Work in Progress	6.60	23.03	6.60	23.03	-	-	-	-	23.03
TOTAL	**11,250.75**	**307.57**	**55.60**	**11,502.72**	**1,045.19**	**324.14**	**31.76**	**1,337.57**	**10,165.15**

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

(₹ in Lakhs)

As at 31st March 2023	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	23.03	-	-	-	23.03
Total Capital work-in-progress	**23.03**	-	-	-	**23.03**

(₹ in Lakhs)

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**

Property, Plant and Equipment - Previous Year

(₹ 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**

Notes to accounts

Note No : 4 -
Other Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2022 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2023	Upto 31.03.2022	For the Year	Sales/ Adjustment	Upto 31.03.2023	As at 31.03.2023
Computer Softwares (Acquired)	109.02	23.67	-	132.69	58.28	13.57	-	71.85	60.84
TOTAL	**109.02**	**23.67**	**-**	**132.69**	**58.28**	**13.57**	**-**	**71.85**	**60.84**

Intangible Assets - Previous Year

(₹ 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	-	-	-		-	-	-	-	-
Sub - total	**79.06**	**29.96**	**-**	**109.02**	**48.61**	**9.67**	**-**	**58.28**	**50.74**

Note No : 5 - Non-current investments

(₹ in Lakhs)

Particulars	Face value (₹)	As at 31st March, 2023		As at 31st March, 2022	
		Number of shares	Amount	Number of shares	Amount
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	1.35	3,500	1.43
United Credit Ltd.	10	1,000	0.13	1,000	0.13
			1.48		**1.56**
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	-
			-		-
			1.48		**1.56**
Aggregate amount of quoted investments			10.43		10.43
Aggregate amount of unquoted investments			1.13		1.13
Aggregate market value of quoted investments			1.48		1.56
Aggregate amount of impairment in value of Investments			10.08		10.00
Besides above, the Company holds following shares in relation to the shares already sold by it:					
a) Rampur Fertilizers Ltd.		16		16	

Notes to accounts

Note No : 6 - Loans (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loan to Others	651.76	651.76
	651.76	**651.76**

Note No : 7 - Other Financial Assets (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits	43.76	116.89
	43.76	**116.89**

Note No : 8 - Other Non - Current Assets (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances	51.46	4.29
Prepaid Expenses	5.02	4.49
	56.48	**8.78**

Note No : 9 - Inventories (At lower of cost and net realizable value, unless stated otherwise)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials	3,192.62	2,890.97
Raw Materials in Transit	185.19	137.70
Work-in-Progress	1,190.88	926.64
Finished Goods	1,799.45	1,695.35
Finished Goods in Transit	24.06	10.98
Stock in Trade	592.11	430.03
Stock in Trade in Transit	0.16	-
Stores & Spares and Chemicals	206.06	256.39
Stores & Spares and Chemicals in Transit	0.37	33.13
	7,190.90	**6,381.19**

Note No : 10 - Trade receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables considered good - Unsecured*	2,863.79	2,003.15
Trade receivables - Credit Impaired	169.90	101.57
Less:- Provision for Expected credit loss	169.90	101.57
	2,863.79	**2,003.15**

* includes ₹ 84.24 Lakhs/- (Previous year ₹ 87.74 Lakhs) under litigation.

Notes to accounts

Note No : 11 - Cash and bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Cash and cash equivalents				
Balances with banks	1.91		31.48	
Cheques, drafts on hand	4.02		8.52	
Cash on hand	3.49	9.42	3.75	43.75
		9.42		**43.75**

Note No : 12 - Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed deposits with banks*	333.62	310.08
(Original maturity period above 3 Months but below 12 months)		
	333.62	**310.08**

* includes ₹ 325.22 Lakhs/- (Previous year ₹ 302.09 Lakhs) towards margin money for letter of credit

Note No : 13 - Other Financial Assets (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits	67.21	66.47
	67.21	**66.47**

Note No : 14 - Others

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued	86.35	55.42
	86.35	**55.42**

Note No : 15 - Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance tax (net)	48.96	37.11
	48.96	**37.11**

Note No : 16 - Other Current Assets (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to suppliers and others	798.76	452.21
Slump Sale Receivable	12.63	27.62
Balance with Statutory Authorities	11.87	12.89
Prepaid expenses	54.49	54.32
	877.75	**547.04**

Notes to accounts

Note No : 17 - Equity Share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount ₹ in lakhs	No. of shares	Amount ₹ in lakhs
(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	79,52,859	795.30	66,40,667	664.08
	79,52,859	**795.30**	**66,40,667**	**664.08**
(c) Subscribed and Paid up:				
Equity shares of ₹ 10/- each fully paid up	77,72,934	777.30	64,60,742	646.08
Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	5,625	0.28	5,625	0.28
		777.58		**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
Issued During the year	13,12,192	131.22	-	-
At the end of the year	**77,72,934**	**777.30**	**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.

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

i. Pursuant to the scheme of amalgamation, 1942857 shares were issued for consideration other than cash on 6th October 2018.

ii. No bonus shares were issued

iii. No shares were bought back

(h) Issue of Equity Shares and Warrants through Preferential allotment: -

During the quarter ended 30th September 2022, the company made following preferential allotment on 2nd September 2022

a. 10,33,968 equity shares, having face value of ₹ 10/- each, at a price of ₹ 126 per Equity Share at a premium of ₹ 116 per Equity Share aggregating to ₹ 1302.80 Lakhs.

b. 11,91,032 warrants, each carrying a right to subscribe to 1 (One) Equity Share of ₹ 10 each at an issue price of ₹ 126 per warrant aggregating to ₹ 1500.70 Lakhs, upon receipt of 25% of issue price (i.e. ₹ 31.50 per warrant) as warrant subscription money. Balance 75% of the issue price (i,e ₹ 94.50 per warrant) shall be payable at any time within 18 months in one or more tranches from the date of allotment of the warrants i,e 2nd September 2022. The amount received against warrants shall be adjusted/ set off against the issue price for the resultant equity share.

c. The company on 2nd September 2022 received a total amount aggregating to ₹ 1677.97 Lakhs, which includes Equity Shares subscription of amounting to ₹ 1302.80 Lakhs and 25% of the warrant subscription money amounting to ₹ 375.18 Lakhs.

The company on 24th March 2023 received ₹ 262.92 Lakhs towards balance 75% on 2,78,224 warrant and on 25th March 2023, 2,78,224 warrants were converted in Equity Shares having face value of ₹ 10/- each.

Notes to accounts

Note No : 17 - Equity Share capital *(contd...)*

(i) The proceeds of the issue has been utilized to augment the long-term resources of the Company for meeting funding requirements of its business activities, strengthen balance sheet, maintain adequate liquidity, pursue growth opportunities and general corporate and other purposes.

(j) There are 912808 (Previous year NIL) securities convertible into Equity / Preference Shares.

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

(l) 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

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

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
i) Sudeep Chitlangia	365668	4.70	365668	5.66
ii) Aashray Enterprises (P) Ltd.	723657	9.31	723657	11.20
iii) Archana Chitlangia	602479	7.75	602479	9.33
iv) Poushali Sales (P) Ltd.	594228	7.64	594228	9.20
TOTAL	**2286032**	**29.40**	**2286032**	**35.39**

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

Promoters Name	As at 31st March, 2023			As at 31st March, 2022		
	No. of shares	% of Total Shares	% Change during the year	No. of shares	% of Total Shares	% Change during the year
Sheela Chitlangia	271650	3.49%	-0.71%	271650	4.20%	-
Jaydeep Chitlangia (HUF)	65604	0.84%	-0.17%	65604	1.02%	-
Archana Chitlangia	602479	7.75%	-1.57%	602479	9.33%	-
Akhilesh Chitlangia	169628	2.18%	-0.44%	169628	2.63%	-
Abhishek Chitlangia	176428	2.27%	-0.46%	176428	2.73%	-
Sudeep Chitlangia	365668	4.70%	-0.96%	365668	5.66%	-
Sudeep Chitlangia (HUF)	90786	1.17%	-0.24%	90786	1.41%	-
Sunita Chitlangia	385123	4.95%	2.14%	181921	2.82%	-
Shreya Kanoria	164628	2.12%	-0.43%	164628	2.55%	-
Nikhilesh Chitlangia	210314	2.71%	-0.55%	210314	3.26%	-
Purushottam Das Chitlangia (HUF)	90175	1.16%	-0.24%	90175	1.40%	-
Chitlangia Medical Society	72200	0.93%	-0.19%	72200	1.12%	-
Chitperi Farm Pvt. Ltd.	49694	0.64%	0.30%	21942	0.34%	-
Abhinandan Fintex Pvt. Ltd.	275000	3.54%	-0.72%	275000	4.26%	-
Aashray Enterprises Pvt. Ltd.	723657	9.31%	-1.89%	723657	11.20%	-
Poushali Sales Pvt. Ltd.	594228	7.64%	-1.55%	594228	9.20%	-
Calcutta Technicians & Advisers Pvt. Ltd.	206000	2.65%	2.65%	-	-	

Notes to accounts

Note No : 18 - Other Equity (₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
(a) Securities premium				
Balance as per last account	754.15			754.15
Add: Received during the year	1,522.14			
		2,276.29		
(b) General reserve *				
Balance as per last account		1,216.84		1,216.84
(c) Money received against Share Warrant		287.54		-
(d) Retained Earning				
Balance as per last account	3,774.41		4,646.50	
Add: Transfer from Other Comprehensive Income	(13.26)		(241.12)	
Add : Profit / (Loss) for the Year	522.57	4,283.72	(630.97)	3,774.41
(e) Other Comprehensive Income (OCI)				
As per last Balance Sheet	-		(250.66)	
Add: Movement in OCI(Net) during the year	(13.26)		9.54	
Less: Transferred to Retained Earning	13.26	-	241.12	-
		8,064.39		**5,745.40**

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

Note No : 19 - Borrowings (₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Term Loans		
Secured		
From banks	955.62	1,257.66
From entities other than banks	-	5.16
	955.62	1,262.82
Less :- Current Maturities Long term Debt	376.14	351.61
	579.48	**911.21**

Notes to accounts

Note No : 19 - Borrowings *(contd...)*

(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 31/03/2023	Amount of instalment ₹
	Non-Current ₹ in lakhs	Current ₹ in lakhs			
Secured Loans from Banks**	202.59 (279.45)	68.14 (67.94)	4Yrs	48	573686
	137.49 (188.21)	44.96 (44.84)	4Yrs 1Month	49	378695
	20.91 (77.50)	51.67 (51.66)	2Yrs 6Months	17	430560
Secured Loans from Banks**	26.04 (104.06)	78.10 (78.10)	2Yrs 4Months	16	650875
	- (-)	- (13.21)	-	-	-
	125.83 (150.91)	25.17 (-)	3Yrs	36	419444
	- (-)	- (5.55)	-	-	-
	27.20 (111.08)	83.33 (83.33)	1Yr 4Months	16	694445
Secured Loans from entities other than Banks**	- (-)	- (5.16)	-	-	-
Secured Loans from Banks	- (-)	- (1.51)	-	-	-
	11.84 (-)	7.68 (-)	2Yrs 5Months	29	73380*
	8.21 (-)	5.33 (-)	2Yrs 5Months	29	50871*
	9.59 (-)	5.82 (-)	2Yrs 6Months	30	56493*
	9.78 (-)	5.94 (-)	2Yrs 6Months	30	57264*
	- (-)	- (1.82)	-	-	-
Total	**579.48** **(911.21)**	**376.14** **(351.61)**			

Figures in the brackets pertain to previous year.
* Includes Interest
** Processing fees amortise as per IND AS

Note No : 20 - Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	329.91	466.39
	329.91	**466.39**

Notes to accounts

Note No : 21 - Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	517.20	416.60
	517.20	**416.60**

Note No : 22 - Deferred tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Deferred tax assets :		
Expenses allowable for tax purposes when paid	145.72	117.32
Carry Forward Loss	678.52	973.16
Transition Impact of IND AS 116	13.81	13.81
	838.05	**1,104.29**
(b) Deferred tax liabilities :		
Depreciation	79.13	76.16
Fair Valuation of Free Hold Land	1,598.11	1,598.11
	1,677.24	**1,674.27**
Deferred tax Liabilities (Net) *	**839.19**	**569.98**

* 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)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Government Grant	56.13	66.98
	56.13	**66.98**

Note No : 24 - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
From banks		
Working Capital Loan	2,666.99	2,867.39
Current maturities of long - term debt		
From banks	376.14	346.45
From entities other than banks	-	5.16
Unsecured		
From entities other than banks	523.00	1,185.00
	3,566.13	**4,404.00**

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.

Notes to accounts

Note No : 25 - Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	166.34	139.14
	166.34	**139.14**

Note No : 26 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Outstanding dues of micro, small and medium enterprises	-	-
Outstanding dues other than of micro small and medium enterprises	6,390.17	5,708.16
	6,390.17	**5,708.16**

Note No : 27 - Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued and due on borrowings	-	0.08
Interest accrued but not due on borrowings	5.91	11.70
Others against sales of assets	650.00	650.00
Unpaid salaries and other payroll dues	255.27	247.15
Security deposits	55.21	88.11
	966.39	**997.04**

Note No : 28 - Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Advances from Agents and Customers	88.42		337.00	
Statutory liabilities	99.18		65.37	
Others	10.34	197.94	0.77	403.14
		197.94		**403.14**

Note No : 29 - Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	6.62	5.10
	6.62	**5.10**

Notes to accounts

Note No : 30 - Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
Sale of goods (Gross)				
A. Manufactured Goods				
i) Plywood	20,541.26		15,655.96	
ii) Tea	-		354.69	
iii) Veneers	131.66	20,672.92	90.26	16,100.91
B. Stock-in-trade				
i) Plywood	8,687.81		2,982.09	
ii) Tea	-	8,687.81	-	2,982.09
C. Others		873.13		-
		30,233.86		**19,083.00**

Note No : 31 - Other operating revenues

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Insurance Claims	12.29	5.54
	12.29	**5.54**

Note No : 32 - Other income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
Interest income (Gross)				
Fixed deposits with banks	17.24		15.94	
Others	41.55	58.79	78.72	94.66
Dividend income		-		0.61
Government Grant		10.85		10.85
Profit on Sale Investment		-		0.45
Rent		4.20		4.42
Unspent liabilities / balances written back		4.11		3.24
Reduction of Rent Expenses		1.24		-
Commission Received		-		80.24
Compensation received from Government		93.15		-
Miscellaneous income		0.06		24.05
Profit on sale of Fixed Assets		31.45		-
		203.85		**218.52**

Note No : 33 - Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Veneer	7,115.38	5,295.35
Planks & Beams	1,324.85	1,177.95
Timber Log	289.41	-
Others	3,821.84	2,930.36
	12,551.48	**9,403.66**

Note No : 34 - Purchases of stock-in-trade

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Plywood	6,936.63	2,414.18
Others	655.63	336.01
	7,592.26	**2,750.19**

Notes to accounts

Note No : 35 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
A. Finished Goods				
Opening Stock				
i) Plywood	1,298.01		1,233.01	
ii) Tea	-		-	
iii) Veneer	408.32		408.32	
	1,706.33		1,641.33	
Closing Stock				
i) Plywood	1,394.53		1,298.01	
ii) Tea	-		-	
iii) Veneer	428.98		408.32	
	1,823.51	(117.18)	1,706.33	(65.00)
B. Stock-in-Trade				
Opening Stock				
i) Plywood	426.17		285.15	
ii) Furniture	3.86		3.86	
	430.03		289.01	
Closing Stock				
i) Plywood	592.27		426.17	
ii) Furniture	-		3.86	
	592.27	(162.24)	430.03	(141.02)
C. Work-in-Progress				
Opening Stock				
i) Plywood	926.64		901.46	
Closing Stock				
i) Plywood	1,190.88	(264.24)	926.64	(25.18)
NET (INCREASE) / DECREASE IN STOCKS		**(543.66)**		**(231.20)**

Note No : 36 - Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and wages	2,580.63	2,330.56
Contribution to provident and other funds	248.59	235.40
Staff welfare expense	35.29	25.02
	2,864.51	**2,590.98**

Notes to accounts

Note No : 37 - Finance costs

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
Interest expense				
On long term borrowings	120.15		145.26	
On short term borrowings	354.65		532.74	
On others	5.65		43.37	
On Lease Obligation	80.53	560.98	43.45	764.82
Other borrowing costs		105.24		83.26
		666.22		**848.08**

Note No : 38 - Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
Consumption of stores and spare parts		163.50		129.84
Consumption of packing materials		82.62		60.99
Power and fuel		623.21		562.34
Repairs				
Buildings	3.53		9.33	
Machinery	38.76		25.87	
Others	6.87	49.16	3.44	38.64
Job Charges		1,140.21		968.51
Rent		48.81		30.79
Electricity		39.71		29.48
License Fees		5.48		6.57
Rates & Taxes (excluding taxes on income)		24.02		28.09
Watch and Ward Expenses		43.16		34.81
Insurance		46.26		45.59
Communication Expenses		31.60		25.23
Travelling & Conveyance		283.55		154.55
Vehicles Maintenance		83.20		78.84
Printing & Stationery		13.37		10.39
Legal and Professional Charges		244.99		233.57
Director Sitting Fees		6.87		2.79
Miscellaneous Expenses		226.10		183.14
Human Resource Development Expenses		3.27		2.12
Statutory Auditors' Remuneration				
Audit Fee	4.45		2.75	
Other Services	-		1.20	
Certification Fee	0.75	5.20	0.65	4.60
Charity & Donations		22.77		0.89
Bank charges		45.25		14.24
Forwarding,Freight and Delivery Charges		1,204.19		902.83
Commission on Sales		246.26		189.54
Brokerage on Sales		-		2.59
Forward Premium Expenses		36.72		22.36
Foreign Exchange Fluctuations		41.37		21.76
Advertisement, Publicity & Sales Promotion		1,246.24		304.63
Loss on Sale / Discard of Property, Plant and Equipment		-		13.06
Loss on Fair Value of Quoted Investments		0.08		0.08
Bad Debts		48.19		-
Provision for Doubtful Debts		68.33		-
Royalty Paid		66.00		12.00
		6,189.69		**4,114.86**

Notes to accounts

Note No : 39 -

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	19.21	6.46
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 2023 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. **Company as a Lessee**

Impact on Balance Sheet - Increase/(Decrease) (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Assets		
Right of Use Assets(Refer Note No. 3)	433.72	566.98
Liabilities		
Lease Liabilities	496.25	605.53

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

Particulars	31st March 2023	31st March 2022
Depreciation and Amortisation	167.56	129.84
Other Expenses	(222.87)	(183.01)
Finance Cost	80.53	43.45
Net Impact on Profit and Loss Statement	25.22	(9.72)

Impact on Statement of Cash Flows (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Payment of principal portion of lease liabilities	142.34	139.56
Payment of Interest portion of lease liabilities	80.53	43.45
Net Cash flows used in financial activities	222.87	183.01

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 recongnise right-of-use assets and liabilities for leases with less than 12 months of lease term.

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

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
As at 1st April	566.98	215.39
Addition during the year	42.69	488.28
Deduction during the year	8.39	6.85
Depreciation Expense	167.56	129.84
As at 31st March	**433.72**	**566.98**

Notes to accounts

Note No : 39 - *(contd...)*

Set out below are the carrying amounts of lease liabilities and the movements during the year: (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
As at 1st April	605.53	263.65
Addition during the year	42.69	488.28
Reversal during the year	9.63	6.84
Accretion of interest	80.53	43.45
Payments	222.87	183.01
As at 31st March	**496.25**	**605.53**
Current	**166.34**	**139.14**
Non Current	**329.91**	**466.39**

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 2023	31st March 2022
Depreciation expense on right-of use assets	167.56	129.84
Interest expenses on lease liabilities	80.53	43.45
Expense relating to other leases (including in other expenses)	-	-
Total amount recognised in Statement of Profit and Loss	**248.09**	**173.29**

(₹ in Lakhs)

Maturity analysis of lease liabilities are as follows:	2022-2023	2021-2022
1 Year	166.34	139.14
2 to 5 Years	329.91	405.77

5. 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.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Borrowings (Note - 19 and 24)	4,145.61	5,315.21
Less: Cash and cash equivalents (Note-11)	9.42	43.75
Net debt	4,136.19	5,271.46
Equity	8,841.97	6,391.76
Capital and net debt		
Gearing ratio	0.47	0.82

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 2023 and 31st March 2022.

Notes to accounts

Note No : 39 - *(contd...)*

6. Financial instruments by category

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

Particulars	31st March, 2023		31st March, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Non current financial assets				
(i) Investments	1.48		1.56	
(ii) Loans		651.76		651.76
(iii) Other non current financial assets		43.76		116.89
Current financial assets				
(i) Trade receivables		2,863.79		2,003.15
(ii) Cash and cash equivalents		9.42		43.75
(iii) Bank Balance other than above		333.62		310.08
(iv) Other current financial assets		67.21		66.47
(v) Others		86.35		55.42
Total Financial assets	**1.48**	**4,055.90**	**1.56**	**3,247.52**
Non Current financial Liabilities				
(i) Borrowings		579.48		911.21
(ii) Lease Liabilities		329.91		466.39
Current financial liabilities				
(i) Borrowings		3,566.13		4,404.00
(ii) Lease Liabilities		166.34		139.14
(iii) Trade payable	3.60	6,386.57	(1.38)	5,709.54
(iv) Other current financial liabilities	-	966.39	-	997.04
Total financial liabilities	**3.60**	**11,994.82**	**(1.38)**	**12,627.31**

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

(b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets (₹ in Lakhs)

Particulars	Fair value measurement using		
	Quoted price in active markets (Level 1)	Significant obserable inputs (Level 2)	Significant unobserable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2023			
Assets measured at fair value			
Investments	1.48		
Liabilites measured at fair value			
Derivative Liabilities		3.60	
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2022			
Assets measured at fair value			
Investments	1.56		
Liabilites measured at fair value			
Derivative Liabilities		(1.38)	

Notes to accounts

Note No : 39 - *(contd...)*

7. 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 2023	31st March 2022
Variable rate borrowings	2,666.99	2,867.39
Fixed rate borrowings	1,478.62	2,447.10

Interest rate sensitivity

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

(₹ in Lakhs)

Descriptions	Effect on Profit before tax	
	31st March 2023	31st March 2022
Increase by 50 basis points	(13.33)	(14.34)
Decrease by 50 basis points	13.33	14.34

b) Foreign currency risks

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

Unhedged foreign currency exposure (₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Trade creditors		
Rs.	-	322.96
USD	-	3.60
EUR	-	0.59

Notes to accounts

Note No : 39 - *(contd...)*

Foreign currency sensitivity

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

(₹ in Lakhs)

Descriptions	Effect on Profit before tax	
	31st March 2023	31st March 2022
USD/EURO Sensitivity		
Increase by 5%	-	(16.15)
Decrease by 5%	-	16.15

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 addtion, 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.

(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 2023 and 31st March 2022 is the carrying amount as illustrated in Note 39(7).

Trade Receivable Ageing (₹ in Lakhs)

Particulars	As at 31st March 2023					
	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	2,592.30	11.09	4.61	9.80	246.00	2,863.79
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	85.66	85.66
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	84.24	84.24
	2,592.30	**11.09**	**4.61**	**9.80**	**415.90**	**3,033.69**
Less : - Credit Impaired	-	-	-	-	169.90	169.90
TOTAL Trade Receivable	**2,592.30**	**11.09**	**4.61**	**9.80**	**246.00**	**2,863.79**

Notes to accounts

Note No : 39 - *(contd...)*

Trade Receivable Ageing (₹ in Lakhs)

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**

Trade Payable Ageing (₹ in Lakhs)

Particulars	As at 31st March 2023					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Outstanding dues to MSME	-	-	-	-	-	-
(ii) Others	3,626.59	2,583.24	52.54	23.34	104.45	6,390.17
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
TOTAL Trade Payable	**3,626.59**	**2,583.24**	**52.54**	**23.34**	**104.45**	**6,390.17**

(₹ 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	2,373.86	2,848.41	164.29	138.31	183.29	5,708.16
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-	-
TOTAL Trade Payable	**2,373.86**	**2,848.41**	**164.29**	**138.31**	**183.29**	**5,708.16**

(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

Notes to accounts

Note No : 39 - *(contd...)*

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 2023	31st March 2022
Floating rate		
(a) Expiring within one year (Bank overdraft and other facilities)		
Secured		
- Current maturities of long term debt	376.14	351.61
- Working capital loan	2,666.99	2,867.39
Unsecured		
- Short term loans	523.00	1,185.00
(b) Expiring beyond one year (Bank loans)		
Secured		
- Rupees term loan from banks	579.48	911.21
- Rupees term loan from financial institutions	-	-

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 2023					
Contractual maturities of borrowings	81.85	81.85	187.68	237.90	302.15
Contractual maturities of finance lease obligations	6.02	6.13	12.61	26.62	12.81
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 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	1,825.68	178.16	-	-	-

8. 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	2022-23	2021-22
Employers' Contribution to Provident Fund & Pension Fund	166.38	153.52
Employers' Contribution to Superannuation Fund	9.08	9.83

Notes to accounts

Note No : 39 - *(contd...)*

Defined Benefit Plan:

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

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

Gratuity and other post-employment benefit plans (₹ in Lakhs)

Descriptions	31st March 2023	31st March 2022
Gratuity Plan	347.11	276.13
Sick Leave	14.35	11.25
Leave Encashment	157.98	134.32
Total	**519.44**	**421.70**

Changes in defined benefit obligation (₹ in Lakhs)

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the start of the year	419.46	11.25	134.32	437.41	12.68	115.73
Interest cost	28.19	0.80	8.56	26.98	0.86	6.65
Current service cost	42.50	2.45	21.60	45.85	2.72	35.98
Benefits paid	44.77	-	27.62	81.42	-	35.94
Acquisitions (credit)/ cost	23.77	-	-	-	-	-
Actuarial loss/(gain) on obligations	14.81	(0.15)	21.12	(9.36)	(5.01)	11.90
Present value obligation as at the end of the year	**483.96**	**14.35**	**157.98**	**419.46**	**11.25**	**134.32**

Change in fair value of plan assets (₹ in Lakhs)

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Fair value of plan assets as at the start of the year	143.33	NA	NA	212.85	NA	NA
Return on plan assets	8.59	NA	NA	11.71	NA	NA
Actuarial loss/(gain)	(1.55)	NA	NA	(0.19)	NA	NA
Acquisition adjustment	28.16	NA	NA	-	NA	NA
Benefits paid	44.77	NA	NA	81.42	NA	NA
Fair value of plan assets as at the end of the year	**136.85**			**143.34**	-	-

Notes to accounts

Note No : 39 - *(contd...)*

Breakup of Actuarial gain/loss: (₹ in Lakhs)

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Actuarial (gain)/loss on arising from change in financial assumption	(4.28)	(0.11)	(1.85)	(11.44)	(0.25)	(4.93)
Actuarial (gain)/loss on arising from experience adjustment	19.09	(0.04)	22.97	2.08	(4.76)	16.83
Return on plan assets (greater)/less than discount rate	-	-	-	-	-	-

Reconciliation of present value of defined benefit obligation and the fair value of plan assets (₹ in Lakhs)

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the end of the year	483.96	14.35	157.98	419.46	11.25	134.32
Fair value of plan assets as at the end of the year	136.85	-	-	143.34	-	-
Net (asset)/obligation recognized in balance sheet	**347.11**	**14.35**	**157.98**	**276.12**	**11.25**	**134.32**

Amount recognized in the statement of profit and loss (₹ in Lakhs)

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Current service cost	42.50	2.45	21.60	45.85	2.72	35.98
Interest cost	28.19	0.80	8.56	26.98	0.86	6.65
Expected Return on the Plan Assets	8.59	NA	NA	11.71	NA	NA
Actuarial gain/ (loss) recognized in the year	(13.26)	(0.15)	21.12	9.55	(5.01)	11.90
(Income)/Expense recognised in the statement of profit and loss	**62.10**	**3.10**	**51.28**	**61.12**	**(1.43)**	**54.53**

Amount recognised in the statement of Other Comprehensive Income (₹ in Lakhs)

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Actuarial Gain/(Loss) for the year on PBO	(14.81)	-	-	9.36	-	-
Actuarial Gain/(Loss) for the year on Asset	1.55	-	-	0.19	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	(13.26)	-	-	9.55	-	-

Notes to accounts

Note No : 39 - *(contd...)*

Actuarial assumptions

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Discount rate	7.20%	7.20%	7.20%	7.10%	7.10%	7.10%
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

Descriptions	31st March, 2023			31st March, 2022		
	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	483.96	14.35	157.98	419.46	11.25	134.32
a) Impact due to increase of 0.5 %	463.56	13.86	149.17	401.58	10.84	126.67
b) Impact due to decrease of 0.5 %	506.07	14.89	167.62	438.85	11.68	142.70
Impact of the change in salary increase						
Present value of obligation at the end of the year	483.96	14.35	157.98	419.46	11.25	134.32
a) Impact due to increase of 0.5 %	505.78	14.84	167.00	438.77	11.68	142.83
b) Impact due to decrease of 0.5 %	463.66	14.79	149.65	401.52	10.83	126.49

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 occuring at the reporting period.

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

(₹ in Lakhs)

Descriptions	31st March, 2023			31st March, 2022		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Within next 12 months	49.99	-	-	-	-	-

9. **In calculating Earnings per share**

Descriptions	Year ended 31st March 2023	Year ended 31st March 2022
a) Numerator used :		
Profit / (Loss) after tax (₹ in Lakhs)	522.57	(630.97)
b) Denominator used in computing Basic Earning per Share:		
Weighted Average Number of Equity Shares	70,63,796	64,60,742
c) Denominator used in computing Diluted Earning per Share:		
Weighted Average Number of Equity Shares including potential Equity Shares	70,68,173	64,60,742
d) Nominal value of equity shares (₹)	10.00	10.00
e) Basic Earnings per share (a/b) (₹)	7.40	(9.77)
f) Diluted Earnings per share (a/c) (₹)	7.39	(9.77)

Notes to accounts

Note No : 39 - *(contd...)*

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

(₹ in Lakhs)

Particulars	Balance as at 31st March 2022	Loan Given During the year	Repaid/ adjusted during the year	Balance as at 31st March 2023
Arunachal Plywood Industries Limited	226.76	-	-	226.76
Aadhunik Infrastructure Development (P) Ltd.	425.00	-	-	425.00
Total	**651.76**	-	-	**651.76**

11. 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 Private Ltd.
	J S M & Company
	Madhya Bharat Papers Ltd.
	Poushali Sales Private Limited
	Sujay Management Services LLP
	Chitlangia Charitable Trust
	PGT Partners(with effect from 09.08.2022)
	Anugrah Foundation
Key Management Personnel and Directors :	Shri Sudeep Chitlangia (Managing Director)
	Shri Akhilesh Chitlangia (Executive Director & COO) (Appointed with effect from 30.05.2022)
	Shri Pawan Kumar Verma (CFO) (Appointed with effect from 09.08.2022)
	Smt. Komal Dhruv (Company Secretary) (Appointed with effect from 30.05.2022)
	Smt. Sheela Chitlangia (Non Executive Director)(Resigned with effect from 19.05.2023)
	Shri Sujit Chakravorti (Independent Director)
	Dr. Kali Kumar Chaudhuri (Independent Director)
	Shri Ratan Lal Gaggar (Independent Director)
	Shri Probir Roy (Independent Director)
	Shri Vinay Agarwal (Independent Director)(Appointed with effect from 09.08.2022)
Relative of Key Management Personnels :	Shri Abhishek Chitlangia

Notes to accounts

Note No : 39 - *(contd...)*

Particulars of transactions during the year ended 31st March 2023 (₹ in Lakhs)

Nature of Transactions	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	-	177.30	177.30
	-	(85.82)	(85.82)
Director's Sitting Fees		6.87	6.87
		(2.79)	(2.79)
Consultancy Fees Received	-		-
	(24.00)		(24.00)
Consultancy Fees Paid	11.61		11.61
	-		-

Particulars of transactions during the year ended 31st March 2023 (₹ in Lakhs)

Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
Sales	-	-	-
	(12.86)	-	(12.86)
Interest Received	-	-	-
	(35.95)	-	(35.95)
Purchase	178.13		178.13
	(238.72)		(238.72)
Interest Paid	15.19	-	15.19
	(4.91)	-	(4.91)
Rent Paid	-	-	-
	(5.50)	-	(5.50)
Royalty Paid	66.00		66.00
	(12.00)		(12.00)
Loan Received	240.00		240.00
	(424.00)		(424.00)
Loan Refunded	584.00	-	584.00
	(80.00)	-	(80.00)
Advance Received	-		-
	(650.00)		(650.00)
Refund of Loan Given	-		-
	(466.22)		-
Outstanding against Guarantees Obtained	-	5,549.99	5,549.99
	-	(5,633.82)	(5,633.82)
Balance Outstanding at the Balance Sheet Date	22.27 Cr	-	22.27 Cr
	(989.38 Cr)	(-)	(989.38 Cr)

Notes:

a) Figures in the brackets pertain to previous year.

b) The Company has neither written off nor written back any amount recoverable / payable from / to any related party during the year.

c) 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...)*

Disclosure of Material Transactions with Related Parties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023		Year Ended 31st March, 2022	
Rent Received				
J S M & Company		1.80		2.25
Poushali Sales Private Limited		2.40		1.95
Interest Received				
Poushali Sales Private Limited		-		33.00
Aashray Enterprises Private Limited		-		2.95
Sales				
J S M & Company		-		10.13
Poushali Sales Private Limited		-		2.74
Consultancy Fees Received				
Poushali Sales Private Limited		-		24.00
Consultancy Fees Paid				
PGT Partners		11.61		-
Remuneration to KMP				
Shri Sudeep Chitlangia (Managing Director)		72.41		62.91
Short term employee benefit	67.37		57.40	
Post employment benefit	5.04		5.51	
Shri Akhilesh Chitlangia (Executive Director & COO)		48.03		-
Short term employee benefit	44.65		-	
Post employment benefit	3.38		-	
Shri Ravi Kumar Murarka (CFO & Company Secretary)		-		22.91
Short term employee benefit	-		21.68	
Post employment benefit	-		1.23	
Shri Pawan Kumar Verma (CFO)		17.90		-
Short term employee benefit	16.73		-	
Post employment benefit	1.17		-	
Smt Komal Dhruv (Company Seceratory)		5.71		-
Short term employee benefit	5.37		-	
Post employment benefit	0.34		-	
Shri Abhishek Chitlangia		33.25		-
Short term employee benefit	33.25		-	
Post employment benefit	-		-	
Directors Sitting Fees				
Smt. Sheela Chitlangia		1.00		0.40
Shri Sujit Chakravorti		1.62		0.76
Dr. Kali Kumar Chaudhuri		1.08		0.48
Shri Ratan Lal Gaggar		1.38		0.45
Shri Probir Roy		1.40		0.70
Shri Vinay Agarwal		0.40		-

Notes to accounts

Note No : 39 - *(contd...)*

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023		Year Ended 31st March, 2022	
Purchase				
Aishani Infotech Private Ltd.		-		-
J S M & Company		-		135.71
Poushali Sales Private Limited		178.13		103.01
Interest Paid				
Chitperi Farm Private Ltd.		-		3.52
Calcutta Technicians & Advisers Private Ltd.		14.40		1.39
Poushali Sales Private Limited		0.79		-
Rent Paid				
J S M & Company		-		5.50
Royalty Paid				
Chitperi Farm Private Ltd.		66.00		12.00
Loan Received				
Chitperi Farm Private Ltd.		-		80.00
Calcutta Technicians & Advisers Private Ltd.		165.00		344.00
Poushali Sales Private Limited		75.00		-
Loan Refunded				
Chitperi Farm Private Ltd.		-		80.00
Calcutta Technicians & Advisers Private Ltd.		509.00		-
Poushali Sales Private Limited		75.00		-
Advance Received				
Anugrah Foundation		-		130.00
Chitlangia Charitable Trust		-		520.00
Advance Given				
Poushali Sales Private Limited		418.32		-
Refund of Loan Given				
Poushali Sales Private Limited		-		394.22
Aashray Enterprises Private Limited		-		72.00
Guarantees Obtained				
Sudeep Chitlangia		-		151.00
Outstanding against Guarantees Obtained				
Sudeep Chitlangia		5,549.99		5,633.82
Net Balance Receivable/(Payable)				
J S M & Company		1.71		(79.48)
Madhya Bharat Papers Ltd.		205.36		205.64
Aishani Infotech Private Ltd.		-		(69.90)
Anugrah Foundation		(130.00)		(130.00)
Chitlangia Charitable Trust		(520.00)		(520.00)
Chitperi Farm Private Ltd.		0.75		-
Calcutta Technicians & Advisers Private Ltd.		-		(345.25)
Poushali Sales Private Limited		419.91		(44.66)
Shri Sudeep Chitlangia		-		(5.73)

Notes to accounts

Note No : 39 - *(contd...)*

12. Ratios

The following are the analytical ratio for the year 31st March 2023 and 31st March 2022

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
Current Ratio	Current Assets	Current Liabilities	1.01	0.81	24.69%
Debt Equity Ratio (Note a)	Total Debts	Shareholders Fund	0.43	0.78	-44.87%
Debt Service Coverage Ratio (Note b)	Net Operating Income (before interest)	Debt (Principal + Interest)	1.52	0.38	300.00%
Return on Equity (Note c)	Net Profit after Tax	Average Shareholders Fund	0.06	(0.09)	-168.29%
Inventory Turnover Ratio (Note d)	Cost of Sales	Average Inventory	3.77	2.57	46.78%
Trade Receivables Turnover Ratio (Note e)	Sales	Average Trade Receivable	12.42	9.78	27.01%
Trade Payables Turnover Ratio (Note f)	Purchase	Average Trade Creditors	4.15	2.94	41.16%
Net Capital Turnover Ratio (Note g)	Net Sales	Working Capital	27.28	10.67	155.72%
Net Profit Ratio (Note h)	Net Profit	Net Sales	0.02	(0.03)	-160.48%
Return on Capital Employed (Note i)	PBIT	Capital Employed	0.12	0.02	537.49%

Note: -

a. *Decrease due to issue of fresh equity shares during the year.*

b, *Increased due to lower finance cost, higher operative income and principal repayment of loans during the year.*

c. *Increased due to higher operating profit.*

d. *Increase due to sales growth and lower inventory levels at opening and closing.*

e. *Increased due robust growth in revenue, effective collection of receivables, conservative credit policy and high quality customer base.*

f. *Increase due to effective payment to creditors.*

g. *Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.*

h. *Increased due to higher profits resulting out of cost reduction, operating leverage and improved realisations.*

i. *Increased due to higher operating profit.*

13. The company does not not have any Benami property, where any proceeding has been inititated or pending against the company for holding any Benami property.

14. 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)

15. The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

16. The Company has borrowing limits sanctioned from banks on the basis of security of current assets. The quarterly returns or statements filed by the company with banks are in agreement with the books of accounts.

17. 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 willful defaulters issued by the Reserve Bank of India.

18. There has been no delay in Charges or satisfaction to be registered with ROC beyond the statutory period.

Notes to accounts

Note No : 39 - *(contd...)*

19. The Company does not have any transactions with struck off companies under Companies Act, 2013 or Companies Act, 1956, during the year.

20. 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. proved any gurantee, 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. proved any gurantee, security or the like to or on behalf of the ultimate beneficiaries.

21. The Company has utilised the fund borrowed from banks and financial institutions for the purpose it was taken.

22. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirments) 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 Requirments) Regulations, 2015.

23. 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	**PAWAN KUMAR VERMA**	**SUDEEP CHITLANGIA**
Chartered Accountants	Chief Financial Officer	Managing Director
(F.R. NO. 306033E/E300272)		DIN: 00093908
CA VIVEK AGARWAL	**KOMAL DHRUV**	**SUJIT CHAKRAVORTI**
(Membership No. 301571)	Company Secretary	Director
Partner		DIN: 00066344