



Duroply Industries Limited

**DURO**  
*64th Annual Report*  
**2020-2021**

**DURO**<sup>TM</sup>

# Innovative Plywood, Since 1957



**DURO** is carrying forward its rich legacy of 60+ years helping you design your dream home with high-performing innovative plywood.



Duroply Industries Limited



# Duroply Industries Limited

## **BOARD OF DIRECTORS**

Shri Sudeep Chitlangia - *Managing Director*

Shri Sujit Chakravorti

Dr. Kali Kumar Chaudhuri

Smt. Sheela Chitlangia

Shri Ratan Lal Gaggar

Shri Probir Roy

Shri Sohan Lal Yadav (*Non-Executive Director upto May 6, 2021*)

## **CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

Shri Ravi Kumar Murarka

## **BANKERS**

Punjab National Bank

State Bank of India

## **AUDITORS**

S K Agarwal And Co

Chartered Accountants LLP

*Chartered Accountants*

## **REGISTERED OFFICE**

9, Parsee Church Street

Kolkata – 700 001

CIN : L20211WB1957PLC023493

## **CORPORATE OFFICE**

North Block, 4<sup>th</sup> Floor

113 Park Street

Kolkata – 700 016

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## **NOTICE**

**NOTICE** is hereby given that the 64<sup>th</sup> Annual General Meeting of DUROPLY INDUSTRIES LIMITED will be held on Friday, the September 10, 2021 at 11.00 A.M 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, 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Sheela Chitlangia (DIN: 00174354) who retires from office by rotation and being eligible, offers herself for re-appointment and in this behalf to consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded for re-appointment of Smt. Sheela Chitlangia (DIN : 00174354), Non-Executive Director of the Company, who retires from office by rotation and being eligible offers herself for re-appointment.”

**By order of the Board of Directors**

**Date : June 24, 2021**  
**Place : Kolkata**

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

### **NOTES :**

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 and SEBI/HO/CFD /CMD2/CIR/P /2021/11 dated May 12, 2020 and January 15, 2021 respectively, issued by the Securities and Exchange Board of India (“SEBI Circulars”) and in compliance with the provisions of the Companies Act, 2013 (the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), the 64<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 64<sup>th</sup> AGM shall be the Corporate Office of the Company.
2. 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.
3. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of 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 64<sup>th</sup> 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.

4. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 64<sup>th</sup> AGM and hence the attendance slip, proxy forms and route map are not attached with the notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 64<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 64<sup>th</sup> AGM.



5. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to 1000 members on first come first served basis. This will not include Large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Attendance of the Members participating in the 64<sup>th</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The AGM notice and Annual Report for the financial year ended March 31, 2021 shall be available on the Company's website at [www.duroply.in](http://www.duroply.in) and also on the website of the Stock Exchange where the shares of the Company have been listed viz., BSE Limited - [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. Pursuant to section 91 of the Act, read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from September 4, 2021 to September 10, 2021 (both days inclusive) for the purpose of 64<sup>th</sup> 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](mailto: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 No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 amended Regulation 40 of Listing Regulations, which provides that from 1st April, 2019 transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately. However, Members can continue to make request for transmission or transposition of securities held in physical form.
14. Members holding shares in physical or demat form as on the cut-off date i.e. September 3, 2021 shall only be eligible to vote on the resolutions mentioned in the Notice of Annual General Meeting. Those who become Members of the Company after dispatch of AGM Notice but on or before September 3, 2021 (Cut-off date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or to the Company at [investors@duroply.com](mailto:investors@duroply.com). However, those already registered with CDSL for e-voting can use their existing user Id and password for Login.
15. In line with the abovementioned MCA Circulars and SEBI Circular, the Notice of the AGM, Annual Report 2020-21 and e-voting instructions are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered as per the instructions mentioned below.
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](mailto:investors@duroply.com)/RTA at [mdpldc@yahoo.com](mailto: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](mailto:investors@duroply.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@duroply.com](mailto:investors@duroply.com).
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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



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

The Instructions for members voting electronically are as under:

- I. The voting period begins on September 7, 2021 at 9:00 a.m. (IST) and ends on September 9, 2021 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being September 3, 2021 will be eligible to vote electronic means or at the AGM. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Those who becomes Members of the Company after dispatch of AGM Notice but on or before September 3, 2021 (Cut-off date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or to the Company at [investors@duroply.com](mailto:investors@duroply.com). However, those already registered with CDSL for remote e-voting can use their existing user ID and password for Login.
- III. 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.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; 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.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> 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 &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in Demat mode) login through their <b>Depository Participants</b></p>	<p>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 &amp; voting during the meeting.</p>

**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
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

**Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- V. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- VI. Click on "Shareholders" tab to cast your votes;
- VII. Now, select the Electronic Voting Sequence Number "EVSN" along with Duroply Industries Limited from the drop-down menu and click on "SUBMIT";
- VIII. 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.
- IX. Next enter the Image Verification as displayed and Click on Login.
- X. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



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

<b>For Members holding shares in Demat Form other than Individual and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p><input type="radio"/> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</p> <p><input type="radio"/> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</p>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. <b>OR</b></p> <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p>
<b>Dividend Bank Details</b>	<p><input type="radio"/> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in above instruction.</p>

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

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

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

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

XVI. 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.

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

XVIII. 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.

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

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

XXI. 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.

21. 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022- 23058738 and 022- 23058542/43.

22. 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, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022- 23058542/ 43.

**By order of the Board of Directors**



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

**Item No. 2**

Smt. Sheela Chitlangia, (DIN: 00174354), who retires by rotation, being eligible, offers herself for re-appointment as a Non-Executive Director of the Company. Smt. Sheela Chitlangia has attained the age of seventy-five years on January 4, 2017.

In terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), no listed company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect.

Accordingly, the approval of the members is required by way of special resolution for her re-appointment and continuation as Director in compliance with provisions of Regulations 17(1A) of the Listing Regulations.

Smt. Sheela Chitlangia has served as Director of the Company since 2015. Considering Smt. Sheela Chitlangia seniority, expertise and vast experience in the area of Human Resource Development, which has immensely benefited the Company, the Board has considered and recommended the re-appointment and continuation of Smt. Sheela Chitlangia as Non-Executive Director of the Company.

Brief profile of Smt. Sheela Chitlangia is given in the Annexure to this Notice.

Smt. Sheela Chitlangia may be deemed to be concerned or interested in this resolution under Item No. 2 of the accompanying Notice. Except Shri Sudeep Chitlangia, none of the Directors nor Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the said resolution.

The Board considers the aforesaid item of business to be urgent in nature and recommends the Special Resolution as set out in Item No. 2 of the Notice for approval of the Members.

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

Name	<b>Smt. Sheela Chitlangia</b>
Date of Birth	04.01.1942
Date of Appointment on the Board	06.02.2015
Qualification	B.Com
Expertise in Specific functional area	Experience in the area of Human Resource Development
Terms and Conditions of Appointment / Re-appointment	Non-Executive & Non-Independent Director, liable to retire by rotation
Number of Board meetings attended out of four Board meetings held during the Year	Five
Remuneration details	No remuneration is paid except sitting fees for attending meetings of the Board, as a Non- Executive Director
Directorship Companies held in other Public Companies	NIL
Committee membership/Chairmanship held in other Companies	NIL
Relationship with other Directors/KMP	Mother of Shri Sudeep Chitlangia, Managing Director
Number of shares held in the Company	271,650



**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors are pleased to present the 64<sup>th</sup> Annual Report of Duroply Industries Limited along with the Audited Financial Statements for the financial year ended March 31, 2021.

**FINANCIAL RESULTS**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>As on 31.03.2021</b>	<b>As on 31.03.2020</b>
Turnover	<b>18132.08</b>	20653.60
Other Income	<b>195.35</b>	78.28
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	<b>36.45</b>	653.31
Less: Finance Charges	<b>1008.26</b>	748.83
Profit before Depreciation/ Amortization (PBTD)	<b>(971.81)</b>	(95.52)
Less: Depreciation	<b>323.54</b>	308.94
Profit before Tax and Exceptional Items	<b>(1295.35)</b>	(404.46)
Net profit before taxation (PBT)	<b>(484.91)</b>	(231.76)
Provision for taxation	<b>(239.78)</b>	175.84
Profit/ (Loss) after Taxation (PAT)	<b>(245.13)</b>	(407.60)
Other Comprehensive Income	<b>(21.14)</b>	(38.08)
Total Comprehensive Income	<b>(266.27)</b>	(445.68)

**STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company has achieved a net turnover of ₹ 181.32 Crores as against ₹ 206.54 Crores in the preceding financial year, a decrease of 12.21%. The company has incurred a net loss of ₹ 2.66 Crores as against a net loss of ₹ 4.46 Crores in the preceding year.

Plywood Segment revenue decreased from ₹ 184.98 Crores to ₹ 162.41 Crores i.e. a decrease of 12.20%. Tea Segment revenue during the year was ₹ 18.91 crores as against ₹ 21.56 Crores in the preceding financial year representing a decrease of 12.29%.

**DIVIDEND**

Due to loss during the year under review, the Directors regret their inability to recommend any dividend for the financial year ended March 31, 2021.

**RESERVES**

Due to loss, no amount is proposed to be transferred to general reserve for the year ended March 31, 2021.

**SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2021 was ₹ 6.46 Crores. During the year under review, the Company has neither issued any shares or any convertible instruments, nor has bought back any of its securities.

**CHANGES IN THE NATURE OF BUSINESS**

There was no change in the nature of the business of the Company during the year, other than tea processing business of the Company was sold as mentioned below.

**SLUMP SALE OF TEA PROCESSING BUSINESS**

During the year under review, the Company has executed business transfer agreement with Teloijan Techno Agro Limited for transfer of the tea processing business of the Company by way of slump sale on going concern basis. For the Financial Year, 2020-21, the Tea Processing Business had a turnover of ₹ 18.91 Crore which is approximately 10.43 % of the total turnover of the Company.

**BORROWINGS**

The total borrowings stood at ₹ 6616.61 Lakhs as at March 31, 2021 as against ₹ 5603.34 Lakhs as on March 31, 2020, i.e. an increase of ₹ 1013.27 Lakhs.



## **DEPOSITS**

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

## **CORPORATE SOCIAL RESPONSIBILITY**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Retirement by Rotation**

In accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Smt. Sheela Chitlangia (DIN: 000174354), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offered herself for re-appointment.

### **Cessation**

As on the date of this Report, Shri Sohan Lal Yadav (DIN: 00207333), Non-Executive (Non- Independent) Director of the Company has resigned and ceased to be a Director of the Company effective close of business hours of May 6, 2021. The Board places on record its appreciation for his invaluable contribution and guidance.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that, they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

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

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, (IICA) as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors of the Company have served for more than three years on board of listed entities and hence shall not be required to pass the online proficiency self-assessment test as per the proviso to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

## **BOARD MEETINGS**

During the year under review, five Board Meetings were convened and held. The details of which are given in Corporate Governance Report forming part of this Report. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and Listing Regulations read with the Circulars issued by MCA and SEBI with respect to increase in the gap and extension for holding meetings pursuant to COVID-19 pandemic.

## **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 2020-21, was held on February 10, 2021, 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, 2021 the company is not having any associate, subsidiary or joint venture.

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

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

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

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

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

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

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](http://www.duroply.in) and the Remuneration Policy is separately attached herewith as “Annexure-3”.

### **RISK MANAGEMENT POLICY**

The Company has a defined risk management framework to identify, assess, monitor and mitigate risks involved in its business. The Company understands that risk evaluation and risk mitigation is an ongoing process within the organization and is fully committed to identify and mitigate the risks in the business. The Company has formulated and implemented a risk management policy in accordance with 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](http://www.duroply.in).

### **INTERNAL FINANCIAL CONTROL**

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

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



## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) That in the preparation of the accounts for the year ended March 31, 2021, 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, 2021 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, 2021 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, 2021 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**

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

### **MANDATORY COMMITTEES**

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

### **NON-MANDATORY COMMITTEES**

- Investor Committee
- Borrowing Committee

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

## **AUDITORS**

### **STATUTORY AUDITORS**

As on the date of this Report, we have received intimation from our Statutory Auditors M/s. S K Agrawal and Co, Chartered Accountants (Firm Registration No. 306033E) regarding the change in constitution of their firm to LLP i.e. M/s. S K Agrawal and Co, Chartered Accountants, has been converted to M/s. S K Agrawal And Co Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 306033E/E300272) with effect from December 31, 2020 and that from December 31, 2020 the audit of the Company will be done by to M/s. S K Agrawal And Co Chartered Accountants LLP, Chartered Accountants. There will be no change in the constituent of the partners of the said firm and the audit of the financial statements of the Company shall be done by the same partner of the new renamed firm as was done earlier.



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 19, 2017. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment by the members at every Annual General Meeting. Hence, the approval of the members is not being sought for the re-appointment of the statutory auditor and in line with their resolution of appointment passed at the Annual General Meeting held on September 19, 2017, the statutory auditor will continue to hold office till the conclusion of the 65<sup>th</sup> Annual General Meeting of the Company. 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 given by the statutory auditors on the financial statements of the Company is part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the statutory auditors in their report.

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

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Rashmi Sharma, Practicing Company Secretary was appointed as the Secretarial Auditor of the Company for the Financial Year 2020-2021. The Secretarial Audit report for the financial year ended March 31, 2021 is attached herewith as “**Annexure-7**”.

The Board has noted the observation made by the Secretarial Auditor and is taking constant steps to strengthen the processes to avoid recurrence of the same.

Based on the consent received and on recommendation of the Audit Committee, the Board has re-appointed M/s. Rashmi Sharma as the secretarial auditor for the financial year 2021-2022.

#### **COST AUDITORS**

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

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

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

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

#### **STOCK EXCHANGE LISTING**

The Equity Shares of the Company are listed at the BSE Limited. The Company has paid the listing fee to the BSE Limited for the year 2021-2022.

#### **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, 2021 is available at the web link: [https://www.duroply.in/siteassets/pdf/Form\\_MGT\\_7\\_Draft.pdf](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**

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

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

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



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

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.

**COVID-19 IMPACT ON THE COMPANY**

As Members are aware, since March 2020, the Country/World has been seeing the impact due to COVID-19 pandemic. With a significant increase in number of cases in early 2020, the Government has been taking various measures including a national lockdown for three months to contain the virus which in turn affected economic activity in the Country. Your Company has taken various measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for employees (e.g. social distancing, personal hygiene, work from home) and securing the supply of materials that are essential for production process and virtual technology in testing, commissioning, etc. to ensure business continuity.

The Second wave of COVID-19 has hit the country like tsunami and has badly affected the human life, medical facilities and economy of the Country. The situation became grave in April 2021 resulting lockdown by many states governments in India. The sudden spike of COVID cases pushed the Indian Economy into a technical recession due to deadly pandemic wave. Employee safety remained the Company's priority.

**ISO CERTIFICATION**

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

**ACKNOWLEDGEMENT**

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

Registered Office :  
9, Parsee Church Street  
Kolkata – 700 001

For and on behalf of the Board

SUDEEP CHITLANGIA  
Managing Director  
(DIN : 00093908)

SUJIT CHAKRAVORTI  
Director  
(DIN : 00066344)

Date : June 24, 2021

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****OVERVIEW**

Duroply Industries Limited (DIL) is one of the oldest plywood manufacturers in India. The Company owns a plywood and allied products unit at Rajkot, Gujarat. The Company is utilizing the best available raw materials for its products. Company's DURO range of products are increasingly gaining acceptance in the market and the company continues with its efforts of further growing the market. DURO brand in India is well recognized for its deep-dive innovation, unmatched craftsmanship & unparalleled customer service.

**Indian economic review**

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. The lockdown staggered an already slowing economy as 1.38 billion Indians stayed indoors - one of the most stringent lockdowns anywhere.

The outbreak of the novel coronavirus impacted the Indian economy during the first quarter of the financial year under review. The Indian economy de-grew 23.9 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation in linked to corresponding economic recovery. The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery.

India's GDP contracted initially and then recovered in 2020-21. This recovery – one of the most decisive among major economies – validated India's long-term consumption potential. The resurgence of COVID-19 cases in the Country could be the only downside risk to India's GDP growth.

However, the only dampener is the surge in Covid-19 in the first quarter of the current financial year that could affect public consumption of products and services.

**Plywood Sector Overview**

Over the years, the demand for plywood has increased significantly due to its structural strength and flexibility, resistance to chemicals and fire as well as insulation against sound and excessive heat. The result is that it has emerged the preferred choice for doors, stairs, external cladding, flooring, framing, interior rails, balustrades, internal panels and timber joinery products.

**SEGMENTWISE PERFORMANCE****Plywood**

During the year 2020-21, segment revenue decreased from ₹184.98 Crores to ₹ 162.41 Crores i.e. a decrease of 12.20%.

During the year under review, the outbreak of the deadly Covid-19 pandemic, followed by the lockdown in the country has adversely affected the business operations of the Company.

**Tea**

Segment revenue during the year was ₹ 18.91 Crores as against ₹ 21.56 Crores in the preceding financial year representing a decrease of 12.29%.

During the year under review, the Company has sold Company's Tea Processing Business as a going concern on slump sale basis to Teloijan Techno Agro Limited by way of Business Transfer Agreement on September 24, 2020.

**INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions wherever necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively. Based on its evaluation (as provided under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), the Audit Committee has concluded that as of March 31, 2021, the Internal Financial Controls were adequate and operating effectively.

M/s. S K Agrawal and Co Chartered Accountants LLP, the Statutory Auditors of the Company audited the financial statements included in this Annual Report and issued a report on the internal controls over financial reporting (as defined in Section 143 of the Companies Act, 2013).

## OUTLOOK

The Company expects financial year 2021-22 to be a challenging year in view of the second wave of Covid-19 which has caused a slowdown in some sectors during the first quarter of the financial year. The Company aims to enhance the capacity utilization of the existing installed capacity across various product lines.

With the Company's continuous endeavour to introduce new products and improve efficiencies and performance, your Directors view the prospects for the financial year 2021-22 with cautious optimism.

## OPPORTUNITIES & THREATS

### Opportunities:

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

- One of the fastest-growing economies in the world
- Consistent cost optimization initiatives
- Decades-long experience
- Deep distribution network

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

### Threats

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

## DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS

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

Ratio	March-21	March-20	% Changes	Explanation
Debtors Turnover Ratio (days)	36.50	37.07	-2	-
Inventory Turnover Ratio (days)	57.00	67.11	-15	-
Interest Coverage Ratio (times)	0.52	0.69	-25	Increased interest cost on account of increase in borrowings
Current Ratio(times)	0.83	0.84	-1	-
Debt Equity Ratio(times)	1.97	1.95	1	-
Operating Profit Margin (%)	4.67	4.00	17	-
Net Profit Margin (%)	-1.35	-1.97	-31	Substantial improvement in margins is owing to gain on sale of tea processing business
Return on Net Worth (%)	-3.80	-6.12	-38	

## BUSINESS RISK MANAGEMENT

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

## FINANCIAL PERFORMANCE

During the year under review, the gross turnover of the Company has decreased from ₹ 206.54 Crores to ₹ 181.32 Crores i.e, a decrease of 12.21%. The Company has incurred a net loss of ₹ 2.66 Crores as against a net loss of ₹ 4.46 Crores in the preceding financial year. In view of losses incurred by the Company during the year, the Board of Directors did not recommend any dividend.



**HUMAN RESOURCES MANAGEMENT**

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

During the year, the Company organised training programmes in technical skills, behavioral skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. Considering the health and safety of employees and advisories, orders and directions issued by State and Central Governments to restrict the novel corona virus, the Company implemented a work from home policy to ensure employee safety.

The HR department of the Company was continuously in touch with employees to guide and solve problems. It created awareness regarding COVID-19 and educated employees about precautions. The Company conducted interviews through telephone and video calls in reference to the need for social distancing. The Company prepared a systematic operating plan to address COVID-19 after the lockdown is lifted. The Company's permanent employee strength stood at 525 as on March 31, 2021.

**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.

Registered Office :  
9, Parsee Church Street  
Kolkata – 700 001

For and on behalf of the Board

Date : June 24, 2021

SUDEEP CHITLANGIA  
Managing Director  
(DIN : 00093908)

SUJIT CHAKRAVORTI  
Director  
(DIN : 00066344)



**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]**

	<b>Requirement of Rule 5(1)</b>	<b>Details</b>
(i)	The ratio of each Director to the median remuneration of the employees of the Company for the financial year 2020-21	<p><b>Independent Directors</b>                      Dr. Kali Kumar Chaudhuri : Nil                      Shri Sujit Chakravorti : Nil                      Shri Probir Roy : Nil                      Shri Ratan Lal Gaggar : Nil</p> <p><b>Non Executive Directors</b>                      Smt. Sheela Chitlangia : Nil                      Shri Sohan Lal Yadav : Nil</p> <p><b>Executive Directors</b>                      Shri Sudeep Chitlangia : 9.68</p>
(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 2020-21	<p><b>Independent Directors</b>                      Dr. Kali Kumar Chaudhuri : Nil                      Shri Sujit Chakravorti : Nil                      Shri Probir Roy : Nil                      Shri Ratan Lal Gaggar : Nil</p> <p><b>Non Executive Directors</b>                      Smt. Sheela Chitlangia : Nil                      Shri Sohan Lal Yadav : Nil</p> <p><b>Executive Director</b>                      Shri Sudeep Chitlangia : (38.91%)                      (Managing Director)</p> <p><b>CFO &amp; CS</b>                      Shri Ravi Kumar Murarka : (21.50%)</p>
(iii)	The percentage increase in the median remuneration of employees in the financial year	(4.79 %)
(iv)	The number of permanent employees on the rolls of the Company	525 permanent employees as on March 31, 2021
(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, 2021 is as per the Remuneration Policy of the Company.

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



**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 2020-2021:**

Sl. No.	Name	Designation	Remuneration Received (Rs)	Qualification	Total years of Experience	Date of commencement of employment	Age	Last employment
1	Sudeep Chitlangia	Managing Director	37,12,520	B.Com	33	27-05-1988	55	Nil
2	Devesh Ahluwalia	Vice- President - Sales	29,83,170	B.Sc., PGDBM	30	03-07-2014	54	Sheela Foam Pvt. Ltd.
3	Shashank Hissaria	General Manager	21,86,829	B.Com.	32	15-12-1988	52	Nil
4	Akhilesh Chitlangia	President - Sales & Marketing	20,27,940	B.Sc., B.A.	11	01-07-2010	33	Nil
5	Harender Verma	Dy General Manager - Sales	19,78,030	M.Sc., MBA	24	26-09-2015	50	Lafarge India Pvt. Ltd.
6	Pawan Kumar Verma	General Manager - Accounts	18,04,950	B.Com., ACA	14	18-12-2008	41	Reliance Retail Ltd.
7	Neeraj Gupta	General Manager - Commercial	17,88,660	B.Com, ICWA (Inter)	28	15-11-1998	52	Chembra Peak Estate Ltd
8	Ravi Kumar Murarka	Chief Financial Officer & Company Secretary	17,38,275	B.Com, C.W.A., A.C.S, F.C.A., D.I S.A.	23	01-05-2009	47	Jessop & Co. Ltd.
9	A Srinivas	Deputy General Manager - Sales	15,61,657	MBA (Sales & Marketing)	24	09-10-2013	49	HIL LTD, (Formerly Hyderabad Industries Limited), C.K.Birla Group
10	Sanjay Kumar Mishra	Branch Manager	14,66,770	B.Com	37	01-04-1991	59	J S M & Co

Registered Office :  
9, Parsee Church Street  
Kolkata – 700 001

Date : June 24, 2021

For and on behalf of the Board

SUDEEP CHITLANGIA  
Managing Director  
(DIN : 00093908)

SUJIT CHAKRAVORTI  
Director  
(DIN : 00066344)

**REMUNERATION POLICY****a) Remuneration Policy for Non Executive Directors/ Independent Directors**

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

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

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

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

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

**b) Remuneration Policy for Executive Directors**

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

**Key Principles:**

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

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

The remuneration to key managerial personnel shall include:

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

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

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

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



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

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

**Key Principles:**

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

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

The remuneration to key managerial personnel shall include:

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

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

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

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

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

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

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For and on behalf of the Board

SUDEEP CHITLANGIA  
Managing Director  
(DIN : 00093908)

SUJIT CHAKRAVORTI  
Director  
(DIN : 00066344)

Date : June 24, 2021

**REPORT ON CORPORATE GOVERNANCE**
**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

**BOARD OF DIRECTORS**

The Company has an optimal balance of skill, experience, expertise and diversity of perspectives on its Board, suited to the requirements of the businesses of the Company. The Composition of the Board of Directors as on March 31, 2021 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 March 31, 2021 the Board comprised of 7 (seven) Directors, of which 4 (four) were Independent Directors.

The composition of the Board of Directors as on March 31, 2021, 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 17.10.2020	No. of membership(s) in #Committee(s) including this listed entity	No. of post of Chairperson in #Committee held in listed entities including this listed entity
Shri Sudeep Chitlangia (Managing Director)	00093908	Promoter, Executive	5	Yes	1	-
Smt. Sheela Chitlangia	00174354	Promoter, Non-Executive	5	No	-	-
Shri Sohan Lal Yadav*	00207333	Non-Executive	1	Yes	-	-
Dr.Kali Kumar Chaudhuri	00206157	Independent, Non-Executive	5	Yes	4	1
Shri Probir Roy	00033045	Independent, Non-Executive	5	Yes	8	1
Shri Ratan Lal Gaggar	00066068	Independent, Non-Executive	5	Yes	9	3
Shri Sujit Chakravorti	00066344	Independent, Non-Executive	5	Yes	5	3

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

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

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

Name of Director	No. of Directorships including the Company#	Name of the Listed entities in which the concerned Director is a Director	Category of Directorship
Shri. Sudeep Chitlangia	1	-	-
Smt. Sheela Chitlangia	1	-	-
Shri. Sohan Lal Yadav*	NA	-	-
Dr. Kali Kumar Chaudhuri	4	Manaksia Limited Manaksia Steels Limited Duroply Industries Limited	Independent Director Independent Director Independent Director



Shri Probir Roy	6	Industrial and Prudential Investment Co. Ltd. Century Plyboards (India) Ltd. Duroply Industries Limited	Independent Director Independent Director Independent Director
Shri Sujit Chakravorti	5	Deepak Industries Limited WEBFIL Limited Duroply Industries Limited	Independent Director Independent Director Independent Director
Shri Ratan Lal Gaggar	9	TIL Limited Sumedha Fiscal Service Ltd. International Combustion (India) Limited Shree Cement Limited Duroply Industries Limited	Independent Director Independent Director Independent Director Independent Director Independent Director

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

# 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 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, 2021**

During the financial year five Board Meetings were held on July 3, 2020, August 24, 2020, September 24, 2020 November 4, 2020 and February 10, 2021. The Board also passed resolution by circulation once on September 3, 2020. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and Listing Regulations read with the Circulars issued by MCA and SEBI with respect to increase in the gap and extension for holding meetings pursuant to COVID-19 pandemic.

**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 <https://www.duroply.in/siteassets/pdf/code-conduct-DIL.pdf>.

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

As per the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by Designated Persons'. This Code is applicable to all the Promoters, Directors and such other persons defined as designated persons and to their immediate relatives as well.

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

As per the above Code, Mr. Ravi Kumar Murarka is the Chief Investor Relations Officer.

**Shareholding of Non-Executive Directors**

Except Smt. Sheela Chitlangia, none of the Non-Executive Directors hold any shares in the Company. Smt. Sheela Chitlangia holds 2,71,650 Equity Shares of ₹10/- each of the Company as on March 31, 2021.

### Independent Directors Meeting

During the year, the Independent Directors of the Company met separately on February 10, 2021, without the presence of other directors or management representatives, to review the performance of non-independent directors, and the performance of the Board as a 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/Financial\\_Year\\_2020-2021.pdf](https://www.duroply.in/siteassets/pdf/Financial_Year_2020-2021.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 Sohan Lal Yadav	Dr.Kali Kumar Chaudhuri	Shri Probir Roy	Shri Ratan Lal Gaggar	Shri Sujit Chakravorti	Smt. Sheela Chitlangia
Industry knowledge/ experience	✓	✓	✓	✓	✓	✓	✓
Technical skills/ experience	✓	✓	-	✓	✓	-	-
Behavioural competencies/ personal attributes	✓	✓	✓	✓	✓	✓	✓
Strategic expertise	✓	✓	✓	✓	✓	✓	-
Financial expertise	✓	-	✓	✓	✓	✓	-

### AUDIT COMMITTEE

#### Composition of the Committee

The Audit Committee has been constituted by Board in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Shri Sujit Chakravorti (Chairman of the Committee), Shri Ratan Lal Gaggar and Shri Probir Roy. The Managing Director, the Statutory Auditors and the Chief Internal Auditor are amongst the permanent invitees to the Audit Committee meeting. The Company Secretary acts as the Secretary to the Committee.

#### Terms of Reference

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

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

- II. The annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any Related Party Transactions;
  - Modified opinion(s) in the draft audit report;
- III. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- IV. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- V. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- VI. Reviewing with the management, the statement of users/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the Company with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the Company, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. The Audit Committee shall mandatorily review the following information:
- management discussion and analysis of financial condition and results of operations;
  - statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - management letters / letters of internal control weaknesses issued by the statutory auditors;
  - internal audit reports relating to internal control weaknesses; and
  - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - statement of deviations: quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

- it should also review (as and when it becomes applicable) the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date.

**Audit Committee Meetings held during the year ended March 31, 2021**

During the year under review, four Audit Committee Meetings were held on July 3, 2020, August 24, 2020, November 4, 2020 and February 10, 2021.

**Attendance at the Audit Committee Meetings**

Name of Directors	No. of Meetings held	No. of Meetings attended
Shri Sujit Chakravorti	4	4
Shri Ratan Lal Gaggar	4	4
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. Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- III. Devising a policy on diversity of the board of directors;
- IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and remuneration payable to them.
- V. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

**Nomination & Remuneration Committee Meeting held during the year ended March 31, 2021**

During the year under review, one Nomination & Remuneration Committee Meeting was held on February 10, 2021.

**Attendance at the Nomination & Remuneration Committee Meeting**

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

**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 transaction with its non-executive and independent directors other than payment of sitting fees to them for attending Board and committee meetings.

Criteria of making payments to the Non-Executive Directors are disclosed in the Policy and the same is available on the website of the Company and can be accessed at [https://www.duroply.in/siteassets/pdf/Policy\\_on\\_payment\\_of\\_remuneration\\_to\\_NED.pdf](https://www.duroply.in/siteassets/pdf/Policy_on_payment_of_remuneration_to_NED.pdf)

**Details of remuneration to Directors**

<b>Name</b>	<b>Salary &amp; Perks</b>	<b>Sitting Fees</b>	<b>Total</b>
Shri Sudeep Chitlangia	37,12,520	-	37,12,520
Smt. Sheela Chitlangia	-	50,000	50,000
Shri Sohan Lal Yadav	-	-	-
Dr. Kali Kumar Chaudhuri	-	58,500	58,500
Shri Ratan Lal Gaggar	-	88,500	88,500
Shri Probir Roy	-	80,000	80,000
Shri Sujit Chakravorti	-	86,000	86,000

**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.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Composition of the Committee**

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

**Terms of Reference**

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

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

**Stakeholders Relationship Committee Meetings held during the year ended March 31, 2021**

During the year under review, one Stakeholders Relationship Committee Meeting was held on February 10, 2021

**Attendance at Stakeholders Relationship Committee Meetings**

<b>Name of Director</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Dr. Kali Kumar Chaudhuri	1	1
Shri Sudeep Chitlangia	1	1
Shri Ratan Lal Gagar	1	1

**Compliance Officer**

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

**Shareholders' Complaints**

During the year ended March 31, 2021, the Company had received nil complaints from its shareholders. No complaints were pending at the beginning and at the closing of the year except those under litigation, dispute or Court orders.

**INVESTOR COMMITTEE****Composition of the Committee**

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

**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, 2021**

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

**BORROWING COMMITTEE****Composition of the Committee**

The Borrowing Committee has been constituted by Board in accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder and any other applicable law for the time being in force. The Borrowing Committee 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, 2021**

During the year under review, three Borrowing Committee Meetings were held on April 20, 2020, May 11, 2020 and June 12, 2020.

**Attendance at Borrowing Committee Meetings**

<b>Name of Director</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Dr. Kali Kumar Chaudhuri	3	3
Shri Sudeep Chitlangia	3	3
Smt. Sheela Chitlangia	3	3

**GENERAL BODY MEETINGS**

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

<b>Financial Year</b>	<b>Location</b>	<b>Date</b>	<b>Nature</b>	<b>Time</b>	<b>Number of Special Resolutions passed</b>
2017-2018	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700 017	24.09.2018	AGM	11.00 A.M.	Four
2018-2019	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700 017	25.09.2019	AGM	11.00 A.M.	Four
2019-2020	Held through Video Conferencing / Other Audio Visual Means	17.10.2020	AGM	11.00 A.M.	Three

**Notes:**

**Special Resolution passed in the previous three Annual General Meetings**

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

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

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

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

The following Special Resolutions were passed at the 61st Annual General Meeting held on September 24, 2018.

- Continuation of Mr. Ratan Lal Gaggar as an Independent Non-Executive Director.
- Continuation of Mr. Probir Roy as an Independent Non-Executive Director.
- Continuation of Mr. Sujit Chakravorti as an Independent Non-Executive Director.
- Continuation of Smt. Sheela Chitlangia as a Non-Executive Director.

**Postal Ballot**

During Financial Year 2020-21, the Company has not passed any Special resolution(s) through the Postal Ballot. Approval, if any required through, Postal Ballot during the Financial Year 2021 -22 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 the Company website at [www.duroply.in](http://www.duroply.in)
- b) There were no instances of non-compliance nor have any penalties or strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- c) The Company has followed the applicable guidelines of Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) The Company has adopted Vigil Mechanism/Whistle blower policy. No personnel were denied access to the Audit Committee.
- e) The Company has complied with all the mandatory requirement and discretionary requirement of unqualified financial statements.
- f) The Company does not have any subsidiary.
- g) The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.
- h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - i. Number of complaints filed during the financial year – NIL
  - ii. Number of complaints disposed of during the financial year – NIL
  - iii. Number of complaints pending as on end of the financial year - NIL

**MEANS OF COMMUNICATION**

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

**Fee to Statutory Auditor**

During the year, an amount of Rs. 5,50,000/- (Rupees Five Lakhs Fifty Thousand only) was paid to M/s. S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP, the statutory auditors of the Company for the services rendered by it to the Company.

**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.

**GENERAL SHAREHOLDER INFORMATION**

- I. Annual General Meeting : As per the Annual General Meeting Notice
  - Date and time
  - Venue
- II. Financial Calendar for the year 2021-2022
  - 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

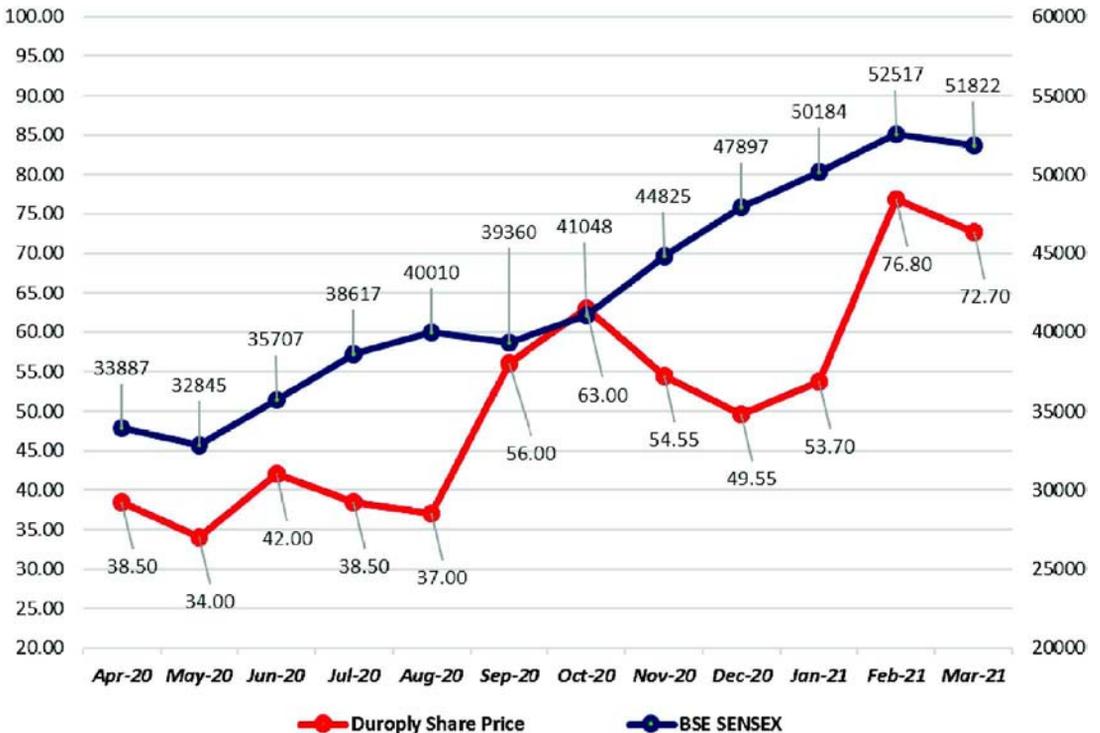


- III. Book Closure Date : As provided in Annual General Meeting Notice
- IV. Dividend Payment Date : Not Applicable
- V. Listing on Stock Exchange : BSE Limited  
Corporate Relationship Department  
Rotunda Building, 1st Floor, New Trading Wing, P.J. Towers  
Dalal Street, Mumbai - 400 001
- VI. Scrip Code : 516003

**VII. Market Price Data**

Month	Stock Prices on BSE		BSE SENSEX	
	High	Low	High	Low
April 2020	38.50	24.00	33887.25	27500.79
May 2020	34.00	23.05	32845.48	29968.45
June 2020	42.00	26.00	35706.55	32348.10
July 2020	38.50	29.00	38617.03	34927.20
August 2020	37.00	27.55	40010.17	36911.23
September 2020	56.00	28.50	39359.51	36495.98
October 2020	63.00	45.00	41048.05	38410.20
November 2020	54.55	42.70	44825.37	39334.92
December 2020	49.55	40.25	47896.97	44118.10
January 2021	53.70	43.35	50184.01	46160.46
February 2021	76.80	45.05	52516.76	46433.65
March 2021	72.70	48.40	51821.84	48236.35

**Performance in comparison to broad-based indices viz., BSE Sensex.  
DIL Share Price Movement v/s BSE Sensex - April 2020 – March 2021**





**VIII. Share Transfer System**

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

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

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

X. **Distribution of Shareholding as on March 31, 2021**

No. of shares of Rs.10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6322	94.5699	758431	11.7391
501-1000	176	2.6328	136713	2.1161
1001-2000	83	1.2416	121276	1.8771
2001-3000	23	0.3441	58314	0.9026
3001-4000	14	0.2094	48109	0.7446
4001-5000	10	0.1496	44386	0.6870
5001-10000	22	0.3291	158243	2.4493
10001 & above	35	0.5236	5135270	79.4842
<b>TOTAL</b>	<b>6685</b>	<b>100.0000</b>	<b>6460742</b>	<b>100.0000</b>

XI. **Categories of Shareholding as on March 31, 2021**

Category of Shareholders	No. of Shares held	Percentage
Indian Promoters	4076308	63.09
Banks and Mutual Funds	10800	0.17
Body Corporates	465629	7.21
Individuals	1783131	27.60
Clearing Members	6676	0.10
Non- Resident Indian	118198	1.83
<b>Total</b>	<b>6460742</b>	<b>100.00</b>

XII. Dematerialisation of shares : The Company's shares are available for Dematerialisation and liquidity with NSDL and CDSL. The ISIN allotted to the Company's Equity Shares is INE932D01010. As on March 31, 2021, 93.53% of the Share Capital has been dematerialised.

XIII. Outstanding GDR/ADR/Warrants : Not Applicable

XIV. Plant locations : Plywood Unit  
Rajkot Gondal Highway, Shapar - 360 024, Dist. Rajkot, Gujarat

XV. Address for Correspondence : Maheshwari Datamatics Private Limited  
23 R N Mukherjee Road, 5th Floor, Kolkata – 700 001  
Phone : (033) 2243-5029 / 5809, Fax : (033) 2248-4787  
E-mail : mdpldc@yahoo.com

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

Registered Office :  
9, Parsee Church Street  
Kolkata – 700 001

For and on behalf of the Board

SUDEEP CHITLANGIA Managing Director (DIN : 00093908)	SUJIT CHAKRAVORTI Director (DIN : 00066344)
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**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 – 700 001  
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 March 31, 2021 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.	Sohan Lal Yadav	00207333	27.11.1996

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters, if any, which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata  
Date : June 24, 2021

Name : CS Atul Kumar Labh  
Membership No. : FCS 4848  
CP No. : 3238  
PRCN : 1038/2020  
UIN : S1999WB026800  
UDIN : F004848C000508054

**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, 2021.

Date : June 24, 2021  
Place : Kolkata

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

**ANNEXURE - 5****INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To**  
**The Members of DUROPLY INDUSTRIES LIMITED**

We, S K AGRAWAL AND CO CHARETRED ACCOUNTANTS LLP, Chartered Accountants, the Statutory Auditors of Duroply Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, 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, 2021.

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, 2021.

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 Regn. No. 306033E/E300272

**CA VIVEK AGARWAL**

Partner

Membership No. 301571

UDIN : 21301571AAAAHW1973

Date : June 24, 2021

Place : Kolkata



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

**CERTIFICATION**

To  
The Board of Directors  
Duroply Industries Limited

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

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further states that to the best of our knowledge and belief, there are no transactions entered into by company during the financial year ended March 31, 2021, 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

Date : June 24, 2021  
Place : Kolkata

(SUDEEP CHITLANGIA)  
Managing Director  
(DIN : 00093908)

(RAVI KUMAR MURARKA)  
CFO & Company Secretary  
(ACS : 20659)



**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

**To**  
**The Members**  
**Duroply Industries Limited**  
9, Parsee Church Street  
Kolkata – 700 001

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**Auditors' Responsibility**

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

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

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

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

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

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 31.03.2021 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;



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

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

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

to the extent of its applicability to the Company during the financial year ended 31.03.2021 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further/, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws:

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

- 1. There has been delay in submission of intimation for closure of Trading Window from 1st July, 2020 till 48 hrs after the publication of financial results for the quarter ended 30th June, 2020. The same was submitted on 4th July, 2020.**

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

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**I further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that :**

- (a) The Company has transferred its Tea processing business through a slump sale on a going concern basis to Telojian Techno Agro Limited as approved by the shareholders of the Company at Annual General Meeting held on 17th October, 2020 during the year under report.
- (b) In the light of heightened concern on spread of Covid-19 across the nation during the year under report, the Company had temporarily suspended its operation of certain facilities at its Plants and Offices for certain period.

**Place : Kolkata  
Date : July 24, 2021**

**(RASHMI SHARMA)  
Practicing Company Secretary  
FCS 8660 / CP No. 8051  
UDIN : F008660C000498677**

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

**(A) CONSERVATION OF ENERGY****i. Steps taken or impact on conservation of energy**

- Energy consumption at various Equipments are being monitored & Controlled with the help of energy meters installed.
- Optimization of operation of water pumps & Cooling Tower Fans during part load operation and during low ambient temperature conditions.
- Press cycle optimize to improve quality and power consumption.
- Installation of Energy Efficient Drive.
- Installation of energy efficient dryer at manufacturing unit.
- Periodic check of the electric distribution network for safe and efficient performance.
- Utilizing turbo vents for better air circulation without using electrical energy.
- Installing LED outdoor lights in boundary area of factory.
- Replacement of conventional lighting with LED lighting.
- Educating employees about how to save energy at work and at home.
- Installation of 25 KLD STP plants, which has reduced consumption of precious ground water. The treated water is used within the site for various purposes.

**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**

The Company has installed STP plant at its Rajkot Factory.

**(B) TECHNOLOGY ABSORPTION****i. The efforts made towards technology absorption**

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

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

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

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

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

**iv. The expenditure incurred on Research and Development**

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



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

<b>i. Earnings and Outgo :</b>		(Rs. in Lakhs)
(i) Foreign Exchange earnings		NIL
(ii) Foreign exchange outgo (imports and other expenditure in foreign currency)		1098.17

Registered Office :  
9, Parsee Church Street  
Kolkata – 700 001

For and on behalf of the Board

Date : June 24, 2021

SUDEEP CHITLANGIA  
Managing Director  
(DIN : 00093908)

SUJIT CHAKRAVORTI  
Director  
(DIN : 00066344)



## **INDEPENDENT AUDITOR'S REPORT**

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

Report on the Audit of the Financial Statements

### **Opinion**

We have audited the financial statements of Duroply Industries Limited (Formerly Sarda Plywood Industries Limited) ("the Company"), which comprises the Balance sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, read with our comments in the Emphasis of Matter paragraph and Other Matter paragraph below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, the loss and total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

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

### **Emphasis of Matter**

We draw your attention to Note 37.4 to the Financial Statements regarding the impact of Covid 19. The Company has not considered the possible effects that may result from the pandemic relating to COVID-19 as same is not material. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

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



S. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Allowance for Credit Losses</b></p> <p>The company determines the allowance for credit losses based on historical loss experience adjusted to reflect the current and future economic conditions.</p> <p>In calculating the expected credit loss, the company has considered the credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>We identified allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses.</p> <p>Refer Notes 9 to the financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures related to the allowance for credit losses for trade receivables included the following, among others:</p> <p>We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses.</p> <p>For a sample of customers:</p> <p>We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.</p> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the company.</p>

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

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

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

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

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

**Management's Responsibility for the financial statements**

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

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

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

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

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash flows comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;



- e. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 37.2 to the financial statement)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Kolkata  
Dated : 24<sup>th</sup> June, 2021

CA VIVEK AGARWAL  
(Partner)  
Membership No.301571  
UDIN : 21301571AAAAHX5173

## ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of **Duroply Industries Limited** (Formerly Sarda Plywood Industries limited) ('the Company') on the financial statements for the year ended on 31<sup>st</sup> March 2021. We report that:

- i. In respect of the Company's fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to information and explanation given to us all the fixed assets have been physically verified by the management in a phased periodical manner. Which in our opinion is reasonable having regard to the size of the company and nature of the assets. No material discrepancies were noticed on such physical verification.
  - (c) According to information and explanation given to us and the records examined by us and the records examined by us including registered title deeds, we reports that ,the title deeds, comprising all the immovable properties of land and building are held in the name of company as at balance sheet date.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security to which provisions of section 185 is applicable, and the company has complied with the provisions of section 186 with respect to the loans & investments made during the year.
- v. According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to Section 76 of the Companies Act, 2013 during the year. Hence, the provisions of Clause (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, Goods and Service Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material dues of duty of customs, goods and service tax, value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanation give to us, the following dues of income tax, sales tax, duty of excise, Goods and Service Tax have not been deposited by the company on account of disputes:

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the matter pertains	Forum where matter is pending
Delhi Sales Tax Act,1975	Sales tax	77.87	1990-91	Additional commissioner of sales tax
Central Sales Tax Act,1956	Sales tax	47.52	1990-91	Additional commissioner of sales tax
Income Tax Act,1961	Income Tax	0.87	AY 1985-86	Income tax Appellate Tribunal
Income Tax Act,1961	Income Tax	5827.57	AY 2018-19	Income tax Appellate Tribunal
Central Excise Act,1944	Excise duty	1198.78	April 2010 to Dec. 2016	Assistant commissioner of Central Excise
Central Goods and Service Tax Act 2017	CGST	37.38	July 2017	Assistant Commissioner



- viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by the provisions for managerial remunerations of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

CA VIVEK AGARWAL  
(Partner)  
Membership No.301571  
UDIN : 21301571AAAAHX5173

Place : Kolkata  
Dated : 24<sup>th</sup> June, 2021

## **ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of Duroply Industries Limited (Formerly Sarda Plywood Industries Limited) ("the Company") as of 31<sup>st</sup> March, 2021 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 authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, 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 Regn. No. 306033E/E300272

Place : Kolkata  
Dated : 24<sup>th</sup> June, 2021

CA VIVEK AGARWAL  
(Partner)  
Membership No.301571  
UDIN : 21301571AAAAHX5173

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021**

₹ in Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020	
<b>I. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, plant and equipment	3	9,757.21	10,384.38	
(b) Capital Work-in-Progress	3	7.66	49.67	
(c) Intangible assets	4	30.45	30.34	
(d) Financial Assets				
Investments	5	17.04	0.90	
Loans	6	1,253.10	821.35	
(e) Other Non-Current Assets	7	<u>13.46</u>	<u>5.24</u>	11,291.88
		<b>11,078.92</b>		
<b>(2) Current assets</b>				
(a) Inventories	8	6,205.52	6,915.42	
(b) Financial Assets				
Trade receivables	9	1,813.15	2,097.62	
Cash and Cash Equivalents	10	27.41	126.32	
Other Bank Balances	11	298.55	275.32	
Loans	12	46.67	43.68	
Others	13	47.66	37.39	
(c) Current Tax Assets (Net)	14	14.25	10.78	
(d) Other current assets	15	<u>1,320.87</u>	<u>648.91</u>	10,155.44
<b>TOTAL</b>		<u><b>20,853.00</b></u>	<u><b>21,447.32</b></u>	
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share capital	16	646.36	646.36	
(b) Other Equity	17	<u>6,366.83</u>	<u>6,633.10</u>	7,279.46
<b>(2) Non - current liabilities</b>				
(a) Financial Liabilities				
Borrowings	18	1,107.34	808.35	
Other Financial Liabilities	19	185.12	240.11	
(b) Provisions	20	346.87	313.64	
(c) Deferred Tax Liabilities (Net)	21	391.11	630.89	
(d) Other Non - Current Liabilities	22	<u>77.83</u>	<u>107.04</u>	2,100.03
<b>(3) Current liabilities</b>				
(a) Financial Liabilities				
Borrowings	23	4,984.73	4,421.47	
Trade payables	24	5,329.69	6,502.86	
Other Financial Liabilities	25	1,052.55	972.31	
(b) Other current liabilities	26	358.47	139.21	
(c) Provisions	27	<u>6.10</u>	<u>31.98</u>	12,067.83
<b>TOTAL</b>		<u><b>20,853.00</b></u>	<u><b>21,447.32</b></u>	
<b>Significant Accounting Policies</b>	2			
<b>Other Disclosures</b>	37			

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

As per our report of even date attached

On behalf of the Board

**For S K Agrawal And Co Chartered Accountants LLP**Chartered Accountants  
(F.R. NO. 306033E/E300272)**SUJIT CHAKRAVORTI**Director  
DIN 00066344**CA VIVEK AGARWAL**(Membership No. 301571)  
Partner  
Place of Signature : Kolkata  
Date : 24th June 2021**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary**SUDEEP CHITLANGIA**  
Managing Director  
DIN 00093908

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

Particulars	Note No.	₹ in Lakhs	
		Year ended 31.03.2021	Year ended 31.03.2020
<b>I. Revenue from operations</b>			
Sale of goods	28	<b>18,128.97</b>	20,650.13
Other operating Income	29	<b>3.11</b>	3.47
<b>Total Revenue from Operations</b>		<b>18,132.08</b>	20,653.60
<b>II. Other income</b>	30	<b>195.35</b>	78.28
<b>III. Total revenue (I+II)</b>		<b>18,327.43</b>	20,731.88
<b>IV. Expenses:</b>			
Cost of materials consumed	31	<b>8,019.51</b>	9,756.14
Purchases of stock-in-trade	32	<b>1,843.16</b>	2,034.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	<b>965.62</b>	(499.50)
Employee benefits expense	34	<b>2,291.68</b>	2,725.69
Finance costs	35	<b>1,008.26</b>	748.83
Depreciation and amortization expense	3 & 4	<b>323.54</b>	308.94
Other expenses	36	<b>5,171.01</b>	6,062.12
<b>Total expenses</b>		<b>19,622.78</b>	21,136.34
<b>V. Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(1,295.35)</b>	(404.46)
<b>VI. Exceptional items (Refer Note No. 37(14))</b>		<b>810.44</b>	172.70
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>(484.91)</b>	(231.76)
<b>VIII. Tax expense :</b>			
Current tax		-	0.05
Deferred tax		<b>(239.78)</b>	175.79
<b>IX. Profit/(Loss) for the year (VII - VIII)</b>		<b>(245.13)</b>	(407.60)
<b>X. Other Comprehensive Income</b>			
i) Items that will not be reclassified to Profit and Loss			
- Remeasurement of Defined Benefit Liabilities		<b>(21.14)</b>	(38.08)
<b>XI. Total Comprehensive Income for the year (IX+X)</b>		<b>(266.27)</b>	(445.68)
<b>Earnings per equity share of ₹ 10/- each</b>			
Basic		<b>(3.79)</b>	(6.31)
Diluted		<b>(3.79)</b>	(6.31)
<b>Significant accounting policies</b>	<b>2</b>		
<b>Other Disclosures</b>	<b>37</b>		

The accompanying notes 1 to 37 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)

**SUJIT CHAKRAVORTI**

Director  
DIN 00066344

**CA VIVEK AGARWAL**

(Membership No. 301571)  
Partner  
Place of Signature : Kolkata  
Date : 24th June 2021

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

**SUDEEP CHITLANGIA**  
Managing Director  
DIN 00093908

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

	Number of Shares	₹ in Lakhs
<b>A) Equity Share Capital</b>		
<b>Equity Shares of ₹ 10 each subscribed and fully paid</b>		
On 1st April 2019	6,460,742	646.08
Changes in equity share capital during the year	-	-
Balance as at 31st March 2020	6,460,742	646.08
Changes in equity share capital during the year	-	-
Balance as at 31st March 2021	6,460,742	646.08

Particulars	Reserves and Surplus				Total
	Securities Premium	General Reserve	Retained Earning	Other Comprehensive Income	
Balance as at 1st April 2019	754.15	1,216.84	5,335.05	(191.44)	7,114.60
Profit for the year	-	-	(407.60)	-	(407.60)
Transition Impact of IND AS 116 (Net of Tax)	-	-	(35.82)	-	(35.82)
Other Comprehensive Income for the year	-	-	-	(38.08)	(38.08)
Balance as at 31st March 2020	<b>754.15</b>	<b>1,216.84</b>	<b>4,891.63</b>	<b>(229.52)</b>	<b>6,633.10</b>
Profit for the year	-	-	(245.13)	-	(245.13)
Other Comprehensive Income for the year	-	-	-	(21.14)	(21.14)
Balance as at 31st March 2021	<b>754.15</b>	<b>1,216.84</b>	<b>4,646.50</b>	<b>(250.66)</b>	<b>6,366.83</b>

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

As per our report of even date attached

On behalf of the Board

**For S K Agrawal And Co Chartered Accountants LLP**

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

**SUJIT CHAKRAVORTI**

Director  
DIN 00066344

**CA VIVEK AGARWAL**

(Membership No. 301571)  
Partner  
Place of Signature : Kolkata  
Date : 24th June 2021

**RAVI KUMAR MURARKA**

Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**

Managing Director  
DIN 00093908

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	₹ in Lakhs	
	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) before tax</b>	(484.91)	(231.76)
<b>Adjustments for:</b>		
Depreciation and Amortisation expenses	323.54	308.94
Provision for fair value of Investments	(1.15)	0.65
Unspent Liabilities Written Back	(27.61)	(0.58)
Government Grant	(29.21)	(12.84)
Loss/(Profit) on Sale of Property, Plant and Equipment	34.54	7.97
Loss/(Profit) on Sale of Investments	(3.93)	-
Interest Income	(78.94)	(56.22)
Finance Costs	1,008.26	748.83
Dividend Income	-	(0.01)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>740.59</b>	<b>764.98</b>
Decrease/(Increase) in Non Current Financial Assets - Loan	(431.75)	(202.98)
Decrease/(Increase) in Current Financial Assets - Loan	(2.99)	2.02
Decrease/(Increase) in Other Non Current Assets	(8.22)	0.29
Decrease/(Increase) in Other Current Assets	(671.96)	(0.06)
Decrease/(Increase) in Inventories	709.90	(449.98)
Decrease/(Increase) in Trade Receivables	284.47	259.67
Increase/(Decrease) in Long Term Provisions	12.09	76.24
Increase/(Decrease) in Short Term Provisions	(25.88)	(16.57)
Increase/(Decrease) in Other Financial Liabilities	(113.73)	191.62
Increase/(Decrease) in Other Current Liabilities	219.26	(161.65)
Increase/(Decrease) in Trade Payables	(1,173.17)	79.09
<b>Cash generated from Operating activities</b>	<b>(461.39)</b>	<b>542.68</b>
Direct Taxes Paid (Net of Refund)	<b>(3.47)</b>	<b>26.75</b>
<b>Net Cash Flow from/(Used in) Operating Activities</b>	<b>(464.86)</b>	<b>569.43</b>
<b>B. Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment	(240.69)	(305.48)
Additions to Intangible Fixed Assets	(308.62)	(5.93)
Addition to Fixed Deposits	(23.23)	1.55
Sale of Property, Plant and Equipment	680.83	28.82
Sale of Intangible Fixed Assets	284.93	-
Sale of Long Term Investments	(15.01)	0.65
Interest Income	68.67	44.37
Dividend Income	-	0.01
<b>Net Cash flow from/(Used in) Investing activities</b>	<b>446.88</b>	<b>(236.01)</b>

Contd.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021 (Contd.)**

₹ in Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Working Capital Loan	521.27	479.98
Proceeds from Other Short Term Borrowings	42.00	(40.00)
Proceeds from Term Loan	474.06	174.83
Principal Paid on Lease Liabilities	(122.66)	(102.02)
Interest Paid on Lease Liabilities	(41.69)	(51.47)
Interest Paid other than on Lease Liabilities	(899.06)	(650.52)
Other Borrowing Costs	(54.85)	(50.26)
<b>Net Cash Flow from/(Used in) Financing Activities</b>	<b>(80.93)</b>	<b>(239.46)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(98.91)</b>	<b>93.96</b>
Opening Cash and Cash Equivalents	126.32	32.36
Closing Cash and Cash Equivalents as per Note No. 10	<b>27.41</b>	<b>126.32</b>

**Notes :**

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

Particulars	As at 1 <sup>st</sup> April 2020	Net Cash Flows	Change in fair values/ Accruals	Unsecured Perpetual Securities	Others	As at 31 <sup>st</sup> March 2021
Non Current Borrowings	1,065.21	474.06	-	-	-	1,539.27
Current Borrowings	4,421.47	563.27	-	-	-	4,984.74
Interest Accrued	0.11	12.66	-	-	-	12.77

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

As per our report of even date attached

On behalf of the Board

**For S K Agrawal And Co Chartered Accountants LLP**Chartered Accountants  
(F.R. NO. 306033E/E300272)**SUJIT CHAKRAVORTI**Director  
DIN 00066344**CA VIVEK AGARWAL**(Membership No. 301571)  
Partner  
Place of Signature : Kolkata  
Date : 24th June 2021**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary**SUDEEP CHITLANGIA**  
Managing Director  
DIN 00093908

## NOTES TO ACCOUNTS

### NOTE 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, Tea etc. The registered office of the Company is at 9, Parsee Church Street, Kolkata – 700 001.

### NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

#### a. Statement of compliance

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

#### b. Basis of preparation

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

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

#### c. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

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

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

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

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

**f. Property, plant and equipment****Recognition and initial measurement**

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

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

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

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

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

### De-recognition

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

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

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

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

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

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

Freehold land is not depreciated.

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

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

### i. Impairment of non-financial assets

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

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

#### **j. Leases**

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

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

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

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

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

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

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

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

#### **k. Financial Instruments**

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

##### **Initial Recognition:**

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

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

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

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

**Amortised Cost**

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Other Comprehensive Income**

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

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

**Fair Value through Profit or Loss**

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

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

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

**Classification and Subsequent Measurement: Financial liabilities**

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

**Financial Liabilities at FVTPL**

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

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

**Other Financial Liabilities**

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

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

**Impairment of financial assets**

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

**Derecognition of financial assets**

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

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

### **Derivative financial instruments**

The company uses Derivative Financial Instruments such as forward contracts to hedge its foreign currency risks. Such Derivative financial instruments are initially recognized and subsequently measured at Fair Value through profit or loss (FVTPL). Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

### **Offsetting financial instruments**

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

## **I. Employee benefits**

### **1. Short term obligations**

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

### **2. Other long term 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.

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

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

#### **o. Government grants**

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

#### **p. Income taxes**

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

##### **Current tax**

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

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

**Deferred tax**

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

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

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

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

**q. Revenue**

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

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

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

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

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

**Sale of goods**

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

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

**Interest income**

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

**Dividend income**

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

**Insurance Claims**

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

**r. Foreign currency transactions**

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

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

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

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

**s. Borrowing costs**

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

**t. Earnings per share**

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

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

**u. Trade receivables**

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

**v. Cash and cash equivalents**

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

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

**w. Trade and other payables**

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

**x. Segment reporting**

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

**y. Related party transactions**

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

**NOTE 2.1 : CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES****New and amended standards**

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

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

**Ind AS 116 – Leases**

Effective from 1<sup>st</sup> April, 2019, the Company has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Company at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

**As a lessee**

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

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

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



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

**As a lessor**

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

**NOTE 3 : PROPERTY, PLANT AND EQUIPMENT**

₹ in Lakhs

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

**PROPERTY, PLANT AND EQUIPMENT - PREVIOUS YEAR**

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



**NOTE 4 : INTANGIBLE ASSETS**

₹ in Lakhs

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

**INTANGIBLE ASSETS - PREVIOUS YEAR**

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

**NOTE 5 : NON-CURRENT INVESTMENTS**

Particulars	Face value ₹	No. of shares	As at 31 <sup>st</sup> March, 2021	No. of shares	As at 31 <sup>st</sup> March, 2020
<b>Investments measured at Fair Value through Profit &amp; Loss</b>					
<b>Investments in Equity Shares</b>					
<b>a) Quoted, Fully paid up</b>					
Rampur Fertilizers Limited	10	61	-	61	-
SMIFS Capital Markets Ltd.	10	3,500	1.54	3,500	0.74
United Credit Ltd.	10	1,000	0.11	1,000	0.16
			<u>1.65</u>		<u>0.90</u>
<b>b) Unquoted, Fully Paid up :</b>					
Other Companies					
Orissa Tea Plantations Ltd.	10	100	-	100	-
Albion Plywood Ltd.	10	300	-	300	-
Rajkot Nagrik Sahakari Bank Ltd.	50	1	-	1	-
			<u>-</u>		<u>-</u>
<b>c) Unquoted, Partly paid up</b>					
<b>Partly paid up (₹ 60/- called and paid up)</b>					
The Purbanchal Bank Limited	100	200	-	200	-
			<u>-</u>		<u>-</u>
			<u>1.65</u>		<u>0.90</u>
<b>Investments in Mutual Funds</b>					
<b>a) SBI Liquid Fund Growth</b>					
(480 Units are Given to Bank as lien)		480.615	15.39		-
			<u>17.04</u>		<u>0.90</u>
Aggregate amount of quoted investments			<b>25.43</b>		10.43
Aggregate market value of quoted investments			<b>17.04</b>		0.90

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

a) Rampur Fertilizers Ltd.	16	16
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	<b>As at</b>	₹ in Lakhs
	<b>31<sup>st</sup> March, 2021</b>	<b>As at</b>
		<b>31<sup>st</sup> March, 2020</b>
<b>NOTE 6 : LOANS</b>		
(Unsecured, considered good)		
Security deposits	135.12	128.37
Loan to Related Parties	466.22	466.22
Loan to Others	651.76	226.76
	<u>1,253.10</u>	<u>821.35</u>
<b>NOTE 7 : OTHER NON - CURRENT ASSETS</b>		
(Unsecured, considered good)		
Capital advances	10.15	2.69
Prepaid Expenses	3.31	2.55
	<u>13.46</u>	<u>5.24</u>
<b>NOTE 8 : INVENTORIES</b>		
(At lower of cost and net realizable value, unless stated otherwise)		
Raw Materials	2,957.56	2,716.79
Raw Materials in Transit	125.27	144.69
Work-in-Progress	901.46	1,065.98
Finished Goods	1,641.33	2,412.25
Finished Goods in Transit	-	39.89
Stock in Trade	289.01	279.29
Stores & Spares and Chemicals	282.33	253.60
Stores & Spares and Chemicals in Transit	8.56	2.93
	<u>6,205.52</u>	<u>6,915.42</u>
<b>NOTE 9 : TRADE RECEIVABLES</b>		
Trade receivables considered good - Unsecured*	1,813.15	2,097.62
Trade receivables - Credit Impaired	106.42	20.39
Less:- Provision for Expected credit loss	106.42	20.39
	<u>1,813.15</u>	<u>2,097.62</u>
* includes ₹ 85.89 Lakhs/- (Previous year ₹ 85.89 Lakhs) under litigation.		
<b>NOTE 10 : CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Balances with banks	22.44	118.49
Cheques, drafts on hand	0.07	0.98
Cash on hand	4.90	6.85
	<u>27.41</u>	<u>126.32</u>
<b>NOTE 11 : OTHER BANK BALANCES</b>		
Fixed deposits with banks*	298.55	275.32
(Original maturity period above 3 Months but below 12 months)		
	<u>298.55</u>	<u>275.32</u>
* includes ₹ 290.96 Lakhs/- (Previous year ₹ 274.32 Lakhs) towards margin money for letter of credit		



₹ in Lakhs

	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>
<b>NOTE 12 : LOANS</b>		
(Unsecured, considered good)		
Security deposits	<u>46.67</u>	<u>43.68</u>
	<u>46.67</u>	<u>43.68</u>
<b>NOTE 13 : OTHERS</b>		
Interest accrued	<u>47.66</u>	<u>37.39</u>
	<u>47.66</u>	<u>37.39</u>
<b>NOTE 14 : CURRENT TAX ASSETS (NET)</b>		
Advance tax (net)	<u>14.25</u>	<u>10.78</u>
	<u>14.25</u>	<u>10.78</u>

**NOTE 15 : OTHER CURRENT ASSETS**

(Unsecured, considered good)		
Advance to suppliers and others	<u>484.46</u>	<u>589.77</u>
Slump Sale Receivable	<u>780.53</u>	<u>-</u>
Balance with Statutory Authorities	<u>13.99</u>	<u>16.00</u>
Prepaid expenses	<u>41.89</u>	<u>43.14</u>
	<u>1,320.87</u>	<u>648.91</u>

**NOTE 16 : EQUITY SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>(a) Authorised</b>				
Equity shares of ₹ 10/- each	<u>25,000,000</u>	<u>2,500.00</u>	25,000,000	<u>2,500.00</u>
<b>(b) Issued</b>				
Equity shares of ₹ 10/- each	<u>6,640,667</u>	<u>664.08</u>	6,640,667	<u>664.08</u>
	<u>6,640,667</u>	<u>664.08</u>	6,640,667	<u>664.08</u>
<b>(c) Subscribed and Paid up</b>				
Equity shares of ₹ 10/- each fully paid up	<u>6,460,742</u>	<u>646.08</u>	6,460,742	<u>646.08</u>
Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	<u>5,625</u>	<u>0.28</u>	5,625	<u>0.28</u>
		<u>646.36</u>		<u>646.36</u>
<b>(d) Reconciliation of number and amount of equity shares outstanding</b>				
At the beginning of the year	<u>6,460,742</u>	<u>646.08</u>	6,460,742	<u>646.08</u>
At the end of the year	<u>6,460,742</u>	<u>646.08</u>	6,460,742	<u>646.08</u>

(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 6<sup>th</sup> October 2018.



₹ in Lakhs

**NOTE 16 : EQUITY SHARE CAPITAL (Contd.)**

- ii. No bonus shares were issued
- iii. No shares were bought back

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

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

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

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

Name of Shareholder	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
i) Cuckoo Fiscal Services Ltd.	366374	5.67	366374	5.67
ii) Sudeep Chitlangia	365668	5.66	365668	5.66
iii) Jaydeep Chitlangia	-	-	351614	5.44
iv) Aashray Enterprises (P) Ltd.	723657	11.20	723657	11.20
v) Archana Chitlangia	602479	9.33	220865	3.42
vi) Poushali Sales (P) Ltd.	594228	9.20	594228	9.20
<b>TOTAL</b>	<u>2652406</u>	<u>41.06</u>	<u>2622406</u>	<u>40.59</u>

**NOTE 17 : OTHER EQUITY**

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(a) Securities premium</b>		
Balance as per last account	<b>754.15</b>	754.15
<b>(b) General reserve *</b>		
Balance as per last account	<b>1,216.84</b>	1,216.84
<b>(c) Retained Earning</b>		
Balance as per last account	<b>4,891.63</b>	5,335.05
Add: Transition Impact of IND AS 116 (Net of Taxes)	-	(35.82)
Add : Profit / (Loss) for the Year	<u>(245.13)</u>	<u>(407.60)</u>
	<b>4,646.50</b>	4,891.63
<b>(d) Other Comprehensive Income (OCI)</b>		
As per last Balance Sheet	<b>(229.52)</b>	(191.44)
Add: Movement in OCI(Net) during the year	<u>(21.14)</u>	<u>(38.08)</u>
	<b>(250.66)</b>	(229.52)
	<u><b>6,366.83</b></u>	<u>6,633.10</u>

\* 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.





	As at 31 <sup>st</sup> March, 2021	₹ in Lakhs As at 31 <sup>st</sup> March, 2020
<b>NOTE 19 : OTHER FINANCIAL LIABILITIES</b>		
Others	50.00	50.00
Lease Liabilities	135.12	190.11
	<u>185.12</u>	<u>240.11</u>
<b>NOTE 20 : PROVISIONS</b>		
Provision for employee benefits	346.87	313.64
	<u>346.87</u>	<u>313.64</u>
<b>NOTE 21 : DEFERRED TAX LIABILITIES (NET)</b>		
<b>(a) Deferred tax assets</b>		
Expenses allowable for tax purposes when paid	98.20	96.15
Carry Forward Loss	1,449.09	1,114.02
Transition Impact of IND AS 116	13.81	13.81
	<u>1,561.10</u>	<u>1,223.98</u>
<b>(b) Deferred tax liabilities</b>		
Depreciation	354.09	227.10
Fair Valuation of Free Hold Land	1,598.12	1,627.77
	<u>1,952.21</u>	<u>1,854.87</u>
<b>Deferred tax Liabilities (Net) *</b>	<u>391.11</u>	<u>630.89</u>
* Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
<b>NOTE 22 : OTHER NON-CURRENT LIABILITIES</b>		
Deferred Government Grant	77.83	107.04
	<u>77.83</u>	<u>107.04</u>
<b>NOTE 23 : BORROWINGS</b>		
<b>Secured</b> - From banks - Working Capital Loan	4,133.73	3,612.47
<b>Unsecured</b> - From entities other than banks	851.00	809.00
	<u>4,984.73</u>	<u>4,421.47</u>
<b>Nature of securities</b>		
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.		
<b>NOTE 24 : TRADE PAYABLES</b>		
Outstanding dues of micro enterprises and small enterprises	-	-
Outstanding dues other than of micro enterprises and small enterprises	5,329.69	6,502.86
	<u>5,329.69</u>	<u>6,502.86</u>
<b>NOTE 25 : OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long - term debt	431.93	256.86
Interest accrued and due on borrowings	0.09	26.40
Interest accrued but not due on borrowings	12.77	0.11
Unpaid salaries and other payroll dues	381.87	417.31
Lease Liabilities	128.53	122.29
Security deposits	97.36	149.34
	<u>1,052.55</u>	<u>972.31</u>



₹ in Lakhs

	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>	
<b>NOTE 26 : OTHER CURRENT LIABILITIES</b>			
Advances from Agents and Customers	296.48	112.50	
Statutory liabilities	61.60	22.31	
Others	0.39	4.40	139.21
	<b>358.47</b>		<b>139.21</b>
<b>NOTE 27 : PROVISIONS</b>			
Provision for employee benefits	6.10	31.98	
	<b>6.10</b>	<b>31.98</b>	
	<b>Year ended 31<sup>st</sup> March, 2021</b>	<b>Year ended 31<sup>st</sup> March, 2020</b>	
<b>NOTE 28 : REVENUE FROM OPERATIONS</b>			
Sale of goods (Gross)			
A. Manufactured Goods			
i) Plywood	13,895.98	15,899.97	
ii) Tea	1,891.21	2,154.29	
iii) Veneers	107.94	136.01	18,190.27
B. Stock-in-trade			
i) Plywood	2,233.84	2,326.32	
ii) Furniture	-	1.21	2,327.53
C. Others			
	-	-	132.33
	<b>18,128.97</b>	<b>20,650.13</b>	
<b>NOTE 29 : OTHER OPERATING REVENUES</b>			
Insurance Claims	3.11	3.47	
	<b>3.11</b>	<b>3.47</b>	
<b>NOTE 30 : OTHER INCOME</b>			
Interest income (Gross)			
Fixed deposits with banks	18.19	19.10	
Others	60.75	37.12	56.22
Dividend income	-	-	0.01
Government Grant	29.21	-	12.84
Licence Fee	38.26	-	-
Profit on Sale Investment	3.93	-	-
Profit on Fair Value of Quoted Investments	1.15	-	-
Rent	4.20	-	4.56
Unspent liabilities / balances written back	27.61	-	0.58
Reduction of Rent Expenses	12.03	-	-
Miscellaneous income	-	-	0.19
Provision for Doubtful Debts Written Back	0.02	-	3.88
	<b>195.35</b>	<b>78.28</b>	
<b>NOTE 31 : COST OF MATERIALS CONSUMED</b>			
Veneer	4,364.92	5,529.29	
Planks & Beams	926.48	1,189.53	
Green Leaf	1,471.54	1,356.90	
Others	1,256.57	1,680.42	
	<b>8,019.51</b>	<b>9,756.14</b>	



₹ in Lakhs

	<b>Year ended 31<sup>st</sup> March, 2021</b>	<b>Year ended 31<sup>st</sup> March, 2020</b>
<b>NOTE 32 : PURCHASES OF STOCK-IN-TRADE</b>		
Plywood	1,843.16	1,924.32
Others	-	109.80
	<u>1,843.16</u>	<u>2,034.12</u>

**NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

**A. Finished Goods**

Opening Stock			
i) Plywood	1,987.59	1,346.96	
ii) Tea	26.94	140.16	
iii) Veneer	437.61	437.61	
	<u>2,452.14</u>	<u>1,924.73</u>	
Closing Stock			
i) Plywood	1,233.01	1,987.59	
ii) Tea	-	26.94	
iii) Veneer	408.32	437.61	
	<u>1,641.33</u>	<u>2,452.14</u>	(527.41)

**B. Stock-in-Trade**

Opening Stock			
i) Plywood	275.43	296.71	
ii) Furniture	3.86	43.80	
	<u>279.29</u>	<u>340.51</u>	
Closing Stock			
i) Plywood	285.15	275.43	
ii) Furniture	3.86	3.86	
	<u>289.01</u>	<u>279.29</u>	61.22

**C. Work-in-Progress**

Opening Stock - Plywood	1,065.99	1,032.68	
Closing Stock - Plywood	901.46	1,065.99	(33.31)
<b>NET (INCREASE) / DECREASE IN STOCKS</b>	<u>965.62</u>	<u>164.53</u>	<u>(499.50)</u>

**NOTE 34 : EMPLOYEE BENEFITS EXPENSE**

Salaries and wages	2,041.28	2,474.26
Contribution to provident and other funds	208.55	218.71
Staff welfare expense	41.85	32.72
	<u>2,291.68</u>	<u>2,725.69</u>

**NOTE 35 : FINANCE COSTS**

Interest expense			
On long term borrowings	191.69	84.66	
On short term borrowings	716.06	558.14	
On others	3.97	4.30	
On Lease Obligation	41.69	51.47	698.57
Other borrowing costs	<u>54.85</u>	<u>50.26</u>	
	<u>1,008.26</u>	<u>748.83</u>	



₹ in Lakhs

	<b>Year ended 31<sup>st</sup> March, 2021</b>	<b>Year ended 31<sup>st</sup> March, 2020</b>
<b>NOTE 36 : OTHER EXPENSES</b>		
Chemicals Consumption	<b>676.62</b>	758.12
Consumption of stores and spare parts	<b>118.55</b>	143.75
Consumption of packing materials	<b>47.68</b>	85.45
Power and fuel	<b>688.19</b>	867.24
Repairs		
Buildings	<b>14.51</b>	7.33
Machinery	<b>41.13</b>	41.07
Others	<b>4.84</b>	6.75
Job Charges	<b>934.67</b>	1,076.82
Rent	<b>20.86</b>	30.01
Electricity	<b>28.52</b>	32.91
License Fees	<b>6.27</b>	2.43
Rates & Taxes (excluding taxes on income)	<b>31.24</b>	30.52
Watch and Ward Expenses	<b>33.10</b>	27.25
Insurance	<b>42.38</b>	30.83
Communication Expenses	<b>27.75</b>	34.97
Travelling & Conveyance	<b>118.66</b>	224.88
Vehicles Maintenance	<b>65.04</b>	72.89
Printing & Stationery	<b>11.01</b>	11.28
Legal and Professional Charges	<b>251.68</b>	314.80
Director Sitting Fees	<b>3.63</b>	3.43
Miscellaneous Expenses	<b>170.57</b>	179.85
Human Resource Development Expenses	<b>28.97</b>	0.73
Statutory Auditors' Remuneration		
Audit Fee	<b>2.75</b>	2.00
Branch Audit Fees	-	0.10
GST Audit Fees	<b>1.20</b>	1.90
Certification Fee	<b>1.55</b>	0.60
Charity & Donations	<b>0.73</b>	1.01
Bank charges	<b>8.01</b>	17.83
Forwarding, Freight and Delivery Charges	<b>953.85</b>	995.84
Commission on Sales	<b>176.60</b>	149.18
Brokerage on Sales	<b>0.48</b>	16.67
Forward Premium Expenses	-	0.22
Foreign Exchange Fluctuations	<b>2.98</b>	59.23
Advertisement, Publicity & Sales Promotion	<b>477.93</b>	776.29
Loss on Sale / Discard of Property, Plant and Equipment	<b>34.54</b>	7.97
Loss on Fair Value of Quoted Investments	-	0.65
Bad Debts	<b>17.48</b>	5.07
Provision for Doubtful Debts	<b>86.59</b>	-
Royalty Paid	<b>40.45</b>	44.25
	<b>5,171.01</b>	6,062.12

₹ in Lakhs

	<b>As at 31<sup>st</sup> March, 2021</b>	<b>As at 31<sup>st</sup> March, 2020</b>
<b>NOTE 37 :</b>		
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	<b>20.14</b>	0.06
2. Contingent Liabilities not provided for in respect of :		
a) Uncalled Capital against partly paid-up shares held as investment	<b>0.08</b>	0.08
b) Demand raised by Govt. authorities in respect of Taxes and Duties and contested by the Company	<b>7,193.16</b>	1,365.58
Amount Paid against above	-	-
3. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 <sup>st</sup> March 2021 as micro or small or medium enterprises. Consequently the amount due to micro and small enterprises as per section 22 of the abovesaid Act is ₹ Nil (Previous year ₹ Nil).		
4. The current financial year has been a challenging year for our business. The year began amidst a strict lockdown post the emergence of the Coronavirus (COVID-19) towards the end of the last financial year. The economy gradually opened post June 2020 and the second half of the year was progressing towards recovery. However, a much stronger second wave of Covid-19 infections hit the country towards the end of year and has once again resulted in significant disruption to our business as several state governments have announced partial/ complete restrictions. The Company has made detailed assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables, other current assets, deferred tax assets, etc. as at the period end and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.		
<b>5. Transition to IND AS 116 Leases</b>		

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

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

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

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

#### **Company as a Lessee**

Effective 1<sup>st</sup> April, 2019, the company have adopted Ind As 116. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 2.1 of Accounting Policies.

₹ in Lakhs

**NOTE 37 : (Contd.)**
**31<sup>st</sup> March, 2021**      **31<sup>st</sup> March, 2020**
**Impact on Balance Sheet Increase / (Decrease)**
**Assets**

Right of Use Assets(Refer Note No. 3)      215.39      249.64

**Liabilities**

Lease Liabilities      263.65      312.40

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

Depreciation and Amortisation      120.19      115.14

Other Expenses      (164.35)      (153.49)

Finance Cost      41.69      51.47

Net Impact on Profit and Loss Statement      (2.47)      13.12

**Impact on Statement of Cash Flows**

Payment of principal portion of lease liabilities      122.66      102.02

Payment of Interest portion of lease liabilities      41.69      51.47

Net Cash flows used in financial activities      164.35      153.49

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

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

As at 1 <sup>st</sup> April	249.64	364.78
Addition during the year	105.47	-
Deduction during the year	19.53	-
Depreciation Expense	120.19	115.14
<b>As at 31<sup>st</sup> March</b>	<b>215.39</b>	<b>249.64</b>

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

As at 1 <sup>st</sup> April	312.40	414.42
Addition during the year	105.47	-
Reversal during the year	31.56	-
Accretion of interest	41.69	51.47
Payments	164.35	153.49
As at 31 <sup>st</sup> March	263.65	312.40
Current	128.53	122.29
Non Current	135.12	190.11

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

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

Depreciation expense on right-of use assets	120.19	115.14
Interest expenses on lease liabilities	41.69	51.47
Expense relating to other leases (including in other expenses)	-	-
Total amount recognised in Statement of Profit and Loss	161.88	166.61

**Maturity analysis of lease liabilities are as follows:**

	<b>2020-2021</b>	2019-2020
1 Year	128.53	122.29
2 to 5 Years	129.79	182.49

**NOTE 37 : (Contd.)**

6. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company net debt includes interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

Particulars	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Borrowings (Note - 18 and 23)	6,524.00	5,486.68
Less: Cash and cash equivalents (Note-10 )	27.41	126.32
<b>Net debt</b>	<b>6,496.59</b>	<b>5,360.36</b>
Equity	7,013.19	7,279.46
<b>Capital and net debt</b>		
Gearing ratio	0.93	0.74

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 2021 and 31st March 2020.

**7. Financial instruments by category**
**(a) Fair value of financial assets and liabilities measured at amortised cost**

Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Non current financial assets</b>				
(i) Investments	17.04		0.90	
(ii) Other non current financial assets		1,253.10		821.35
<b>Current financial assets</b>				
(i) Trade receivables		1,813.15		2,097.62
(ii) Cash and cash equivalents		27.41		126.32
(iii) Bank Balance other than above		298.55		275.32
(iv) Other current financial assets		46.67		43.68
<b>Total Financial assets</b>	<b>17.04</b>	<b>3,438.88</b>	<b>0.90</b>	<b>3,364.29</b>
<b>Non Current financial Liabilities</b>				
(i) Borrowings		1,107.34		808.35
(ii) Other non current financial liabilities		77.83		107.04
<b>Current financial liabilities</b>				
(i) Borrowings		4,984.73		4,421.47
(ii) Trade payable		5,329.69		6,502.86
(iii) Other current financial liabilities	-	1,052.55	-	972.31
<b>Total financial liabilities</b>	<b>-</b>	<b>12,552.14</b>	<b>-</b>	<b>12,812.03</b>

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

**NOTE 37 : (Contd.)**
**(b) Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets (₹ in Lakhs)

Particulars	Fair value measurement using		
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31<sup>st</sup> March 2021</b>			
Assets measured at fair value - Investments	17.04	-	-
Liabilities measured at fair value - Derivative Liabilities	-	-	-
<b>Quantitative disclosures fair value measurement hierarchy for assets as at 31<sup>st</sup> March 2020</b>			
Assets measured at fair value - Investments	0.90	-	-
Liabilities measured at fair value - Derivative Liabilities	-	-	-

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

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

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

**(A) Market risk**

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

**a) Interest rate risk**

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

Descriptions	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Variable rate borrowings	4133.73	3612.47
Fixed rate borrowings	2,390.27	1,874.21

**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:

Descriptions	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Increase by 50 basis points	(20.67)	(18.06)
Decrease by 50 basis points	20.67	18.06

**NOTE 37 : (Contd.)**
**b) Foreign currency risks**

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

Unhedged foreign currency exposure Descriptions	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Trade creditors</b>		
Rs.	798.34	775.88
USD	8.36	8.82
EUR	1.15	1.35

**Foreign currency sensitivity**

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

Descriptions	(₹ in Lakhs)	
	Effect on Profit before tax	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>USD/EURO Sensitivity</b>		
Increase by 5%	39.92	38.79
Decrease by 5%	(39.92)	(38.79)

**B) Credit risk**

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

**(i) Trade receivables**

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

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

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

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 is the carrying amount as illustrated in Note 37(7).

Gross carrying amount of trade receivables Descriptions	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Ageing</b>		
Not due	969.34	827.21
0-30 days past due	287.99	374.57
31-60 days past due	78.90	183.33
61-90 days past due	36.53	98.35
91-180 days past due	67.23	33.27
181-365 days past due	20.55	171.29
more than 365 days	459.03	429.99

**NOTE 37 : (Contd.)**
**(C) Liquidity risk**

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

Descriptions	(₹ in Lakhs)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Floating rate</b>		
<b>(a) Expiring within one year (Bank overdraft and other facilities)</b>		
<b>Secured</b>		
- Current maturities of long term debt	431.93	256.86
- Working capital loan	4133.73	3612.47
<b>Unsecured</b>		
- Short term loans	851.00	809.00
<b>(b) Expiring beyond one year (Bank loans)</b>		
<b>Secured</b>		
- Rupees term loan from banks	1,102.18	651.69
- Rupees term loan from financial institutions	5.16	156.66

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

Descriptions	(₹ in Lakhs)				
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years
<b>Year ended 31<sup>st</sup> March 2021</b>					
Contractual maturities of borrowings	103.44	87.78	230.87	337.75	635.23
Contractual maturities of finance lease obligations	3.53	2.06	4.26	6.98	-
Contractual maturities of trade payables	1,082.51	428.88	-	-	-
<b>Year ended 31<sup>st</sup> March 2020</b>					
Contractual maturities of borrowings	58.57	58.57	114.61	258.40	339.75
Contractual maturities of finance lease obligations	8.36	5.65	11.10	9.84	6.57
Contractual maturities of trade payables	1,899.49	830.62	-	-	-

**9. Disclosure pursuant to IND AS - 19 on "Employee Benefits"**
**Defined Contribution Plan:**

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

Description	(₹ in Lakhs)	
	2020-21	2019-20
Employers' Contribution to Provident Fund & Pension Fund	<b>134.02</b>	147.65
Employers' Contribution to Superannuation Fund	<b>8.07</b>	12.41

**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.



**NOTE 37 : (Contd.)**

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)

<b>Descriptions</b>	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
Gratuity Plan	<b>224.56</b>	183.89
Sick Leave	<b>12.68</b>	11.02
Leave Encashment	<b>115.73</b>	150.71
<b>Total</b>	<b>352.97</b>	345.62

<b>Descriptions</b>	<b>31<sup>st</sup> March 2021</b>			<b>31<sup>st</sup> March 2020</b>		
	<b>Gratuity</b>	<b>Sick Leave</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Sick Leave</b>	<b>Leave Encashment</b>
<b>Changes in defined benefit obligation</b>						
Present value obligation as at the start of the year	<b>473.12</b>	<b>11.02</b>	<b>150.71</b>	400.52	9.88	120.03
Interest cost	<b>27.20</b>	<b>0.73</b>	<b>8.88</b>	25.65	0.66	6.98
Current service cost	<b>45.25</b>	<b>1.62</b>	<b>15.19</b>	40.17	1.32	18.84
Benefits paid	<b>93.86</b>	-	<b>35.28</b>	31.96	-	30.72
Benefits paid directly by the Company	<b>36.16</b>	-	-	-	-	-
Actuarial loss/(gain) on obligations	<b>22.46</b>	<b>(0.69)</b>	<b>(23.77)</b>	38.74	(0.84)	35.58
<b>Present value obligation as at the end of the year</b>	<b>437.41</b>	<b>12.68</b>	<b>115.73</b>	473.12	11.02	150.71

**Change in fair value of plan assets**

Fair value of plan assets as at the start of the year	<b>289.23</b>	<b>NA</b>	<b>NA</b>	282.64	NA	NA
Return on plan assets	<b>16.16</b>	<b>NA</b>	<b>NA</b>	18.85	NA	NA
Actuarial loss/(gain)	<b>(1.32)</b>	<b>NA</b>	<b>NA</b>	(0.66)	NA	NA
Contribution	-	<b>NA</b>	<b>NA</b>	19.04	NA	NA
Benefits paid	<b>93.86</b>	<b>NA</b>	<b>NA</b>	31.96	NA	NA
<b>Fair value of plan assets as at the end of the year</b>	<b>212.85</b>	-	-	289.23	-	-

**Breakup of Actuarial gain/loss**

Actuarial (gain)/loss on arising from change in financial assumption	<b>(5.18)</b>	<b>(0.12)</b>	<b>(1.71)</b>	19.40	1.30	17.76
Actuarial (gain)/loss on arising from experience adjustment	<b>27.64</b>	<b>(0.57)</b>	<b>(22.06)</b>	19.34	(2.14)	17.82
Return on plan assets (greater)/less than discount rate	-	-	-	-	-	-

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

Present value obligation as at the end of the year	<b>437.41</b>	<b>12.68</b>	<b>115.73</b>	473.12	11.02	150.71
Fair value of plan assets as at the end of the year	<b>212.85</b>	-	-	289.23	-	-
<b>Net (asset)/obligation recognized in balance sheet</b>	<b>224.56</b>	<b>12.68</b>	<b>115.73</b>	183.89	11.02	150.71

**Amount recognized in the statement of profit and loss**

Current service cost	<b>45.25</b>	<b>1.62</b>	<b>15.19</b>	40.17	1.32	18.84
Interest cost	<b>27.20</b>	<b>0.73</b>	<b>8.88</b>	25.65	0.66	6.98
Expected Return on the Plan Assets	<b>16.16</b>	<b>NA</b>	<b>NA</b>	18.85	NA	NA
Actuarial gain/ (loss) recognized in the year	<b>(21.14)</b>	<b>(0.69)</b>	<b>(23.77)</b>	(38.08)	(0.84)	35.58
<b>(Income)/Expense recognised in the statement of profit and loss</b>	<b>56.29</b>	<b>1.66</b>	<b>0.30</b>	46.97	1.14	61.40

**NOTE 37 : (Contd.)**

(₹ in Lakhs)

Descriptions	31 <sup>st</sup> March 2021			31 <sup>st</sup> March 2020		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
<b>Amount recognised in the statement of Other Comprehensive Income</b>						
Actuarial Gain/(Loss) for the year on PBO	<b>(22.46)</b>	-	-	(38.74)	-	-
Actuarial Gain/(Loss) for the year on Asset	<b>1.32</b>	-	-	0.66	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	<b>(21.14)</b>	-	-	(38.08)	-	-
<b>Actuarial assumptions</b>						
Discount rate	<b>6.80%</b>	<b>6.80%</b>	<b>6.80%</b>	6.67%	6.67%	6.67%
Future salary increase	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	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**
**Impact of the change in discount rate**

Present value of obligation at the end of the year	<b>437.41</b>	<b>12.68</b>	<b>115.73</b>	473.12	11.02	150.71
a) Impact due to increase of 0.5 %	<b>418.45</b>	<b>12.22</b>	<b>109.50</b>	451.16	10.36	141.66
b) Impact due to decrease of 0.5 %	<b>457.93</b>	<b>13.17</b>	<b>122.54</b>	496.90	11.75	160.69

**Impact of the change in salary increase**

Present value of obligation at the end of the year	<b>437.41</b>	<b>12.68</b>	<b>115.73</b>	473.12	11.02	150.71
a) Impact due to increase of 0.5 %	<b>458.20</b>	<b>13.17</b>	<b>122.63</b>	497.17	11.76	160.77
b) Impact due to decrease of 0.5 %	<b>418.04</b>	<b>12.21</b>	<b>109.37</b>	450.74	10.35	141.52

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

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

Within next 12 months	-	-	-	25.80	-	-
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**10. Segment information as per IND AS - 108 on 'Segment Reporting' :**

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

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

**NOTE 37 : (Contd.)**
**c) Information about Primary Business Segments :**

(₹ in Lakhs)

Particulars	Plywood	Tea	Others	Unallocated	Total
<b>Segment Revenue</b>	<b>16,240.86</b>	<b>1,891.22</b>	-	-	<b>18,132.08</b>
	(18,365.64)	(2,155.73)	(132.23)	-	(20,653.60)
<b>Segment Results</b>	<b>(244.89)</b>	<b>(156.56)</b>	<b>(1.04)</b>	-	<b>(402.49)</b>
	(573.22)	156.41	(19.70)	-	(397.11)
Less : Finance Cost					<b>1,008.26</b>
					(748.83)
Other unallocable expenditure net of unallocable income					<b>115.40</b>
					(-52.74)
Total Profit / (Loss) before exceptional item and tax					<b>-1,295.35</b>
					(-404.46)
Exceptional Items					<b>810.44</b>
					(172.70)
Total Profit / (Loss) before tax					<b>(484.91)</b>
					(-231.76)
<b>Other Information</b>					
Segment Assets	<b>20,603.53</b>	<b>116.15</b>	<b>54.37</b>	<b>78.95</b>	<b>20,853.00</b>
	(20,671.61)	(671.24)	(55.40)	(49.07)	(21,447.32)
Segment Liabilities	<b>6,823.66</b>	<b>88.27</b>	-	<b>6,927.88</b>	<b>13,839.81</b>
	(7,918.69)	(131.49)	-	(6,117.68)	(14,167.86)
Capital Expenditure	<b>-60.49</b>	<b>-328.56</b>	-	-	<b>-389.05</b>
	(309.90)	(1.51)	(-)	(-)	(311.41)
Depreciation & Amortisation	<b>265.26</b>	<b>58.28</b>	-	-	<b>323.54</b>
	(262.74)	(44.96)	(1.24)	(-)	(308.94)

**Notes :**

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

**11. In calculating Earnings per share**

	<b>Year ended</b>	Year ended
	<b>31<sup>st</sup> March, 2021</b>	31 <sup>st</sup> March, 2020
a) Numerator used :		
Profit / (Loss) after tax (₹ in Lakhs)	<b>(245.13)</b>	(407.60)
b) Denominator used in computing Basic Earning per Share:		
Weighted Average Number of Equity Shares	<b>6,460,742</b>	6,460,742
c) Denominator used in computing Diluted Earning per Share:		
Weighted Average Number of Equity Shares including potential Equity Shares	<b>6,460,742</b>	6,460,742
d) Nominal value of equity shares (₹)	<b>10.00</b>	10.00
e) Basic Earnings per share (a/b) (₹)	<b>(3.79)</b>	(6.31)
f) Diluted Earnings per share (a/c) (₹)	<b>(3.79)</b>	(6.31)

**NOTE 37 : (Contd.)**

12. 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 31 <sup>st</sup> March 2020	Loan Given during the year	Repaid/ adjusted during the year	Balance as at 31 <sup>st</sup> March 2021
Aashray Enterprises Private Limited	72.00	-	-	72.00
Arunachal Plywood Industries Limited	226.76	-	-	226.76
Aadhunik Infrastructure Development (P) Ltd.	-	425.00	-	425.00
Poushali Sales Private Limited	394.22	-	-	394.22
<b>Total</b>	<b>692.98</b>	<b>425.00</b>	<b>-</b>	<b>1,117.98</b>

**13. Related Party Disclosures**
**Names of related parties & description of relationship**

Enterprises over which KMP and his relatives have significant influence :

Abhinandan Fintex Private Ltd.

Aishani Infotech Private Ltd.

Aashray Enterprises Private Ltd.

Calcutta Technicians &amp; Advisers Pvt. Ltd.

Chitperi Farm Pvt. Ltd.

J S M &amp; Company

Madhya Bharat Papers Ltd.

Poushali Sales Private Limited

Sujay Management Services LLP

Key Management Personnel :

Shri Sudeep Chitlangia (Managing Director)

Shri Ravi Kumar Murarka (CFO &amp; Company Secretary)

 Shri Sohan Lal Yadav (Non-Executive Director) *(Resigned w.e.f. May 6, 2021)*

Smt. Sheela Chitlangia (Non-Executive Director)

Shri Sujit Chakravorty (Independent Director)

Dr. Kali Kumar Chaudhuri (Independent Director)

Shri Ratan Lal Gaggar (Independent Director)

Shri Probir Roy (Independent Director)

**Particulars of transactions during the year ended 31<sup>st</sup> March 2021**

(₹ in Lakhs)

Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
Rent Received	4.20 (4.56)	-	4.20 (4.56)
Remuneration to KMP	-	54.65 (82.92)	54.65 (82.92)
Sales	- (113.72)	-	- (113.72)
Interest Received	49.84 (31.16)	-	49.84 (31.16)
Purchase	392.29 (6.98)	-	392.29 (6.98)
Interest Paid	4.55 (5.80)	-	4.55 (5.80)



**NOTE 37 : (Contd.)**

**13. Related Party Disclosures (Contd.)**

<b>Particulars of transactions during the year ended 31<sup>st</sup> March 2021 (Contd.)</b>				(₹ in Lakhs)
<b>Nature of Transactions</b>	<b>Associates/ Enterprises over which KMP and his relatives have significant influence</b>	<b>Key Management Personnel</b>		
			<b>Total</b>	
Rent Paid	<b>6.00</b>	-	<b>6.00</b>	
	(6.12)	-	(6.12)	
Royalty Paid	<b>40.45</b>	-	<b>40.45</b>	
	(44.25)	-	(44.25)	
Loan Refunded	<b>58.00</b>	-	<b>58.00</b>	
	(-)	-	(-)	
Loan Given	-	-	-	
	(202.65)	-	(202.65)	
Refund of Loan Given	-	-	-	
	(16.43)	-	(16.43)	
Outstanding against Guarantees Obtained	-	<b>7,127.20</b>	<b>7,127.20</b>	
	-	(7,382.26)	(7,382.26)	
Balance Outstanding at the Balance Sheet Date	<b>453.70 Dr</b>	-	<b>453.70 Dr</b>	
	(740.75 Dr)	(-)	(740.75 Dr)	

Notes :

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

**Disclosure of Material Transactions with Related Parties**

	<b>Year Ended 31<sup>st</sup> March, 2021</b>	<b>Year Ended 31<sup>st</sup> March, 2020</b>
<b>Rent Received</b>		
Madhya Bharat Papers Ltd.	-	0.66
J S M & Company	<b>2.40</b>	2.25
Poushali Sales Private Limited	<b>1.80</b>	1.65
<b>Interest Received</b>		
Poushali Sales Private Limited	<b>43.36</b>	24.68
Aashray Enterprises Private Limited	<b>6.48</b>	6.48
<b>Remuneration to KMP</b>		
Shri Sudeep Chitlangia (Managing Director)	<b>37.27</b>	60.77
Short term employee benefit	33.29	54.29
Post employment benefit	3.98	6.48
Shri Ravi Kumar Murarka (CFO & Company Secretary)	<b>17.38</b>	22.14
Short term employee benefit	16.30	20.97
Post employment benefit	1.08	1.17
<b>Sales</b>		
Madhya Bharat Papers Ltd.	-	113.72
<b>Purchase</b>		
Aishani Infotech Private Ltd.	<b>300.00</b>	-
J S M & Company	<b>85.72</b>	-
Poushali Sales Private Limited	<b>6.57</b>	6.98
<b>Interest Paid</b>		
Chitperi Farm Private Ltd.	<b>4.55</b>	5.80



## NOTE 37 : (Contd.)

## 13. Related Party Disclosures (Contd.)

## Disclosure of Material Transactions with Related Parties (Contd.)

	Year Ended 31 <sup>st</sup> March, 2021	(₹ in Lakhs) Year Ended 31 <sup>st</sup> March, 2020
<b>Rent Paid</b>		
J S M & Company	6.00	6.00
Madhya Bharat Papers Ltd.	-	0.12
<b>Royalty Paid</b>		
Chitperi Farm Private Ltd.	12.00	12.00
Aishani Infotech Private Ltd.	28.45	32.25
<b>Loan Refunded</b>		
Chitperi Farm Private Ltd.	58.00	-
<b>Loan Given</b>		
Poushali Sales Private Limited	-	202.65
<b>Refund of Loan Given</b>		
Poushali Sales Private Limited	-	16.43
<b>Guarantees Obtained</b>		
Sudeep Chitlangia	846.32	800.00
<b>Outstanding against Guarantees Obtained</b>		
Sudeep Chitlangia	7,127.20	7,382.26
<b>Net Balance Receivable/(Payable)</b>		
J S M & Company	(88.89)	0.12
Madhya Bharat Papers Ltd.	205.64	336.00
Aashray Enterprises Private Ltd.	80.92	74.93
Aishani Infotech Private Ltd.	(135.00)	(9.30)
Chitperi Farm Private Ltd.	(0.75)	(63.62)
Poushali Sales Private Limited	402.30	409.44
Shri Sudeep Chitlangia	(5.96)	(3.23)
Shri Ravi Kumar Murarka	(4.57)	(3.59)

14. Exceptional Items of ₹ 810.44 Lakhs for the year ended 31<sup>st</sup> March 2021 represents profit from sale of Tea Processing Business as going concern through Slump Sale.

15. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

There are no transactions (except related party transactions) which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached

On behalf of the Board

**For S K Agrawal And Co Chartered Accountants LLP**

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

**SUJIT CHAKRAVORTI**  
Director  
DIN 00066344

**CA VIVEK AGARWAL**

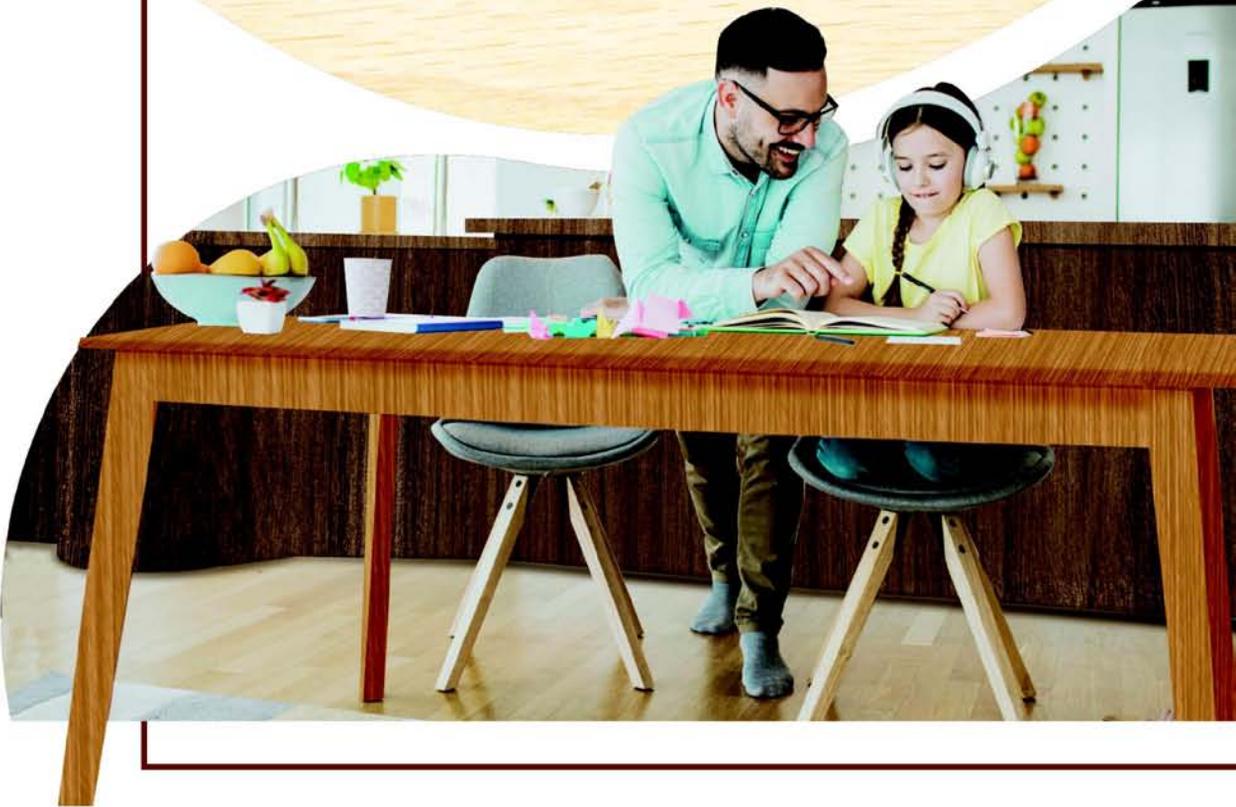
(Membership No. 301571)  
Partner  
Place of Signature : Kolkata  
Date : 24th June 2021

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

**SUDEEP CHITLANGIA**  
Managing Director  
DIN 00093908

# DURO<sup>TM</sup>

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