

# CHANGING the GAME

CENTURY PLYBOARDS (INDIA) LIMITED  
*Annual Report 2022-23*



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## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman and Managing Director

Mr. Sajjan Bhajanka

### Executive Directors

Mr. Sanjay Agarwal  
Mr. Prem Kumar Bhajanka  
Mr. Vishnu Khemani  
Mr. Ajay Baldawa  
Mr. Keshav Bhajanka  
Ms. Nikita Bansal  
Mr. Rajesh Kumar Agarwal

### Independent Directors

Mr. Amit Kiran Deb  
Mr. Debanjan Mandal  
Mr. J.P. Dua  
Mr. Naresh Pachisia  
Mr. Probir Roy  
Ms. Ratnabali Kakkar  
Mr. Sunil Mitra  
Mr. Vijay Chhibber

### Chief Financial Officer

Mr. Arun Kumar Julasaria

### Company Secretary

Mr. Sundeep Jhunjhunwala

## AUDITORS

### Statutory Auditors

M/s Singhi & Co.  
Chartered Accountants  
161, Sarat Bose Road  
Kolkata 700026

### Secretarial Auditors

M/s MKB & Associates  
Company Secretaries,  
8, Camac Street  
Kolkata 700017

## BANKERS

Indian Bank  
HDFC Bank  
DBS Bank India Ltd.  
Standard Chartered Bank  
Yes Bank Ltd.

## COMMITTEES

### Audit Committee

Mr. J.P. Dua (Chairman)  
Mr. Naresh Pachisia  
Mr. Probir Roy  
Mr. Rajesh Kumar Agarwal

### Nomination and Remuneration Committee

Mr. J.P. Dua (Chairman)  
Mr. Probir Roy  
Mr. Vijay Chhibber

### Corporate Social Responsibility Committee

Mr. Sajjan Bhajanka (Chairman)  
Mr. Rajesh Kumar Agarwal  
Mr. Probir Roy

### Stakeholders Relationship Committee

Mr. Probir Roy (Chairman)  
Mr. Rajesh Kumar Agarwal  
Ms. Nikita Bansal

### Share Transfer Committee

Mr. Rajesh Kumar Agarwal  
(Chairman)  
Mr. Ajay Baldawa  
Mr. Keshav Bhajanka

### Risk Management Committee

Mr. Sanjay Agarwal  
(Chairman)  
Mr. Keshav Bhajanka  
Mr. Debanjan Mandal  
Mr. Arun Kumar Julasaria

### Finance Committee

Mr. Sajjan Bhajanka  
(Chairman)  
Mr. Sanjay Agarwal  
Mr. Rajesh Kumar Agarwal

## MAJOR PLANT LOCATIONS

### Plywood & Veneer

- Kanchowki, Bishnupur, District: 24 Parganas (S), West Bengal
- Chinnappolapuram, Gummidipoondi, Tamil Nadu
- Rambha Road, Taraori, Haryana
- Mirza Palashbari Road, Kamrup, Assam
- Village Moti Chirai, Taluka Bhachau-Kachchh, Gujarat

### Plywood & Veneer (Owned by subsidiaries)

- Roorkee, Uttarakhand
- Attapeu, Laos
- Savannakhet, Laos
- Gabon, Africa

### Laminate

- Kanchowki, Bishnupur, District: 24 Parganas (S), West Bengal

### MDF

- Village Doulowal, Tehsil and Dist: Hoshiarpur, Punjab

### Particle Board

- Chinnappolapuram, Gummidipoondi, Tamil Nadu

### Container Freight Station

- Block B & C, Sonai, Khidderpore, Kolkata, West Bengal
- Hide Road, Brace Bridge, Kidderpore, Kolkata, West Bengal

## REGISTERED OFFICE

P-15/1, Taratala Road, Kolkata – 700088  
Phone: 033-39403950  
Fax: 033-24015556

## REGISTRAR AND SHARE TRANSFER AGENT

M/s Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, West Bengal  
Phone: 033-2243 5029, Email: mdpldc@yahoo.com

## WEBSITE

www.centuryply.com

## EMAIL

investors@centuryply.com

## CIN

L20101WB1982PLC034435

## ISIN

INE348B01021



'If it has endured, it must be...  
**CENTURYPLY.'**



**'CENTURYPLY.'**  
Trusted by those who build and create'



'CENTURYPLY.  
Brings a fresh look to interiors'



'CENTURYPLY.  
is affordable, accessible and available'

# CHANGING THE GAME

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At Century, there were two options available to us when we commenced the manufacture and marketing of interior infrastructure products more than three decades ago.

DO WHAT  
EVERYBODY WAS  
DOING, **IF ONLY A  
LITTLE BETTER.  
OR DO WHAT  
NO ONE WAS  
DOING.**

We trusted our  
judgement; we  
selected the second.

We didn't just play the  
game better than the  
others.

*We changed the game.*

The result: We are the  
undisputed leader  
in India's interior  
infrastructure products  
sector today and  
attractively placed to  
widen this leadership  
across the future.

PART 1

WHAT WE ARE AND WHAT

WE

*100*

# CENTURYPLY. CHANGING THE GAME.

**By delivering cutting-edge products and solutions.** **By** investing ahead of the curve, ensuring that we are at the right place at the right time. **By** broadbasing the portfolio, making it possible to service all related consumer needs at a single stop. **By** investing in cutting-edge technologies, enhancing our operating efficiency. **By** providing lifetime products guarantee, enhancing the consumer's peace of mind. **By** providing our trade partners with a larger products basket, strengthening our wallet share. **By** growing out of our earnings and no debt, creating a sustainable growth engine. **By** creating a recall that 'If it is Century, it must be the best.'

### **Background**

Centuryply has transformed from being a prominent player in India's interior infrastructure industry to becoming the largest. The Company was established by Mr. Sanjay Agarwal as Managing Director and the late Hari Prasad Agarwal, who were joined by Mr. Sajjan Bhajanka (as Chairman). They are supported by an experienced multi-competence team of professionals across various fields.

### **Locations**

The company is a pan-Indian manufacturer of products with facilities in Joka (West Bengal), Guwahati (Assam), Kandla (Gujarat), Chennai (Tamil Nadu), Karnal (Haryana) and Hoshiarpur (Punjab). The Company's units in Roorkee (Uttarakhand), Laos and Gabon are managed through subsidiary companies. The company is headquartered in Kolkata, India.

### **Products**

Centuryply offers a range of products including doors, plywood, laminates, veneers, MDF and particle board. This makes it possible for the company to provide a one-stop solution for the benefit of trade partners and their retail consumers. The company introduced successful brands in these categories. It accounts for the largest estimated market share of 29% in India's organized plywood sector.

### **Presence**

We are present pan-India through a distribution network of 3,848 trade partners, spread across 28 States and seven Union Territories.

### **Brands**

Centuryply is a leading brand in India's interior wood products industry, synonymous with 'trust' and 'dependability'. The company's entire wood-based products revenue is generated from branded products.

### **Talent**

Centuryply is an employer of specialised talent across a range of disciplines. This talent has contributed to the company's pioneering spirit, informed decision making and competitiveness across market cycles. The Company comprised 6,966 people as on 31st March, 2023 across the research, design, manufacturing, branding, marketing, data sciences, finance and other functions.

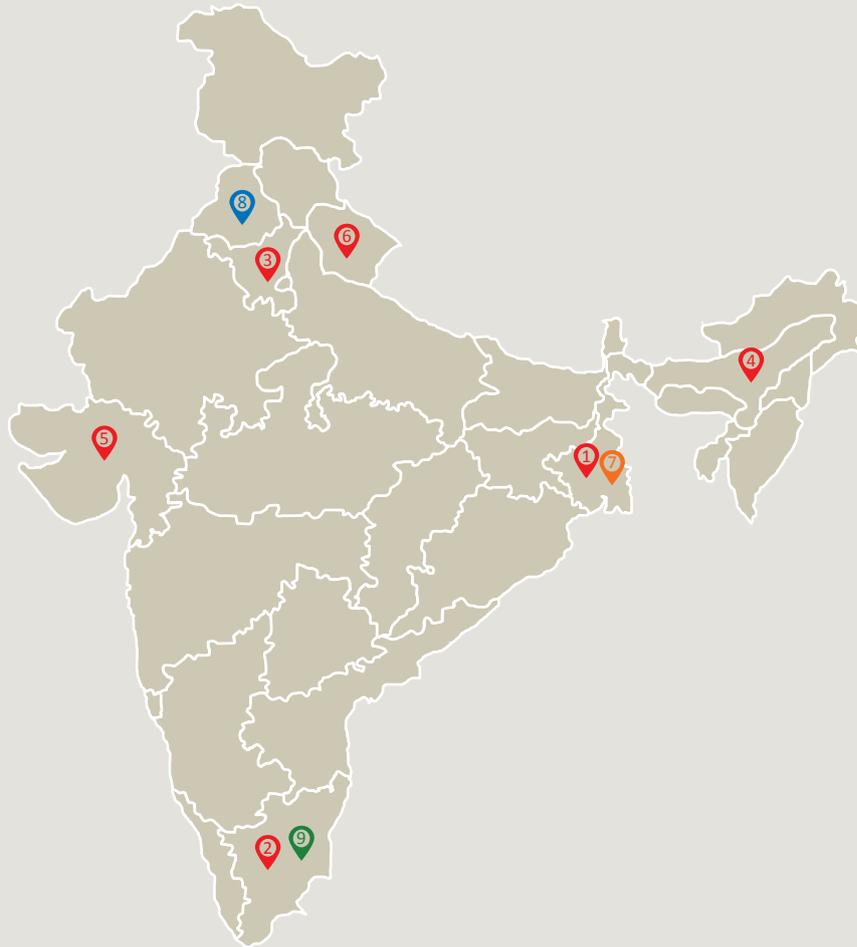
### **Certifications**

Centuryply is respected for product quality and consistency. The Company is certified for ISO 9001 and ISO 14001, validating its commitment to quality management and environmentally responsible practices.

### **Valuation**

The Company's leadership and respect have been validated through its market capitalization, which has grown over 25% CAGR across the last decade. The Company was valued at ₹10,349 Crore as on 31st March 2023, the highest in India's wood products sector. The company is listed on the National Stock Exchange of India Ltd. and BSE Limited.

# Our pan-India manufacturing footprint



## Manufacturing facilities

Plywood: 7 units  
 Laminate: 1 unit  
 MDF: 1 unit  
 Particle board: 1 unit  
 CFS: 2 units

### Plywood

- 1 Bishnupur, West Bengal
- 2 Chinnappolapuram, Gummidipoondi, Tamil Nadu
- 3 Taraori, Haryana
- 4 Kamrup, Assam
- 5 Bhachau-Kachchh, Gujarat
- 6 Roorkee, Uttarakhand

### Laminate

- 7 Bishnupur, West Bengal

### MDF

- 8 Hoshiarpur, Punjab

### Particle board

- 9 Chinnappolapuram, Gummidipoondi, Tamil Nadu

## OUR DISTRIBUTION MODEL

### Plywood

- Factory
- Warehouses
- Dealers

### Laminates

- Factory
- Regional distribution centre
- Distributor
- Retailer

### MDF

- Factory
- Stockist / OEMs

### Particle Boards

- Factory
- Stockist/OEM

## OUR DISTRIBUTION NETWORK

**26**  
Branch offices

**14,091**  
Retailers

**3,848**  
Dealers

**40**  
Warehouses/stock points Presence

**28**  
States

**7**  
Union Territories and  
**532** districts

## OUR COMPANY AT A GLANCE

**37**  
Years in existence until  
FY 2022-23

**1**  
Leading wood panel  
company in India

**1**  
The only wood panel  
company across the value  
chain

**13**  
Manufacturing plants  
(including CFS) (10 in  
India and 3 overseas )

**1**  
Largest plywood  
manufacturing capacity  
in India

**12,100+**  
Number of SKUs  
manufactured

**14,091**  
Number of retailers and  
sales touchpoints

**11,769**  
Number of employees  
(including contractual  
employees)

**10,349**  
₹ Crore market  
capitalization as of 31st  
March, 2023

# 4

## principal messages of this Annual Report

1

The Company has created a platform to generate ₹12,000 Crore in revenues

2

The Company has already invested ₹763 Crore towards its objective in last two years.

3

The substantial investment will be funded completely through earnings generated by the company

4

A focused investment in capacity, ESG and digitalisation will graduate the company into the next orbit

PART 2

# INDIA & CENTU

RYPLY

# 12,000 cr.

## Projected Centuryply turnover, 2031

### Overview

Centuryply is engaged in the investment of ₹2000 crore by FY 2024-25 (including investments made in FY 2022-23)

This outlay will address the capacity expansion of laminates, MDF, plywood and particle board

This outlay will address investments in Andhra Pradesh, Tamil Nadu and Punjab

Investments in MDF and particle board will account for a majority of the proposed outlay (combined revenue potential of 40% of the company's turnover)



### LAMINATES |

Pre-expansion

**8.77** Million sheets per annum installed capacity

**18** %, current contribution in our total revenue

Post-expansion

**9.65** Million sheets per annum installed capacity



### MDF |

Pre-expansion

**3,13,500** CBM per annum installed capacity

**18** %, current contribution in our total revenue

Post-expansion

**6,27,000** CBM per annum installed capacity



### PARTICLE-BOARD |

Pre-expansion

**72,000** CBM per annum installed capacity

**5** %, current contribution in our total revenue

Post-expansion

**3,12,000** CBM per annum installed capacity



### PLYWOOD |

Pre-expansion

**3,12,000** CBM per annum installed capacity

**56** %, current contribution in CBM total revenue

Post-expansion

**3,99,600** CBM per annum installed capacity

**48** %, estimated contribution in CBM total revenue by FY 2025-26

## How Centuryply's capacity expansion will accelerate

| Product segment         | Greenfield/<br>brownfield | Location               | Commissioning<br>date | Capacity<br>(per annum) | Capital<br>expenditure |
|-------------------------|---------------------------|------------------------|-----------------------|-------------------------|------------------------|
| High pressure laminates | Greenfield                | Badvel, Andhra Pradesh | Q3FY24                | 855,000 sheets          | ₹200 crore             |
| Plywood                 | Greenfield                | Hoshiarpur, Punjab     | Q4FY24                | 60,000 CBM              | ₹150 crore             |
| Particle board          | Greenfield                | Chennai, Tamil Nadu    | Q4FY25                | 240,000 CBM             | ₹550 crore             |
| MDF                     | Greenfield                | Badvel, Andhra Pradesh | H2FY24                | 313,500 CBM             | ₹700 crore             |

<sup>1</sup> Inclusive of investments made in FY 2022-23

# Centuryply's growth story rides the dynamic India blueprint

Centuryply is investing across the board to enhance its future-readiness



## Outperformer

India is the fifth largest economy and likely to overtake Germany and Japan to emerge as the third largest economy by 2030. Assuming a 6% growth rate per annum, India could emerge as a US\$26 trillion economy (in market exchange rate terms) by 2047-48, with a per capita income exceeding US\$15,000 (nearly six times the current value). This is expected to create a considerably larger consumption platform.

## Law of compression

India's first trillion-dollar GDP milestone took 58 years; the second trillion took only seven years and the third trillion dollars seven years (which included the pandemic years). Following the pandemic, India is expected to return to its accelerated growth rate: the fourth and fifth USD trillion are expected to take three years each and the last sixth trillion just two years.

## The demand inflection point

When a country's Gross Domestic Product (GDP) per capita reaches a threshold of around USD 2,500, it experiences a sharp increase in consumption-driven spending: adequate resources to invest in education, infrastructure and technology, which catalyse productivity and economic growth. India is reaching that point of growth in the next few years, the inflection point of its sustained outperformance.

## Income shift

India has witnessed a significant increase in the number of super-rich households, rising from 98,000 in 1994-95 to 1.8 million in 21. The percentage of households classified as middle class, with an annual income of ₹5-30 Lac, more than doubled from the 2004-05 level of 14% to 31% in 2021 and is projected at 63% by 2047. Households with an annual income between ₹1.25 Lac and 5 Lac ('aspirers') accounted for 52% of the population in 2021 and is expected to moderate. (Source: Economic Times, Financial Express)

## Discretionary spending

It has been estimated that every doubling of per capita income leads to a 1000% in discretionary expenditure (beyond basic necessities) with only a 25% increase

in basic spending and a 400% increase in savings. Compared to a nominal GDP growth rate of 10.6%, private final consumption expenditure has increased at a CAGR of 11.3% during the past ten years. This has led to an increase from 55% to 60% in the proportion of private final consumption expenditure to GDP.

## Productive population

India's projected population of 1.7 billion by 2050 could make it the most populous country by far. The country's young population (median age 28) indicates more than three decades of economic productivity for a large share of the population. About 67% of India's population is now of working age. India's working-age population could reach 1 billion people by 2030 even as the population of the industrialised world ages quickly.

## Infrastructure growth

The Indian government announced an aggregated outlay of ₹17.28 Lac Crore across the last two Union Budgets, sending out an unmistakable signal that government-driven capital expenditure would take the country forward. This is expected to translate into larger incomes across economic classes, strengthening private consumption.

## Reduction in poverty levels

The population of people living under extreme poverty is coming down, with over 415m Indians being uplifted from multi-dimensional poverty during the period 2005 to 2021. This has been achieved through a combination of higher incomes and impact of welfare programs such as provision of electricity.

## Rising urbanization

Traditionally an agrarian economy, the rapid growth of manufacturing and services has driven migration from rural to urban India. The urban population has increased from 300m in 2001 to 500m by 2021, driven by a growing population and increased urbanization. Studies indicate a correlation between urbanization and consumption, as urban centers offer better employment opportunities leading to economic upgradation and a better access to consumer goods. As India grows, urbanization could increase and drive further consumption.

## DEMOGRAPHIC DIVIDEND |

|      |  |
|------|--|
| 1    | India surpassed China as the most populous country in the world                        |
| 6.8  | % estimated GDP growth, making India the fastest growing economy in FY 2022-23         |
| 28.2 | Years, India's median age, well below the global average age (30)                      |
| 80   | %, Indian population that could be classified middle-class by 2030 (30% in FY 2022-23) |

## Investments

India's proposed infrastructure outlay has grown by 37% from ₹7.28 Lac Crore for FY 2021-22 to ₹10 Lac Crore in FY 2023-24

In the Union Budget 2023, the PM Awas Yojana was strengthened 66% to more than ₹79,000 Crore.

Indian real estate market is poised to contribute 13% of the country's GDP touch by 2025 and the market is further projected to grow to USD 1 trillion by 2030.

The Indian plywood market is being catalysed by policies like Pradhan Mantri Awas Yojana

Vision Sarvada Sarvottam:

How Centuryply is

# future

The best always

How we  
intend to  
generate  
₹12,000 Crore  
in revenues  
in 2031

Leverage '*Raho befikar*' philosophy

Market innovative products

Disrupt with differentiated  
products

Generate a market premium

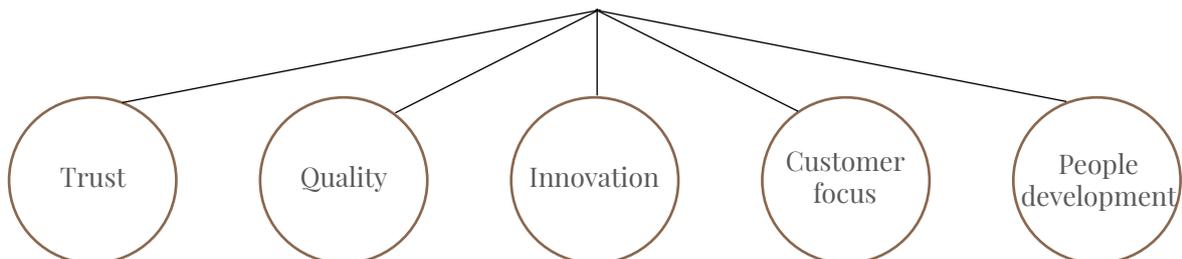
Enhance capacity utilization

Manufacture value-added products

Manufacture 'first time right'

Manufacture 'A' grade products

Our constant endeavour is to be  
*'Sarvada Sarvottam* –  
The Best Always' in...



# ready

Widen market leadership

Protect highest sectorial margins

Demonstrate shortening gestation from launch to profits

Enhance global competitiveness

Grow faster from this point onwards



Enhance value for all stakeholders

Responsible citizenship

Adhere to complete compliances and certifications

Enhance recall for being a responsible wood products company

Sell to the right customer at the right place

Accelerate sales velocity

Sell a higher proportion of value-added products

Empower buying from anywhere

Digitalise the corporation

Enhance the role of informed decision making

Generate more with less

Automate functions; enhance people productivity

Invest out of accruals

Prepay debt

Moderate overall costs

Strengthen working capital management

Strengthen accruals-driven business investments

Minimize inventory

Shrink working capital cycle

Moderate receivables

PART 3

# OUR PERFOR & PERSPEC'

PERFORMANCE

INITIATIVES

# The *Centuryply*



## The value we delivered in FY 2022-23

### Surplus and margins

|               |   |              |  |                 |   |
|---------------|---|--------------|--|-----------------|---|
| <b>366.84</b> | ₹ Crore profit after tax in FY 2022-23 (₹ 325.27 Crore in FY 2021-22) | <b>16.07</b> | %, EBITDA margin in FY 2022-23 (18.57% in FY 2021-22)                        | <b>1,894.40</b> | ₹ Crore, net worth, 31st March, 2023 (₹1561.20 Crore in FY 2021-22)   |
| <b>12.78</b>  | % growth in profit after tax, FY 2022-23 (63% growth in FY 2021-22)   | <b>250</b>   | Bps, decline in EBITDA margin in FY 2022-23 (275 bps increase in FY 2021-22) | <b>333</b>      | ₹ Crore, increase in net worth, FY 2022-23 (₹300 Crore in FY 2021-22) |



# eco-system



## What we derived from our business, FY 2022-23

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### Capacity utilization

86

% plywood capacity utilisation (78% in FY 2021-22)

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85

% laminates capacity utilisation (84% in FY 2021-22)

---

101

% particle boards capacity utilisation (102% in FY 2021-22)

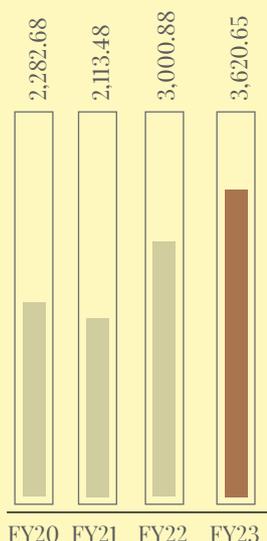
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94

% MDF capacity utilisation (91% in FY 2021-22)

# How we transformed in the last few years

Revenue (₹ Crore)



## Definition

Year-on-year movement in sales, net of taxes (if any)

## Why is this measured?

It showcases the Company's ability to enhance sales, a number that can be compared with sectorial peers.

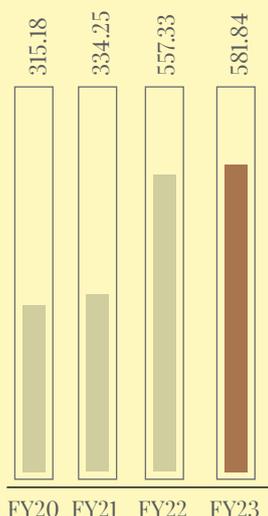
## What does it mean?

Aggregate sales increased by 20.65% to ₹3620.65 Crore in FY 2022-23, driven by growth across wood panel products

## Value impact

The company grew faster than the sectorial average, which resulted in market share growth in FY 2022-23.

EBITDA (₹ Crore)



## Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

## Why is this measured?

It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs.

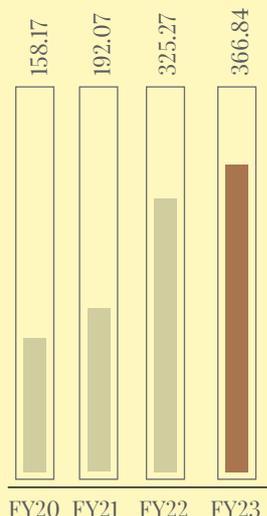
## What does it mean?

It helps create a robust growth engine, a large part of which could be available for reinvestment

## Value impact

The Company generated attractive growth in EBITDA despite sectorial challenges, making it yet another growth year

Net profit (₹ Crore)



## Definition

Profit earned during the year after deducting all expenses and provisions

## Why is this measured?

This measure highlights the strength of the business model in enhancing shareholder value.

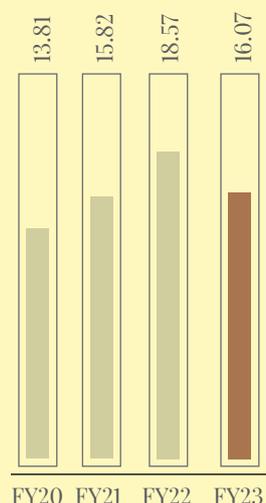
## What does it mean?

It ensures that adequate surplus is available for reinvestment in the company's operations.

## Value impact

The Company reported a 12.78% increase in net profit in FY 2022-23 following increased sales

EBITDA margin (%)



## Definition

EBITDA margin is a profitability measure used to assess a company's ability to generate a surplus (pre-interest, depreciation and tax) on a rupee of sales, expressed as a percentage

## Why is this measured?

The EBITDA margin provides an insight into the company's earning capacity, which can be compared across companies within the sector.

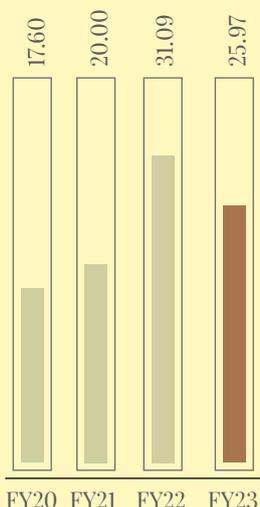
## What does it mean?

This demonstrates the buffer available within the company to absorb interest and tax outflow after making a provision for depreciation

## Value impact

The Company reported a 250 bps decline in EBITDA margin during FY 2022-23.

## ROCE (%)



### Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

### Why is this measured?

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

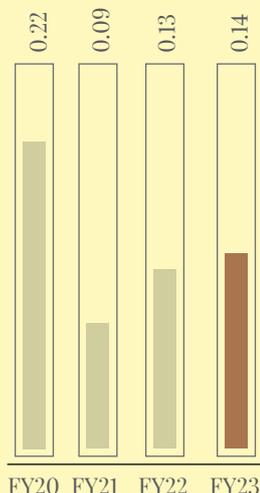
### What does it mean?

Enhanced ROCE can influence valuation and perception.

### Value impact

The Company reported a 512 bps decline in ROCE during FY 2022-23.

## Debt-equity ratio (x)



### Definition

This is derived through the ratio of debt to net worth

### Why is this measured?

This is one of the defining measures of a company's financial solvency.

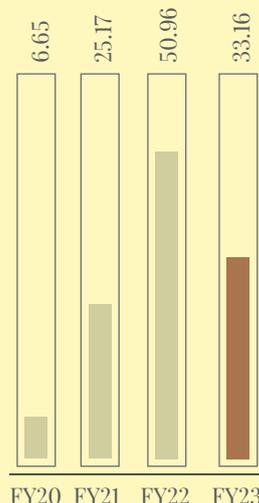
### What does it mean?

This measure indicates the extent of borrowing room within, the lower the gearing the better.

### Value impact

The Company's gearing stood at 0.14x despite an aggressive capex undertaken during the year

## Interest cover (x)



### Definition

This is derived through the division of EBITDA by interest outflow

### Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

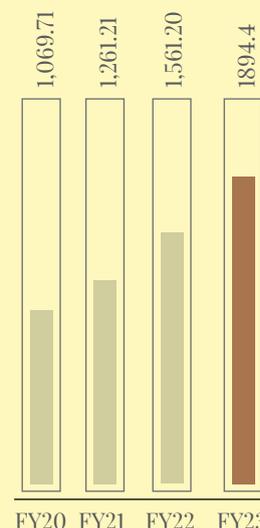
### What does it mean?

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders.

### Value impact

The Company's interest cover reduced to 33.16x from 50.96x in the previous year.

## Net worth (₹ Crore)



### Definition

This is derived through the accretion of shareholder-owned funds

### Why is this measured?

Net worth indicates the financial soundness of the company – the higher the better.

### What does it mean?

This indicates the borrowing capacity of the company and influences the gearing (which, in turn, influenced the cost at which the company can mobilise debt).

### Value impact

The Company's net worth strengthened 21.34% during the year under review.

# CHANGING *the* GAME

*Changing gears. Seeding for outperformance.  
Graduating to the next level.*



**Sajjan Bhajanka,**  
*Chairman*

## Overview

At Centuryply, we believe that governance is the most effective way of changing the game.

At the heart of the governance ethic lies transparency.

Transparency is communicating to stakeholders what the company intends to do and then going out and doing it.

This enhanced clarity attracts and helps retain likeminded stakeholders, the platform for all sustainable growth.

The most decisive manner in which we deepened governance was by telling the world how we expect to grow our business across the medium-term.

In the past, your management communicated this growth blueprint across a couple of years at most.

This time around, your management has created a blueprint eight years into the future.

This is possibly the most visible manifestation of our governance commitment.

The message is that we are engaged in the largest and fastest building of capacities and capabilities in our existence.

Your company will invest ₹2000 Crore in its business in the space of three years, compared with ₹1050 Crore having been invested in the previous 37 years.

## Holistic approach

To achieve Vision 2031, it would be imperative for the company to not just plan phased capital spending; my experience

has been that intangible investments are far more challenging to make.

My focus will be on deepening the Centuryply culture. There is a fitting term for this priority: 'Culture eats strategy for breakfast.' Culture determines how he will think, how we will respond to market challenges, how and when we will plan, what products we will develop, how we will execute our growth and how we intend to widen our leadership.

Besides, culture-deepening will comprise a priority in how we recruit, manner in which we brand, way we distribute, how we promote and sell and the way will continue to engage with our primary customers.

### Financial foundation

I have no doubt that the graduation to the next orbit will be the most exciting phase in our existence.

There are good reasons for this.

The Indian story appears to be entering its most exciting phase. India continued to grow faster than the global average in FY 2022-23 and it would be fair to state that India is among the few major exceptions in the ongoing global economic slowdown. This is possibly among the first instances of India decisively bucking the global trend, a reality that we expect to witness in a sustainable way.

This outperformance is being derived largely from the Indian infrastructure growth story. During the last two Union Budgets, India proposed to invest an aggregate of ₹17.5 Lac Crore in its infrastructure – the largest across any two years combined in the history of this nation. This is sending out unambiguous signals: that the government is making a decisive investment in India's growth; this growth will translate into larger order books leading to wider livelihoods; the growth of infrastructure will become an enabler for micro, small and medium enterprises; the enhanced incomes arising out of this phenomenon are expected to catalyse national consumption. When consumers spend more money, among the first things that they are likely to spend on are their homes, comprising a disproportionate spending on wood products. This augurs favourably for the entire interior infrastructure sector of the country; as the market leader, Centuryply is attractively placed to capitalize.

### Trickle-down

Centuryply took 37 years to reach a topline of

## CHANGING THE

# G A M E

THE CENTURYPLY OF TODAY DOES NOT JUST POSSESS A ROBUST BALANCE SHEET TO FUND THE CAPITAL EXPENDITURE OF THE DAY; IT NOW POSSESSES A MULTI-YEAR FOUNDATION TO KEEP INVESTING ACCRUALS IN ITS BUSINESS WITHOUT BORROWING A RUPEE

₹3620.65 Crore in FY 2022-23; the Company expects to more than double this revenue size over the next four-five years.

This sharp growth will come even as the Balance Sheet becomes stronger, margins widen and there is a larger return on the capital employed in our business. This indicates that our growth will not be achieved by discounting our brand for short-term gains; the growth will be achieved even as we continue to strengthen our brand, the most sustainable of all possibilities.

The first orbit in our existence was profitable; the next orbit will be larger and yet more sustainable for various reasons. In the last five years, the Company repaid ₹398 Crore in debt, moderated working capital as a proportion of total employed capital from 27% to 13%, transitioned from ₹602 Crore debt on the books as on 31st March, 2017 to a negligible amount as on 31st March, 2023 and strengthened our interest cover from 9.16 to 33.16.

The result is that the Centuryply of today possesses a multi-year foundation to keep investing earnings and net worth in its business without borrowing a rupee. We believe that this platform will make it possible for the company to be reliant completely on its cash flows for growing the business – and the freedom to expand whenever it wishes, by what extent it desires and in whatever segment of the interior infrastructure universe it seeks.

### Conclusion

Centuryply invested ₹1400 Crore in the five years ending FY 2022-23; the company is investing ₹2000 Crore in the next three years. Each phase of investment will generate sizable returns to the Company to re-invest in the subsequent expansion phase.

With the completion of each expansion phase, the company will become considerably larger, creating an even bigger platform for its subsequent expansion. This approach is fundamental to increasing shareholder value across the foreseeable future.

What used to be incremental annual growth funded largely through debt is now likely to become more substantial and funded completely through proprietary resources. This is likely to enhance value for all those associated with our company, particularly shareholders who have been integral and patient partners in our growth journey across the decades.

**Sajjan Bhajanka**, Chairman

## Overview

I am pleased with our company's performance during the last financial year. I am even more excited to present an overview of what lies in store.

Your company reported a 20.65% growth in revenues from ₹3000.88 Crore in FY 2021-22 to ₹3620.65 Crore in FY 2022-23. EBITDA strengthened 4.4% from ₹557.33 Crore in FY 2021-22 to ₹581.84 Crore in FY 2022-23. Net profit strengthened 12.78% from ₹325.27 Crore in FY 2021-22 to ₹366.84 Crore in FY 2022-23.

Your business reported attractive capital efficiency. Return on Capital Employed stood at 25.97% compared to 31.09%; EBITDA margin moved from 18.57% to 16.07%.

The company's liquidity hygiene continued to be protected, the increased interest rates notwithstanding. The company's net cash position stood at ₹175.05 Crore against ₹144.76 Crore from year-start to year-end. Interest cover stood at 33.16 at the year end, which indicates that the company continues to be liquid and cash rich.

Performance review for FY 2022-23

*At Centuryply*

OUR *best*  
STARTS *now*

## Planning ahead

To provide our readers with a perspective of what we are engaged in doing, it would be relevant to refer to our capital expenditure programs of the past and now. In 37 years, your company committed an aggregate ₹1,050 Crore in capital expenditure programs that enhanced its manufacturing capacity or infrastructure. This cautious investment was in keeping with the prevailing tax structures and policies of the times that benefited the unorganized sector more than the branded/organized.

The introduction of the Goods & Service Tax (GST) proved to be watershed in India's interior infrastructure sector. The tax differential between what was applied on organized and unorganized players narrowed to the point where consumers would rather pay incrementally higher for a substantially higher price-value proposition; besides, with cascading tax influences extending from raw materials to the end products that could not be set off against incentives on unorganized products, there was now a decisive change in costing dynamics: the unorganized manufacturers (otherwise benefited by working outside the tax bracket) experienced a sharp increase in costs while organized players now leveraged economies of brand, scale and distribution to moderate their break-even points. The result is that the landmark introduction of GST graduated India's infrastructure

## Net worth-driven approach

The most exciting dimension of our growth journey is not capacity growth or revenue accretion. The most compelling dimension is the fact that a substantial portion of our investable resources will be generated from within. The company intends to fund all its proposed capital outlay of ₹2000 Crore until 2026 through earnings derived from the business.

Following the completion of our initial spending and value monetization phase, your company

sector – among others – towards the formal, organized and branded.

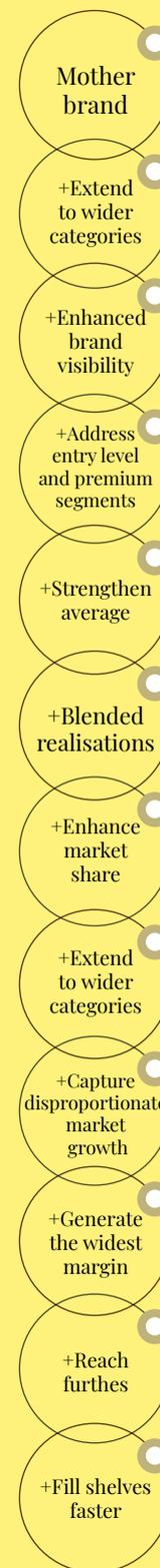
I am pleased to communicate that Centuryply was among the quickest to respond to this decisive policy change. Your company announced a capital expenditure program of ₹2000 Crore in the three years starting 2022; ₹955 Crore will be invested in MDF and ₹500 Crore will be invested in building particle board capacities. Considering that your company invested ₹1050 Crore in the 37 years leading to FY 2020-21 and 1.9x that spending in a compressed period of three years, one will be able to discern our golden age starts now.

At Centuryply, we are not merely investing with a three-year horizon. One of the biggest changes at our company is that we have outlined an eight-year investment and monetization horizon – possibly the longest in our sector. We have made a change from the past for good reasons: one, the Indian government has announced long-term policies, providing a clarity on where the country, infrastructure and related sectors are going; two, a growing governance emphasis warrants that we share our medium-term direction to attract like-minded stakeholders; three, we have no debt on our books so the articulation of our long-term investment outlay and capital mobilization plan (net worth) can only prove perception-enhancing.

will find itself with a greater surplus at its disposal. This surplus can be directed towards either reinvestment or distribution to shareholders. Opting for reinvestment would mean that upon monetization, there would be a potential to generate an even more substantial surplus.

In essence, the company has now entered a cycle of sustainable growth that is poised to augment value for shareholders in a significant way.

## Our building blocks



## Market-facing approach

The big question is whether the market will be able to take all that we produce (assuming that other manufacturers also expand at the same time as we do, though not necessarily in the same proportion).

These are the various reasons behind our market optimism.

**One.** India lags the per capita consumption of various interior wood products (plywood, MDF and others) when compared with the China average, a market that we find economically, physically and demographically closest to India. Much of our optimism is derived from an assumption that what transpired in China a decade ago is likely to unfold in India from this point onwards. As per our understanding, the increase in China's demand was not predictably linear; after a certain point in its personal income journey, the demand for wood products rose sharply on the back of the country's widening infrastructure. India is making an outsized infrastructure investment and we believe that the time is close when the country's wood products consumption grows sizably in percentage terms even on larger bases.

**Two,** we see India's real estate sector turn after a lag of nearly eight years, which should translate into increased apartment fit-outs and a stronger offtake of wood substrate and decorative varieties. We see the government's focusing on Housing for All coupled with an interest subvention scheme being sustained, translating into a sizable addition to housing block across the lower income groups. Even as we foresee a turnaround in interest rates, we believe that the net effect on mortgage costs to be moderate keeping in mind various related government incentives. We see the weakening of the pandemic as a signal for personal spending, a sizable part of that going into better and larger homes. The cumulative effect of this is likely to translate into an unprecedented growth in the market for our products.

**Three,** we are seeing a convergence of positive realities. The country is probably at the peak of an interest rate cycle; land costs have been by and large stable for a large number of years; the speculative froth driving real estate prices has subsided and the market is largely



owner-driven; the Indian government has been catalysing the affordable home segment through an interest subvention scheme; housing finance companies are widening their operations on account of sectorial stability and predictability. These realities indicate that the Indian housing story – and related products consumption – is likely to remain its most robust national economy driver. As a market leader, Centuryply is positioned to capitalize on this sustained demand outlook.

**Four,** we are addressing this projected market with an 'X' and 'Y' approach. By 'X' approach, we are providing our clients with the complete complement of interior wood products they are likely to buy – plywood to MDF to particle board to laminates. This is likely to strengthen our recall that 'Whenever you think of interior wood products, think of Centuryply.' This will enhance consumer convenience on the one hand and a share of our trade partner's revenues on the other. By the 'Y' approach, we intend to provide our consumers with products across price points, starting from entry-level products for price-sensitive consumers (who seek to buy superior quality regardless) to premium product buyers. We believe that a large part of India will become consumers of branded interior products in the next few years; our sizable investment will be directed at addressing this emerging market.

The result of aggressive reinvestment cum monetization will reinforce our

leadership within product spaces, strengthen revenues by 20% a year compounded, generate peak realisations cum margins and empower us to deliver 20% RoCE, the basis of our rolling value-creation journey.

### New culture

At Centuryply, we find ourselves attractively placed in our business existence.

The size and scope of our opportunity is warranting a new approach to the way business needs to be conducted. Legacy practices will only do so much for our business; if we rethink our approach, we stand to emerge as a first mover that carves away a disproportionate share of the emerging opportunity. Interestingly, this rethinking will need to be extensive over selective; it will need to be immediate over phased; it will need to be decisive over experimental.

During our last year's annual report, we explained how we were building New Century. We are now reinventing the way we look at our business and this is showing results. The Company is approaching business with a lateral (over linear) lens. Various initiatives have made us nimbler; we are trying new ways of doing business; we are investing deeper on the digital technology side.

During the last financial year, the following initiatives helped strengthen our business.



**One**, we introduced innovative products in a sector marked by product stability, a refreshing disruption in a conventionally staid business. We believe that in a world marked by declining attention spans, innovation is proving to be an effective clutter cutter, strengthening our recall in a crowded marketplace.

**Two**, we increased our brand spending by 26.53% during the year under review; a majority of this spending was allocated to the digital media, strengthening our audience focus and spending effectiveness.

**Three**, we intensified the use of the Sales Force Automation app, which resulted in a paradigm change in the sales approach – from a time when our representatives would go into the market to access orders to a time when they go to our trade partners to provide sales leads ('Order dene jaayenge').

**Four**, we launched our Distribution Management System, which tracks consumer sales – what they purchased, where they purchased, when they purchased and with what other products they purchased – leading to deeper market insights that has empowered us to plan better.

**Five**, we deepened our data science capability, which made it possible for us to derive a deeper marketplace understanding and use that information to market focused to specific audience groups, strengthening the effectiveness of our brand spending.

**Six**, we launched a Central Distribution Centre that enhanced the serviceability of our laminates business, reflected in quicker dispatches, lower systemic inventories and better return on employed capital for the Company and primary customer (trade partner).

### How we strengthened our business in FY 2022-23

- 1** Introduced innovative products
- 2** Increased our brand spending
- 3** Intensified the use of the Sales Force Automation app
- 4** Launched our Distribution Management System
- 5** Deepened our data science capability
- 6** Launched a Central Distribution Centre

### Validation

I am pleased to report that the complement of these initiatives has begun to translate into robust business quality. The Company reported growth in FY 2022-23: even as revenues grew 20.65%, EBITDA grew 4.4% and profit after tax increased 12.78%. The Company RoCE stood at 25.97%; EBITDA margin was 16.07%.

At Centuryply, we are optimistic that as our business drivers take deeper root within, the quality of our business will evolve and this will translate into even better financial outcomes and stakeholder value.

Our best starts now.

*Keshav Bhajanka.*

Keshav Bhajanka, Executive Director

# Centuryply's direction, performance and the road ahead

| Key strategy   | Performance in FY 2022-23  | Outlook  |
|--|--|--|
| Strengthen the Balance Sheet further<br>Enhance liquidity and cash on the books<br>Widen margins and capital efficiency  | <ul style="list-style-type: none"> <li>Cash, bank and liquid funds of ₹259.64 Crore as on 31st March, 2023 (₹249.27 Crore as on 31st March, 2022)</li> </ul>   | <ul style="list-style-type: none"> <li>Shrink the working capital cycle further</li> <li>Strengthen inventory management</li> <li>Allocate a sizable part of the annual surplus to the ongoing capacity expansion</li> </ul>   |
| Reduce dependence on plywood<br>Broadbase the products portfolio, reducing an excessive dependence on any one segment<br>Enhance plywood share of revenues from 52.78% to 55.57% | <ul style="list-style-type: none"> <li>Non-plywood business revenues increased 13.52%</li> <li>Non-plywood contribution declined from 47.22% to 44.43% of revenues</li> <li>Launched value-added laminates and MDF products</li> </ul>   | Strengthen non-plywood revenues (brownfield and greenfield expansion in MDF and greenfield laminate expansion in South India)  |
| Strengthen geographic footprint<br>Penetrate existing markets deeper by going into smaller population clusters<br>Plug white spaces all-India                                    | <ul style="list-style-type: none"> <li>Strengthened Distributor Management System</li> <li>Added dealers and distributors</li> <li>Entered locations with lower population presence</li> </ul>   | Increase the company's penetration in Tier II and III cities and towns   |
| Accelerate the sales velocity of the business<br>Leverage more from the existing distribution pipeline<br>Carve out a larger wallet share of trade partners                      | <ul style="list-style-type: none"> <li>Introduced Sales Force Automation</li> <li>Enhanced ability to analyse the performance of each trade partner</li> <li>Transformed sales team role to deliver orders as opposed to finding them</li> </ul>                                 | <ul style="list-style-type: none"> <li>Deeper focus on Sales Force Automation</li> <li>Deepen the role of 'Order dene jaayenge' of the sales team to trade partners</li> <li>Digitally track sales trends</li> </ul>   |
| Moderate costs<br>Deepen a culture of thrift<br>Deepen the role of digital platforms in cost moderation<br>Build cost-effective scalability                                      | <ul style="list-style-type: none"> <li>Engaged a global consultant to review practices and costs</li> <li>Focused on Theory of Constraints to right-size the inventory even while the company keeps growing</li> </ul>   | <ul style="list-style-type: none"> <li>Sustained focus on micro-initiatives to moderate costs</li> <li>Enhanced leverage of the digital platform to moderate costs</li> <li>Stay zero-debt</li> </ul>  |
| Accelerate the launch of innovative products<br>Delight trade partners<br>Enrich the brand   | <ul style="list-style-type: none"> <li>Increased brand spending by 26.53% to ₹151.45 Crore</li> <li>Generated a quicker offtake or superior realisation</li> </ul>   | <ul style="list-style-type: none"> <li>Deepen research and development</li> <li>Accelerate the launch of disruptive products</li> <li>Generate a rising proportion of revenues from such products</li> </ul>   |
| Empower customers to buy whenever and wherever<br>Increase revenues through digital channels   | <ul style="list-style-type: none"> <li>Widened presence on e-commerce portals and marketplaces</li> <li>Deepened the association with Flipkart</li> <li>Grew the plywood e-shopping experience</li> </ul>  | <ul style="list-style-type: none"> <li>Widen presence on e-commerce marketplaces</li> <li>Extend the brand to 'Centuryply means the best overall experience'</li> </ul>  |
| Strengthen the digitalization of our business<br>Introduce digital processes, checks and balances<br>Graduate engagements and accesses to cloud and smartphone                   | <ul style="list-style-type: none"> <li>Intensified use of Sales Force Automation</li> <li>Widened presence on e-commerce portals and marketplaces</li> <li>Launched Distribution Management System to track consumer offtake</li> <li>Invested deeper in data science</li> </ul> | <ul style="list-style-type: none"> <li>Deepen the digital mindset across the organisation</li> <li>Replace the manual with the digital and automated</li> <li>Allocate the routine to the digital, liberating managerial bandwidth</li> <li>Increase the role of informed decision-making</li> </ul> |
| Enhance service to trade partners<br>Strengthen operating hygiene<br>Graduate distribution to a focused discipline   | <ul style="list-style-type: none"> <li>Accelerated dispatches and responsiveness to the needs of trade partners</li> <li>Reduced the proportion of inventory within the system despite revenue growth</li> <li>Strengthened capital efficiency for trade partners</li> </ul>     | <ul style="list-style-type: none"> <li>Demonstrate a superior RoCE for trade partners</li> <li>Carve out a larger share of the trade partner's business</li> <li>Capture a large share of the trade partner's shelf space</li> </ul>   |

# CHANGING *the* GAME



**Earlier**, the company would be focused on a business-strengthening two-year horizon  
*The company is now engaged in a decadal perspective of where it is headed*

**Earlier**, the company would be seen as regional  
*The company is now seen as a pan-Indian company*

**Earlier**, the company was synonymous with plywood  
*The company is now perceived as multi-product*

**Earlier**, the company was seen as a premium products provider  
*The company has broad-based its products appeal to cover consumers with varied budgets*

**Earlier**, the company was referred to as a product seller  
*The company is now referred to as a solution provider*

**Earlier**, the company's growth would be funded largely through debt  
*The company's growth is now being funded completely through net worth*

**Earlier**, the company possessed debt on its books  
*The company is now completely debt free*

PART 4

# ENHIAN

*stakeholder*

# 3 PRINCIPAL VALUE DRIVERS *At Centuryply*

**1 Country:** India is likely to remain among the two fastest growing major economies

**2 Sector:** The real estate sector is expected to emerge as the principal beneficiary of India's economy growth story

**3 Company:** By the virtue of being the largest interior wood products company, Centuryply is attractively placed to address the national growth story

# CING *value* *at Centuryply*

# Centuryply: A multi-decade value-creation story

## Our market *valuation*

7,071

₹ Crore, market capitalization, 31st March, 2021

15,916

₹ Crore, market capitalization, 31st March, 2022

10,349

₹ Crore, market capitalization, 31st March, 2023

## Overview

India is passing through one of its most attractive growth phases related to home construction and renovation.

This phase is being underlined by a need to build bigger and live better.

Centuryply is addressing this phenomenon through a range of products and grades, ensuring that the company has a product for every consumer across all income brackets.

This universality in relevance is the company's most effective value-driver.

This has translated into economies of manufacture, brand spending, overheads coverage and trade partner engagement.

This 'something for all' positioning has graduated Centuryply from the niche to the mainstream and from the premium to the universal, enhancing value for all its stakeholders.

This transition was accelerated in the last few years, indicating that the company is attractively positioned to build a new value-creation journey from this point onwards.

## Our responsiveness

The interior wood products market is driven by sustained annual growth, relatively limited presence of large players, brand-influenced market moat for select players and a stable market that is unaffected by product alternatives.

The one trend that is becoming increasingly visible is the market trending from labour-crafted furniture to machined factory-made products. There is also a movement away from low priced plywood towards MDF. This makes the latter the fastest-growing category due to its products superiority and better piece-value proposition. This is expected to drive the demand for MDF, a product that Centuryply manufactures.

The other trend is rising aspirations and designed products. Centuryply's design team produces a range of products oriented around superior designs – colours, textures and finishes – that enhance laminates traction and offtake.

At Centuryply, we have responded with proactive speed to changes happening around us. During the last few years, the changes have intensified; the company restructured its business model and emerged stronger and more sustainable. The message that the company seeks to communicate is that at a time of challenge, the company invested in decisive initiatives that strengthened competitiveness and sustainability.

### 1 Centuryply broad-based its revenues pyramid

Until FY 2016-17, Centuryply derived 70.79% of revenues from plywood

The Company entered the premium laminates and MDF segments

The company is now relatively broad-based (non-plywood revenues at 44.43% of the company, FY 2022-23)

### 2 Centuryply outgrew its regional personality to become national

The Company has seven manufacturing units across India

The Company exports to 14+ countries

### 3 Centuryply made a timely leap to the digital and the automated

The Company made selective changes in specialized equipment and auto core compressors

Digital packages (Sales Force Automation, Distributor Management

System and supply chain digitalization) transformed processes

### 4 Centuryply moderated its carbon footprint, enhancing responsibility

The Company commissioned 8.78 MW of solar power by FY 2022-23

The Company moderated resource consumption

The Company made extensive improvements in energy/water consumption efficiency

## The outcome of our strategic responsiveness

At Centuryply, the various initiatives we undertook to transform our business model have translated into enhanced capital efficiency.

### EBITDA

₹ 312.73 Crore in FY 2017-18

₹ 581.84 Crore in FY 2022-23

13.22% CAGR, five years ending FY 2022-23

### EBITDA margin

17.66% in FY 2017-18

16.07% in FY 2022-23

160 bps decline, five years ending FY 2022-23

### Gearing

0.65, Debt-equity ratio in FY 2017-18

0.14, Debt-equity ratio in FY 2022-23

### RoCE

17.21 %, in FY 2017-18

25.97 %, in FY 2022-23

876 bps increase, five years ending FY 2022-23

## Our value-creation scorecard

| Particulars                           | FY 2016-20 | FY 2020-21 | FY 2021-22        | FY 2022-23   |
|---------------------------------------|------------|------------|-------------------|--------------|
| Business cycle                        | Downcycle  | Downcycle  | Signs of reversal | Acceleration |
| Revenue CAGR                          | 8.7%       | -7.4%      | 41.99%            | 20.65%       |
| EBITDA CAGR                           | 1.8%       | 6.4%       | 66.74%            | 4.4%         |
| PAT CAGR                              | -1.8%      | 21.40%     | 69.35%            | 12.78%       |
| Average working capital days          | 89         | 69         | 63                | 53           |
| Average operating cashflow (₹ Crore)* | 290        | 358.90     | 268.91            | 440.8        |
| Average Net Debt (₹ Crore)            | 241.80     | -61.5      | -52.9             | 5.03         |
| Average RoCE                          | *20.4%     | 20.0%      | 31.09%            | 25.97%       |

\*Note: 1. Including buyers credit and net of FD

2. RoCE during FY 2018-20 ranged between 17% and 18%

# Our *value-* *enhancing* framework

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## Group respect

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**The** Centuryply Group is synonymous with entrepreneurship and value-creation

**The** opportunity-driven promoters have interests in cement and ferro alloys as well

**It** is synonymous with stability, attracting like-minded partners

**It** has grown across market cycles across its three-and-a-half-decade journey

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## Sustainability

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**The** company's brand has demonstrated longevity across more than 3 decades

**It** entered long-term stakeholder relationships across its eco-system

**Its** credit rating of AA as on 31st March, 2023 indicated safety and credibility

**It** replaced the use of debt with net worth in business expansion

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## Responsibility

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**The** wood products-based business is moderating the use of block wood with alternatives

**The** Company is growing its business completely through net worth, no debt

**13%** of the company's energy appetite was addressed through renewable energy in FY 2022-23

**The** promoters drew a low remuneration as % of revenues despite a high equity ownership

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## Core competence

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**The** Company has consistently focused the interior wood products business

**It** offers a single-stop products solution (plywood, particle board, MDF, laminates and PVC)

**It** possesses the largest manufacturing capacity in its sector in India

**It** is respected for innovation and the capacity to create market niches

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## Brand asset

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**The** Centuryply brand is the most trusted in India's wood products sector

**The** company is best recalled through its 'Raho befikar' positioning

**It** has invested ₹81.27 Crore in brands aggregated across ten years

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## Manufacturing discipline

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**The** Company operated out of 10 pan-India plants (including CFS) in FY 2022-23

**These** plants have been spread across the national compass

**These** plants have been positioned close to resources, ports and markets

**These** plants are cost leaders on account of automated technologies

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## Disruptive product launches

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**The** Company has innovated products and features

**Its** clutter-breaking launches have been derived from a focused R&D team

**These** launches have addressed futuristic spaces like nanomaterials

**The** launches have emphasized the 'Raho befikar' positioning

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## Financial discipline

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**The** company repaid ₹398 Crore debt in five years ending FY 2022-23

**The** company was almost debt-free on 31st March 2023

**Ongoing** capex is being funded substantially through earnings

**The** company had ₹2159.07 Crore in net worth and debt as on 31st March, 2023

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# Changing the game *through* a series of initiatives

*The coming together of agencies, schemes and innovations*

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| Initiative                     | Outcome   |
|--------------------------------|---|
| Sales Force Automation         | This package improved sales team productivity, enhanced understanding of the sales team mobility across markets and strengthened sales forecasting  |
| Distribution Management System | This system helps track inventory in real time by secondary sales and inventory movement at the distributor' end  |
| ViroKill                       | This nanotechnology-driven feature (anti-viral, anti-fungal and anti-bacterial) has been embedded into plywood, blockboard, laminate and veneer products, killing viruses on virtually all surfaces   |
| FireWall                       | The cutting-edge Firewall technology helps retard fire spread; it enhances interiors safety   |
| Boston Consultancy Group       | The company engaged BCG to advise on cost optimisation and throughput enhancement. The MDF business enhanced realisations, production and SKU efficiency; the laminates business is focused on cost optimisation and go-to-market initiatives |
| Vector Consultants             | The partner was engaged by Centuryply to enhance supply chain and distribution efficiencies; the engagement streamlined the material allocation between plants and warehouses / stock points  |
| Influencer Loyalty programme   | The Company introduced Century Pro Club, a carpenter loyalty program; this empowered the opinion influencer segment to scan the plywood QR code through a dedicated app in exchange for a commission  |
| Central Distribution Centre    | Enhanced service in the laminates business; shrunk the order-to-dispatch tenure; moderated inventory; improved capital efficiency   |

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# How we are enhancing value for our stakeholders in an integrated manner

*A report on how we have institutionalised our value-creation process*

## The scorecard



### The scorecard

Employee value

₹457.52 Crore salaries, FY 2022-23  
(₹399.83 Crore, FY 2021-22)



### Customer value

₹3,620.65 Crore revenues, FY 2022-23  
(₹3000.88 Crore, FY 2021-22)



### Vendor value consumption

₹1,952.44 cr. Purchases,  
FY 2022-23 (₹1675.36 Crore, FY 2021-22)



### Shareholder value

₹10,349 Crore market valuation,  
31st March, 2023  
(₹15,916 Crore, 31st March, 2022)



### Community value (CSR)

₹7.47 Crore, spending, FY 2022-23  
(₹5.09 Crore, FY 2021-22)



### Exchequer value (Income Tax)

₹127.27 Crore, tax payment, FY 2022-23  
(₹154.92 Crore, FY 2021-22)

## Overview

In the modern world, it is no longer enough to enhance shareholder value. The operative term that is being increasingly used is 'stakeholder value'. By the very nature of the term, 'stakeholder' does not merely refer to the interest group that owns shares in our Company. It refers to every single individual or sentiment that is likely to be influenced by our Company's brand, product or operations. In short, it refers to everyone and everything, living or not. This represents an understanding of how the value sought to be created needs to be integrated across all stakeholders, the measure by which all companies are appraised.

This Integrated Value-Creation Report is being increasingly respected for its appraisal of 'hard' and 'soft' initiatives in its reporting format. The report draws on diverse strands (financial, management commentary, governance, remuneration and sustainability reporting) in explaining an organisation's ability to create, enhance and sustain value. Interestingly, the influence of an Integrated Report enhances an understanding across diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers), underlining the need for an organisation to enhance value in a sustainable manner.

## How Centuryply's stakeholders *enhance value*

**At Centuryply**, we believe that the interplay of value for our various stakeholders has translated into business sustainability.

**Our employees** represent the aggregate knowledge of how to grow the business across a range of functions (procurement, manufacturing, marketing, technology, innovation, finance etc.). Our focus is to provide an exciting workplace, generate stable employment and enhance productivity

**Our shareholders** provided capital when we went into business. Our focus is to generate free cash and grow our RoCE and, in doing so, enhance value of their holdings.

**Our suppliers** provide a continuously supply of resources. Our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability.

**Our customers** keep us in business through a consistent purchase of products, generating the financial resources to sustain operations. Our focus is to sell to a larger number of customers around our preferred price points.

**Our communities** provide social capital. Our focus is to support and grow communities through consistent engagement.

**Our governments** (in the areas of our presence) provide a stable structural framework that ensures law, order, policies etc. Our focus is to play the role of a responsible citizen through the timely payment of taxes.

## The resources of *value-creation*



**Financial capital:** The financial resources that we seek are based on the funds we mobilise from our investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.



**Manufactured capital:** Our assets, technologies and equipment for service delivery constitute our manufactured capital.



**Human capital:** Our management and employees form a part of our workforce, their experience and competence enhancing value.



**Intellectual capital:** Our focus on cost optimization and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources



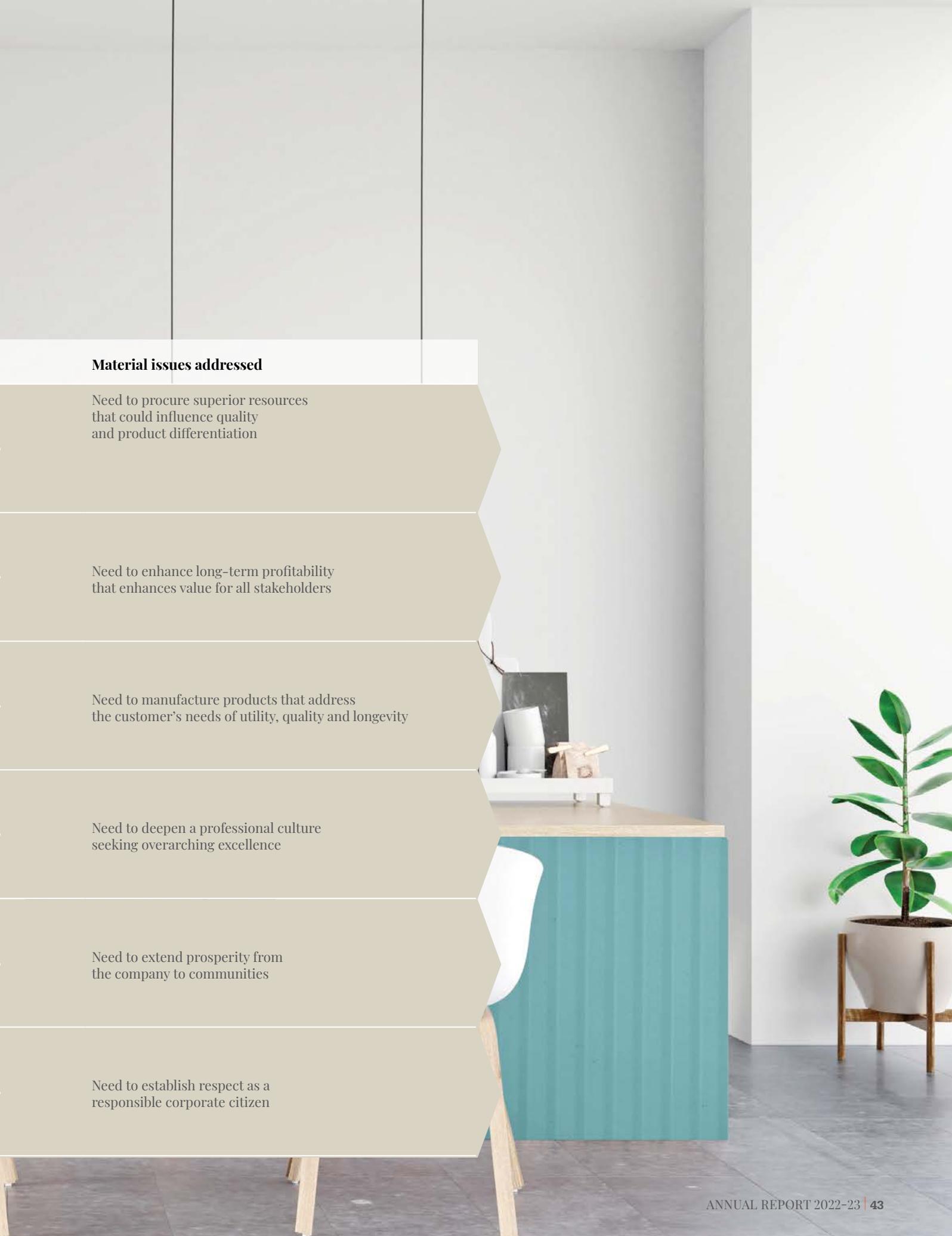
**Natural capital:** We depend on nature and have a moderate impact on the natural environment.



**Social and relationship capital:** We enjoy enduring relationships with communities and business partners, including vendors, suppliers and customers, all playing a key role in ensuring our social license to operate that makes us a responsible corporate citizen.

# Our value-enhancement strategy

| Strategic focus          | Key enablers   |
|--------------------------|--|
| <b>Vendor focus</b>      | <p>Centuryply engages with the most trusted vendors who possess a long-term focus</p> <p>The Company works with a range of resource providers</p> <p>The company provides engagement visibility to them in return for superior procurement terms</p>                                 |
| <b>Shareholder focus</b> | <p>Centuryply emphasizes governance, operational excellence, brand strength, cost leadership, process stability and information transparency</p> <p>The Company highlights the utility of sustainable growth</p> <p>The Company has been paying dividend every year for 12 years</p> |
| <b>Customer focus</b>    | <p>Centuryply is a trusted, innovative and quality- driven product provider across price points</p> <p>The Company has a pan-India dealer network (plywood and laminates) and strong OEM presence (MDF and particle board) – Centuryply access is never far away</p>                 |
| <b>Employee focus</b>    | <p>Centuryply is an employer of 6,966 permanent employees and 4,803 contractual workers</p> <p>The Company provides a fair and energizing environment</p> <p>The Company imparts training and attractive career growth</p>   |
| <b>Community focus</b>   | <p>Centuryply is a responsible corporate citizen</p> <p>The Company is engaged in extensive CSR engagements</p> <p>The Company invested in renewable energy, sewage treatment and product recycling, each with community impact implications</p>                                     |
| <b>Government focus</b>  | <p>Centuryply pays taxes, generates employment, complies with statutes and enriches communities</p>  |



**Material issues addressed**

Need to procure superior resources that could influence quality and product differentiation

Need to enhance long-term profitability that enhances value for all stakeholders

Need to manufacture products that address the customer's needs of utility, quality and longevity

Need to deepen a professional culture seeking overarching excellence

Need to extend prosperity from the company to communities

Need to establish respect as a responsible corporate citizen

# Centuryply and the value created for our stakeholders

## Employee value

The company has invested adequately in employee remuneration; this trend must be appraised with employee productivity

### Salaries and wages (₹ Crore)

| FY20   | FY21   | FY22   | FY23   |
|--------|--------|--------|--------|
| 344.13 | 318.27 | 399.83 | 457.52 |

### Employee productivity

The company's investment in its people (training, empowerment and career growth) has translated into increased productivity

### Revenue / person (₹ Crore)

| FY20  | FY21  | FY22  | FY23  |
|-------|-------|-------|-------|
| 34.05 | 33.20 | 47.34 | 51.98 |

## Customer value

The company increased revenues (except for a pandemic-affected FY21), an index of the value created for customers

### Revenues (₹ Crore)

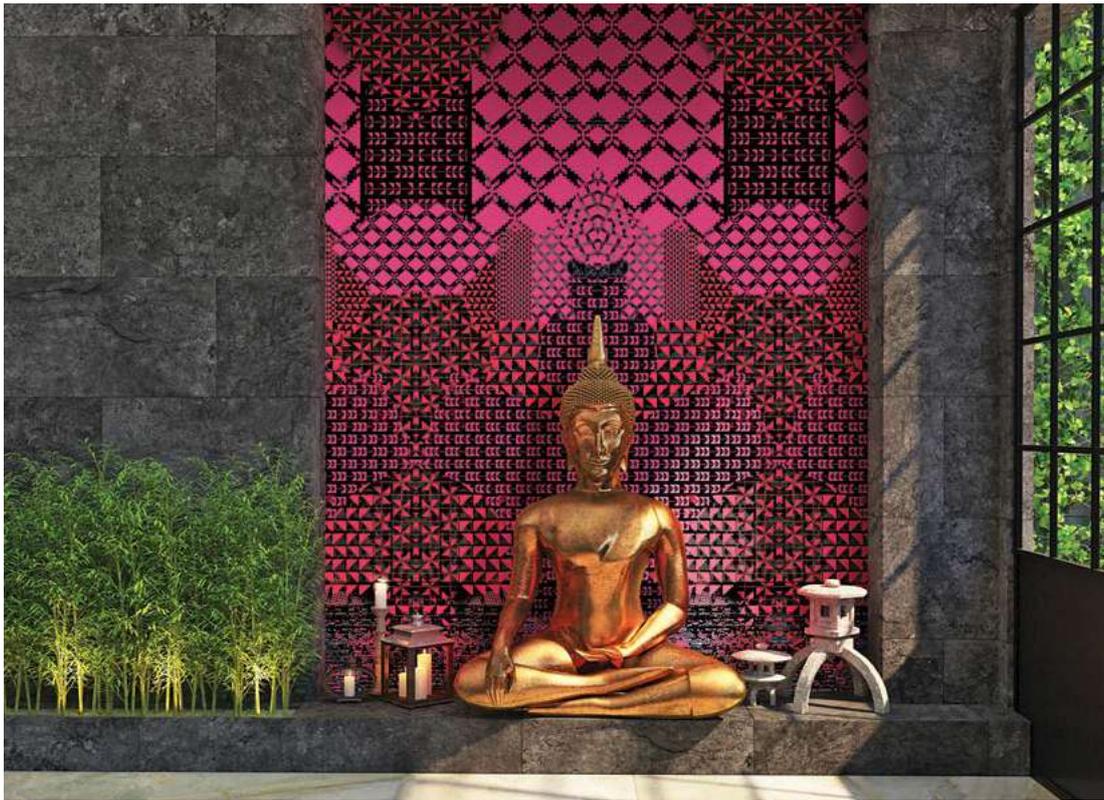
| FY20     | FY21     | FY22     | FY23    |
|----------|----------|----------|---------|
| 2,282.68 | 2,113.48 | 3,000.88 | 3620.65 |

### Vendor value

The company procured a large quantum of resources through the years, strengthening procurement economies

### Procurement (₹ Crore)

| FY20     | FY21     | FY22     | FY23    |
|----------|----------|----------|---------|
| 1,099.88 | 1,033.46 | 1,675.36 | 1952.44 |



### Shareholder value

The company has enhanced value for shareholders through the years through a complement of expansion and debt repayment.

#### Market capitalization (₹ Crore)

| FY20  | FY21  | FY22   | FY23   |
|-------|-------|--------|--------|
| 2,465 | 7,071 | 15,916 | 10,349 |

#### Free cash flows (₹ Crore)

| FY20  | FY21   | FY22   | FY23   |
|-------|--------|--------|--------|
| 21.22 | 186.01 | 247.81 | 256.31 |

### Community

The company has enriched communities through a number of initiatives.

#### CSR expenditure (₹ Crore)

| FY20 | FY21 | FY22 | FY23 |
|------|------|------|------|
| 4.45 | 5.28 | 5.09 | 7.47 |

### Government

The company reinvested in society through prompt tax payments and other statutory dues.

#### Tax expenses (₹ Crore)

| FY20  | FY21  | FY22   | FY23   |
|-------|-------|--------|--------|
| 52.21 | 68.76 | 154.92 | 127.27 |

Competitive advantage

# The *Centuryply* BRANDS *report, FY 2022-23*

## Our Centuryply brands portfolio



Our brand spending – Absolute (₹ Crore) and as % of revenues

| FY20  | FY21  | FY22   | FY23   |
|-------|-------|--------|--------|
| 88.48 | 82.09 | 119.69 | 151.45 |
| 3.88% | 3.88% | 3.99%  | 4.18%  |

**Overview**

In India's wood products industry, 'Centuryply' stands for trust, period. The Company's name – also that of its brand – has become synonymous with dependability, consistency, integrity and credibility. The result is that whenever a customer buys into Centuryply, the first response is inevitably 'We are assured that we are in safe hands.'

**Centuryply**  
*brand recalls*

Enduring presence of more than three decades

Among the most visible and trusted names in India's wood products sector

Delivering to consumers a peace of mind ('Raho befikar')

Respect for having redefined consumer perceptions and aspirations

Addressing the premium and price-sensitive ends (though through separate brands)

Offtake driven by consumer pull

A recall that if the feature is pioneering then 'It must be from Centuryply'

# The *health* of our *brand*

*Our health is measured  
in our financial outcomes*

## Financial outcomes

39

Days of receivables cycle,  
FY 2022-23 (42 days in FY 2021-22)

16.1

% EBITDA margin, FY 2022-23  
(18.6% in FY 2021-22)

51

Inventory turns, FY 2022-23 (60 in  
FY 2021-22)

## Sales growth

27.1%

% growth in our veneer business,  
FY 2022-23

28.6%

% growth in our plywood  
business, FY 2022-23

14.4%

% growth in our laminates  
business, FY 2022-23

14.1%

% growth in our MDF business,  
FY 2022-23

## Centuryply's market share

7%

% estimated market share in  
plywood (6% in FY 2021-22)

9%

% estimated market share in  
laminates (9% in FY 2021-22)

13%

% estimated market share in  
MDF (14% in FY 2021-22)

3%

% estimated market share in  
Particle board (3% in FY 2021-22)

8%

% overall wood products market  
share (7% in FY 2021-22)



# The Centuryply brand's *competitive advantage*

*The fundamentals behind the company's wood products leadership*



## **Portfolio**

Centuryply offers one of the largest interior infrastructure portfolios in India - plywood, laminates, face veneer, MDF, particle boards, pre-engineered doors, fibre cement boards and PVC sheets, among others. The result: the brand represents a one-stop solution across more than eight product segments.

## **Size**

Centuryply is the largest player in India's plywood sector by revenues with the highest market share of India's organized plywood sector.

The Company accounts for more than 29% share of the organized plywood share for Centuryply (market size of more than ₹6800 Crore).

## **Universal**

Centuryply addresses needs for every pocket - from Sainik plywood to Club Prime at the highest level. It offers one of the widest choices, prompting consumers to graduate purchases with modest cost increase.

The Company's products are available in more than 12,100+ SKUs.

## **Innovative**

Centuryply has offered convention-breaking features across products for the first time in the sector.

Its Virokill and Firewall products took the market imagination by storm.



### Deepest

Centuryply is present in 28 States, 7 Union Territories and 532 districts. Its network comprises more than 3,848 dealers and 14,091 retailers - the largest within the industry.

### Leanest

Centuryply possesses possibly the leanest Balance Sheets in India's infrastructure sector.

The Company possessed ₹256.31 Crore in free cash, bank and liquid funds (31st March, 2023).

### Green

The Company is positioning itself as a clean and green plywood manufacturer with investments in renewable energy and electric vehicles transportation.

It also comprised 8.8 MW captive rooftop solar power plant resulting in annual CO<sub>2</sub> savings of 8,624 MT.

### Lowest

The Company has leveraged scale and austerity to establish cost leadership.

It reported an EBIT margin in excess of 10% across the last six years.

# The success of the Sainik plywood brand represents a *landmark in the existence of Centuryply*"

**Q: How did the Company's brands perform during the year under review?**

A: Centuryply reported the best year in its existence, the outcome of a number of brand-driven initiatives. There was a focus on enhancing brand's visibility, aligning them closer to the consistent 'Raho befikar' positioning and presenting a proposition that a marginal premium on the price was but a fraction of the incremental value that would be derived from product longevity.

This position matured further during the year under review, strengthening margins, revenues and surplus. The fact that the company finished FY 2022-23 with record numbers across parameters indicates that the company is graduating to the next orbit.

**Q: What was the basis of a growth in these financial parameters?**

A: Every single Centuryply brand (mother and product) had grown attractively; their market shares had

increased during the year under review. This indicates that the company is carving out a larger share of market growth, a validation of its enhanced competitiveness.

**Q: What was the biggest highlight of the company's brand management capability in FY 2022-23?**

A: The biggest highlight was the success of the Sainik plywood brand. Three years ago, we relaunched this brand in earnest on the grounds that we did not possess an entry-level plywood brand and, more often than not, a consumer would have set up home with one brand and when the time came to graduate to a larger home or add more furniture in the existing home, the consumer would generally buy the same brand. We recognised that graduating this consumer to Club Prime would be more challenging than usual; we now needed a more cogent entry level brand that could drive the offtake of Club Prime at a later date. Besides, it was increasingly felt that following the introduction of the Goods & Services Tax (GST), unorganized plywood brands had become less competitive compared with organized alternatives coming from companies like ours; this would lead to a disproportionate growth in the offtake of entry level plywood brands, the segment that Sainik would address. If Centuryply had continued to play the premium game, it would have missed out on the larger action at the mass premium end, affecting brand responsiveness and strength.

So much for the rationale for our entry into the mass premium end. However, most industry observers felt that this would be easier proposed than achieved because the Sainik brand would be crowded out in a large market. Their

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The success of the Sainik plywood brand represents a landmark in the existence of Centuryply

rationale was that Centuryply had conventionally played the premium plywood game and was new to the mass premium category where it would need to compete on price and positioning. There was also another perspective: most felt that Centuryply had become so adept at playing the premium game through its Club Prime that the longstanding success of this brand would now emerge as a bottleneck that would prevent the company from adapting or modifying its approach. The result is that most were convinced that even though we led the premium category through Club Prime, we would find it difficult to make an impact in the more price-sensitive category.

**Q: How did Centuryply respond to this observation?**

A: The industry perceptions could not be wished away; it has often been seen that companies that engage at the premium end find it difficult to fit into the price-sensitive end; when they do, they are alarmed to find that the sheen of their premium brands has been diluted and gradually their cash cow has lost margins, realisations and market share. From a premium product company, the said company has become a discount-driven volume-focused organization. So, when we introduced Sainik, much of the plywood sector felt that this could well happen at Centuryply as well.

**Q: What were some of the other challenges?**

A: What readers need to understand is that merely providing a different product at a different price is not just a financial or marketing decision; it warrants a completely different understanding of customer mindsets, competitive pressures, features mix and evolving consumer needs. Besides, we needed to

ensure that the introduction of Sainik would not affect the offtake or sticker price of Club Prime; we also needed to ensure that in our enthusiasm to catalyse Sainik's brand acceptance, we did not take our eyes off Club Prime.

**Q: How did Centuryply respond to the challenge?**

A: At Centuryply, our most effective counter-response was that we did not work in denial. We did not say that this was not possible at our company; we said that yes this could well happen and we needed to prepare to circumvent this eventuality. We prepared for this challenge in three ways: we strengthened our brand spend (utilising the surpluses generated by our presence in the premium end), we leveraged our multi-regional manufacturing facilities to produce Sainik closer to consumption markets; we were able to supply with speed and adequateness to more retail points than most competitors, ensuring that when the demand emerged, we did not lose a sale; we approached consumers with an unmistakable promotional line ('Asli Waterproof @ ₹107'). Besides, we created a different team that would focus exclusively on Sainik; we focused more intensively on positioning Sainik in a distinctive way; we brought into Sainik's value proposition a number of existing Centuryply hallmarks like 'Raho Befikar' – lowest product returns on account of quality inconsistency; complaint resolution within 48 hours of an issue being raised; ability to engage and hold the consumer throughout the life cycle.

**Q: What was the outcome of this approach?**

A: The consumer caught on to our value proposition immediately. The extension of the Centuryply recall into the Sainik

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brand and that price point for the first time transformed the price segment: Sainik emerged as the third largest in its price category in the space of just three years, one of the more remarkable successes within India's plywood sector.

The result is that gradually the word started getting around that Sainik carried all the hallmarks of Century's Raho Befikar recall and that it provided the best value proposition within the mass premium plywood segment.

**Q: Why is this a big achievement?**

A: This is a creditable achievement for some good reasons. It represents the turning of a ship; a value-focused company is turning into a volume cum value-based organization, playing two games concurrently. The result is that the company is now empowered to capitalise more effectively on an economic or demand upturn because it has a wider portfolio.

We also believe that this development has come at the right time. There is a greater demand for products coming out of non-metro locations in India, especially Category B and C urban clusters. Our wider portfolio will make it possible for us to now say 'We have every variety of plywood that you need', ensuring a larger share of the consumer's wallet. Our strategic recalibration represents a reflection of a new Centuryply that responds with speed to market changes. The new Centuryply is about building a consumer relationship across price points. The success of Sainik represents a maturing of our company, showcasing that we can play diverse roles with competence (earlier we were just an Apple iPhone; we are now an iPhone and Samsung); earlier, we were strategically monolithic whereas we are now diversified.

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The success of the Sainik plywood brand represents *a landmark in the existence of Centuryply*

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**Q: How will the company take this success ahead?**

We collaborated with Centuryply Supply Chain to ship products pan-India with speed and efficiency, while ensuring that quality was protected. Centuryply Supply Chain's transport management system (TMS) reduced product turnaround time, enhanced transparency and strengthened delivery. During the year under review, the Company launched electric vehicle delivery vans in Kolkata for end-to-end delivery of products from factory to distributors and expected to reduce carbon emission by 17-30% over petrol or diesel operated delivery vehicles. Centuryply set up five charging units at its Joka plant. Centuryply plans to extend its EV delivery vans from Kolkata to across the country.

**What else does the company intend to accomplish during the current financial year?**

A: The company intends to make an organized effort to engage with interior designers and architects, which is expected to enhance its momentum among influencers. The proposed MDF capacity expansion is expected to broaden its portfolio. The company could replicate its Sainik plywood success by entering other product segments with mass premium products. The result is that at the end of the last financial year, Centuryply was more vibrant and excited than ever: the company addresses a world of possibilities that could translate into enhanced market share and revenues across the coming years. The big message is that Centuryply is expected to grow faster even as it gets larger.

# How Sainik emerged as India's number three plywood brand

- Prudent leverage of the established competence in Pricing, Product, Place, Positioning and Promotion

- Successful demonstration of Century's strengths at work

- Excellent entry level brand for consumers, kickstarting a Centuryply relationship

- Sainik success underscored by the validated 'Raho Befikar' recall

- Sainik success to be replicated across different product segments

- Centuryply emerging as a company with Superior Premium, Premium and Economy plywood products

## How Centuryply has modernized its business

- Convergence of Pricing, Product, Place, Positioning and Promotion

- Complement of digital connection and physical engagement

- Extension of focus towards the kitchen segment

- Features-rich positioning of all plywood brands

- Sharper focus on Superior Premium, Premium and Economy segments

- Focused promotion enhancing spending effectiveness

- Investing in digital technologies (Data Science and Artificial Intelligence)

- Marketing one-on-one using digital technologies

## Centuryply's impactful television commercials

- PF Ply 1997
- Khushiyon Ka Rangmanch 2014
- Sab Sahe Mast Rahe 2016
- Sab Sahe Mast Rahe 2005
- Century Laminates Brand 2015
- Sab Sahe Mast Rahe Revamp 2017
- World Anger Day 2012
- Sainik 2015
- Plywood, laminates, doors 2019

### Recent television campaigns

- ViroKill feature introduced, 2020
- Sainik One Nation One Price implemented, 2021
- Innovative range of High Gloss Laminates - Lucida, 2021
- FireWall technology introduced, 2021
- Club Prime, 2023

## The outcomes of our promotional campaigns

|   |   |   |  |
|---|---|---|--|
| <b>FY 2018-19:</b> Among the Top 50 impactful digital campaigns | <b>FY 2020-21:</b> Recognised by Drivers of Digital | <b>FY 2021-22:</b> Won the prestigious Exchange for Media, Pride of India Brands – ‘The Best of Bharat’ Awards. | <b>FY 2022-23:</b> Realty Plus Brand of the Year Boards & Laminates<br>Best CEO Award by Business Today (Awarded to Mr. Sajjan Bhajanka) |
|---|---|---|--|

|             | Centuryply: Club Prime   | Century Laminate         | Century Door             |
|-------------|--------------------------|--------------------------|--------------------------|
| Launch year | 1995                     | 2004                     | 2013                     |
| Strategy    | High-end, feature-loaded | High-end, feature-loaded | High-end, feature-loaded |

## Our brand building track record

**2018:** Utilised the services of Kharaj Mukherjee for Centuryply Heroes digital film, highlighting the importance of workmanship and the strength of carpenter character in our business

**2019:** Utilised the services of Rudranil Sengupta for Centuryply Heroes; made a series of product TVCs directed by Prasun Pandey

**2020:** Utilised the services of Parambrata Chatterjee to act in a relevant role for the Virokill advertisement; entered the Flipkart and Amazon marketplaces to digitally market products

**2021:** Utilised the services of Jisshu Sengupta for the Lucida High Gloss Laminates TVC. Introduced the Firewall technology via TVC with the tag Centuryply Aag se Bachaye and launched

Century Promise, an app to detect genuine Centuryply products

**2022:** Firewall television commercial was continued with a focus on Club Prime. Sainik 710 television commercial was introduced.

**2023:** Club Prime–The Best Investment television commercial was launched

## Centuryply's Power Brands

| Segment   | Brand  | Application                                 | Centuryply utility                                     |
|-----------|--|---|--|
| Laminates | <ul style="list-style-type: none"> <li>• LookBook</li> <li>• Starline</li> <li>• Monocore</li> </ul> | Decorate and protect furniture and surfaces | 7-year warranty (LookBook & Monocore)                  |
|           |  |   | Colour fastness  |
|           |  |   | Carpenter-friendly                                     |
|           |  |   | Latest international range                             |
|           |  |   | Greenguard certification                               |
|           |  |   | Certified by Indian Green Building Council (IGBC)      |
|           |  |   | Uniform thickness and proper back standing             |
|           |  |   | ISO 9001:2015 certified                                |
|           |  |   | ISO 14001:2015 certified                               |
|           |  |   | Virokill (anti-viral, anti- fungal and anti-bacterial) |



| Segment | Brand                           | Application                                 | Centuryply utility  |
|---------|---------------------------------|---|---|
| Veneer  | Natzura Woods<br>Senzura Styles | Decorate and protect furniture and surfaces | 7-year warranty (Gurjan base)                             |
|         |                                 |   | Pre-sanded material                                       |
|         |                                 |   | Virokill (Anti-viral, anti- fungal and anti-bacterial)    |
|         |                                 |   | Latest international trends sourced from around the world |
|         |                                 |   | Certified by Indian Green Building Council (IGBC)         |
|         |                                 |   | Borer and termite-resistant material (Gurjan Base)        |
|         |                                 |   | Boiling water-resistant (Gurjan base)                     |
|         |                                 |   | ISO 9001:2015-certified                                   |
|         |                                 |   | ISO 14001:2015-certified                                  |

PART 5

# *Centuryply's* BUSINESS

# ENABLERS

**Financial structure**

*Centuryply*  
is a net cash  
company,  
funding  
expansions  
through  
earnings

**Overview**

**T**

Today's Centuryply is virtually debt-free on the back of an enduring brand, long standing stakeholder relationships, rising customer wallet share, accruals-driven capital expenditure and strong working capital management.

The company did the unthinkable in funding its capacity expansion without mobilizing long-term debt. Given the capital-intensive nature of the business and scale, this unusual achievement was made possible due to a number of factors: optimised costs, moderated working capital and reduced inventory (measured by days of turnover), among others.

This has been one of the most decisive dimensions of the company's capability to change its game. This was achieved through the company's commitment to systematically de-leverage its borrowings and become debt-free, funding its expansions largely through internal accruals or short-term loans (before repaying them with speed). The company's peak total debt of ₹602 Crore in 2017 declined to ₹264.66 Crore towards the close of FY 2022-23; correspondingly gearing of 0.85 in 2017 declined to 0.14 towards the close of the year under review.

Centuryply is a liquid company, reporting a cash profit of ₹488.47 Crore in FY 2022-23, a growth of 24.4% y-o-y. The Company's two greenfield projects for MDF and laminates manufacture in Andhra Pradesh entail a culminative capital expenditure of ₹900 Crore likely to be commissioned by the third quarter of the current financial year. The game-changer lies in the fact that this is the first time the company has embarked on the concurrent commission of two projects; the cumulative capital expenditure of ₹900 Crore in the largest expansion programme in the company's existence.

**This debt-free strategy is expected to generate positive outcomes**

- The company will invest in new capital expenditure, majorly using accruals, which will set it apart as a unique interior infrastructure company.
- The substantial business investment will result in sustainable revenue growth with attractive margins.
- The company's financing costs will be substantially low, which will increase competitiveness and shrink project payback, creating a sustainable cycle of reinvestment and revenue growth.
- The company's valuation may strengthen due to its position as a pure proxy of the country's consumption-driven interior infrastructure growth.
- The company will enjoy core revenue and profit visibility at all times, strengthening its competitiveness in a cyclical sector.
- The company's projects will be supported by an adequate reinvestment pipeline due to a critical mass of self-

generated earnings

- The accruals-driven business will provide a sustainable platform for multi-year growth.
- The lowering of interest outflow will enable the company to withstand cyclical downturns without compromising its brand or pricing integrity, making it one of the first to rebound following sectorial recovery.
- The EBITDA margin range is expected to narrow between good and bad market cycles, enhancing predictability and investor confidence.

**Our capex programme for FY 2023-25**

**700**

₹ Crore, investment in MDF manufacture (already spent ₹180 Crore)

**150**

₹ Crore, plywood (Hoshiarpur greenfield project and de-bottlenecking of existing facilities)

**200**

₹ Crore, investment in laminate capacity (already spent 65 Crore)

**Outlook**

Centuryply's liquidity enhances competitiveness, especially when most competitors carry debt on their Balance Sheets. The company is convinced that this advantage, marked by the absence of any interest outflow, will enhance its corporate brand, facilitate a faster conversion of revenue expenditure into income and reinforce sectorial leadership. Going forward, the company will continue to exhibit financial conservatism, retaining its debt-free status.

**Zero-debt approach: The key to a more sustainable Centuryply**

- 1 Accrual-based capex funding
- 2 Consistent revenue growth to be sizable and sustainable
- 3 Each expansion secured with no finance costs, diminishing payback tenure
- 4 Valuation-accretive advantage
- 5 Sustainable core revenue and profit visibility
- 6 Large-scale buffers of accruals to fund sizable investments
- 7 Controlled multi-year growth
- 8 Resilience in the face of cyclical downturns
- 9 Narrow range in EBIDTA movement across market cycles
- 10 First in the sector to rebound

**Century's robust financial engine**

Strong brand > Quicker offtake > Superior margins > Sizable cash flows > Debt repayment > Enhanced cash flows > Strong reinvestment > Sustained profitable growth > Bigger virtuous cycle



**Q: What role is digital technology playing at Centuryply?**

A: The time has come for Centuryply (as with other companies) to re-appraise who they are, what they do and how they intend to work. I would call the last couple of years and this one as an inflection point. The inflection point is not because of some new product that has been introduced or a new pricing strategy; the inflection point is on account of a new way of doing things, which in turn is being driven by a digitalized mindset.

**Q: Why is this turning into an inflection point?**

A: There is a good reason for this: virtually all market spaces are becoming more co-operative; the room for sectorial growth is widening but the free entry of players into the sector has increased competition. Most companies are playing with same tools – standardized resources, similar manufacturing equipment and presence in almost the same markets. The result is that competition is deepening and



# Digital technology will graduate Centuryply to the *next orbit*



the margin separating companies is narrowing. This reality is putting a premium on companies to explore what we see as the last big frontier – digital technology.

**Q: In what way is Centuryply seeing its digital role?**

A: There are various ways in which we are reimagining the role of digital technology. We believe that digital technology touches every function within our company in a fundamental way, making that function quicker and more efficient. We may be engaged in doing the same things, but we are definitely doing them better; the ‘why’ of the past has been replaced by the ‘why not’.

Centuryply is an aggregation of hundreds of such functions; when each starts delivering more from less, we have the makings of an outperforming company. This has begun to happen, validating that digital technologies are not peripheral to our existence but integral to it. We are gradually becoming a technology company engaged in the manufacture and marketing of interior infrastructure products, transforming our business faster than ever.

**Q: Where is the role of digital technology most visible within Centuryply?**

A: The one area where this is most visible is in the way we engage with our primary and secondary customers. In most consumer-facing business, the moment a company engages with a customer is when the customer is either won or lost. There is a growing premium on responsiveness once a customer has logged an engagement request: the days when one would get back to a prospective consumer by the end of the day is history; if Centuryply has not responded within a minute, the opportunity to make an impression (and hence win a consumer) is lost. This can only be achieved through digital technology, which enhances the consumer experience.

**Q: This is on the visible consumer-facing end. How else has Centuryply developed a robust digital backbone that empowers speed and responsiveness?**

A: There are four legs of the company’s

digital backbone – Transport Management System, Sales Force Automation, digital supply chain and the S4 Hana architecture. The complement of these technologies is transforming Centuryply and preparing it for the next orbit. This ensures that the building blocks of the company are being progressively digitalized, translating into a greater clarity on ordering, inventory measurement, sales generation, moving products from factories to shelves and lastly, recording the business nitty-gritty to create a vast data mountain that makes it possible to decode data leading to informed decision making. This represents a loop: an understanding of various functions converging into an enhanced understanding of consumer realities. The result is that today’s Centuryply is responding quicker to ground realities. This is translating into enhanced market share and rank. For instance, the company’s Sainik brand has emerged as the third largest plywood brand in India in the space of just three years, validating the supportive role played by the company’s digital direction.

**Q: Has this accelerated the company’s digital momentum?**

A: Yes – in two ways. There is a now an evident connection between increased digitalization and financial outcomes. There is also a more evident digital culture, which is influencing our mindset. The upside of the two is that there is an urgency in digital investments at Centuryply: we are appraising the right complement of digital technologies that could then be dovetailed with our business strategy to influence outcomes in the most effective manner. Besides, there is a greater clarity in what the technology will achieve, how much it will cost and how long it will take to translate into positive outcomes. An informed culture of technology discussion underlines the transforming culture of a Centuryply preparing to enter the next orbit.

**Q: Which is the other manifestation of a digitalising Centuryply?**

A: The other manifestation of digitalized change at our company lies in the large number of smartphone apps. An app that enhanced the convenience of the sales force; the Sambandh app was directed

at our retail partners; the dealer app serviced our primary customers. The progressive app-isation of the company indicates that we have graduated each function or activity into a digital interface that can be accessed from anywhere in the world and anytime.

The second digital manifestation is in the digital systems created by the company. These systems – Vector flow, customer relationship management, shopfloor automation, Transport Management System and Distributor Management System – have ensured that full-fledged building blocks are digitized, effective and enhancing value. Besides, these systems provide our internal stakeholders with clarity and how they fit into the overall whole, the objective being to keep strengthening these systems through progressively complex digital interventions.

Here I must mention that following the pandemic there was a premium on the need to engage closer with employees. Centuryply responded with a Human Resources app that represents transparency, professionalised, informed and functional interface to all employees. We are continuously adding features to deliver a one-stop employee solution that is technological and humane at the same time.

**Q: What is on the company’s digital agenda for FY 2023-24?**

A: The company will implement S4 Hana during the latter part of the year, following which it extends to generate superior value from the other systems. We believe that S4 Hana will enhance the role of informed decision making, reduce duplication, moderate costs and strengthen the customer interaction. Besides, we expect that the digitalisation will accelerate the company’s transformation from a product-centric sale-pushing company to a service and solution-centric organization.

# Our digital tools and their uses

| System name                                | Used for   | Important features  | User cohort                               |
|--|--|---|---|
| Century Proclub                            | Influencer management  | Point collection through QR scanning<br>Loyalty program   | Influencer/contractor<br>Sales executives |
| Century Promise                            | Authenticity of Centuryply product and e-warranty  | E-warranty download<br>checking authentication  | End users                                 |
| Century Order Placement Application        | Order processing by distributor/dealer   | Order booking<br>Holding order<br>Display details about order<br>Order history downloading                    | Distributor/dealer                        |
| Breakdown maintenance application          | Tracking plant breakdown   | Breakdown planning, registering, logging by manually or QR scanning<br>Notification to users                  | Plant users                               |
| Salesforce automation application          | Lead management<br>Task management<br>PJP management<br>Geo-location tracking for visit management and grid management | Geo tracking of visit<br>Recording customer data and relationship<br>Retailer visit, influencer/dealers visit | Sales division people                     |
| Dealer and retailer management application | Pending order, invoice , track CN/DN, ledger details, schemes, MOP and product catalogue                               | Dealer and retailer Performance<br>Interaction through WhatsApp chatbot                                       | Dealer and retailer                       |
| Scheme portal                              | Scheme management for channel partner  | Scheme details management   | Dealer, Commercial                        |



# HOW DIGITAL TECHNOLOGY IS *transforming Centuryply*

## *How we strengthened our supply chain management*



### **Challenges**

Branches claimed sales losses but could not provide supporting evidence  
Demand-supply mismatches between factory and sales outlets  
Demand-supply mismatches between varied SKUs

### **Interventions**

Created prudent inventory stocking norms based on the immediate sales trend  
Graded the ideal stocking norms based on their abundance or depletion  
Simplified production targets to match enunciated stocking norms

### **Outcomes**

Enhanced clarity across production teams; lower attrition between factory and sales teams  
Inventory size and dead stock declined; inventory mix improved towards fast moving SKUs  
On time-in full capability increased; inventory turns increased; less cash was deployed

## *How we strengthened our Influencer Loyalty App*



### **Challenges**

There was a vast range of sales influencers, reducing focus  
The vast influencer family resulted in sub-optimal spending  
There were pulls and pressures to spend on different influencers

### **Interventions**

A Theory of Constraints approach prioritised a focus on contractors  
The initiative extended beyond bills as the basis of commission computation  
The company strengthened the use of QR code to drive this programme

### **Outcomes**

The payment of multiple commissions to the same influencers declined  
The system eliminated manual intervention, enhancing credibility  
The system aggregated adequate data to facilitate deeper analysis

## *How we strengthened our Sales Force Automation*



### **Challenges**

Low clarity of sales force activities  
Inability to plan sales functions better  
Low sales team productivity

### **Interventions**

Changed the go-to-market approach; team encouraged to generate new orders  
Visiting trade partners to generate sales changed to providing sales leads  
Process-driven and structured sales visits; enhanced automation and trackability

### **Outcomes**

Pan-organisational focus on demand generation  
Pockets of under-performance corrected with speed  
Enhanced process orientation on how branches will be run

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### *How we strengthened our retailer management (laminates)*

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#### **Challenges**

The company directly serviced the needs of only the prominent retailers  
This top-heavy approach overlooked hundreds of small but growing retailers  
Wider footprint necessitated the additional recruitment of employees or tele-callers

#### **Interventions**

The company resolved to address every single demand request, irrespective of order size  
The company widened its service perspective to cover large and small retailers  
The company deployed call centres to service small retailers

#### **Outcomes**

The proportion of sales from small retailers increased  
This increase helped broaden the company's sales profile  
The small retailers generated repeat offtake, extending transactions into relationships

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### *How we strengthened our dealer / sub dealer engagement*

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#### **Challenges**

The company's sales to distributors resulted in a low understanding of market realities  
The consumer preferences evolved with speed, putting a premium on market insight  
There was a danger of scheme benefits not reaching retail partners

#### **Interventions**

The company launched apps to engage with dealers and sub-dealers  
The company leveraged a direct access to competently track secondary sales  
The company built a robust app structure to cover its dealer engagement

#### **Outcomes**

Dealers and sub-dealers found it convenient to access their transaction status online  
The apps enhanced information accessibility and systemic credibility  
The apps empowered trade partners to place orders through their smartphones

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### *How we strengthened our distributor management system (DMS)*

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#### **Challenges**

There was a low clarity on the dealer's business position  
This prevented the company from enhancing dealer sales throughput  
There was a need to enhance dealer engagement and profitability

#### **Interventions**

The company installed proprietary software in the dealer's IT system  
This enhanced the company's understanding of the dealer's business realities  
This strengthened a collaborative engagement between the company and trade partner

#### **Outcomes**

The company moved from reactive to proactive distributor service  
The company began playing the role of an informed partner  
This arrangement strengthened the company's understanding of high/under-performing distributors

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### *How we strengthened our product innovation*

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#### **Challenges**

There was a jaded feeling of me-too products being launched by most companies  
Market realities were transforming; there was a need for companies to keep in step  
The pandemic effect warranted a fresh approach to portfolio restructuring

#### **Interventions**

The company leveraged the nano technology to launch new product features  
These features comprised Virokill and Firewall  
These features were focused on product safety

#### **Outcomes**

The launch of these features for no extra price strengthened offtake  
These features strengthened the company's brand as futuristic  
These features enhanced value proposition and market share

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### *How we empowered consumers to check counterfeits*

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#### **Challenges**

There is extensive counterfeiting within the interior infrastructure sector  
The prominent brands like Centuryply were being duplicated  
The existing market environment was proving inadequate to prevent piracy

#### **Interventions**

The company turned to digital technology to address this challenge  
The company launched a QR code to counter counterfeiters  
The QR code, when scanned, highlighted the factory / date of manufacture

#### **Outcomes**

The Century Promise app strengthened the company's brand  
The app also empowered users to download an e-warranty card  
The app strengthened the company's brand around one that cares

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### *How we strengthened our digital desk*

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#### **Challenges**

Most of our promotions in the past were in the conventional media  
More consumers have moved to smartphone-driven influences  
There is a greater headroom for digital technologies now than ever

#### **Interventions**

The company increased its digital promotion  
The company gathered sales leads through digital sources  
The company derived a precise understanding of its targeted audience

#### **Outcomes**

The company reported 5% of its sales through digital media  
The company intends to raise sales from digital media to 10%  
The company intends to widen and deepen its digital technology footprint

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### *How we strengthened our procurement discipline*

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#### **Challenges**

There is a large number of products and sub products to be procured by the company

There is a volatile market environment that makes resource tracking difficult

There is a need to negotiate scientifically using a process-driven discipline

#### **Interventions**

The company launched PRM 360

This system helped automate all procurement

The company established IT systems to track retrospective purchases

#### **Solutions**

The company mapped every price movement with clarity

The company negotiated with a scientific basis  
This helped moderate resource procurement costs

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### *How we strengthened our manufacturing excellence*

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#### **Challenges**

The various factories put a premium on maximizing more from less

There was also a challenge to maintain quality standards across plants

There was a need to graduate from reactive quality management to proactive

#### **Interventions**

The company invested in technology-intensive manufacturing equipment

The company's equipment was fitted with alerts in the event of quality deviations

The company's equipment was designed to maximise the input-output ratio

#### **Solutions**

The company arrived at an optimal balance of quantity and quality

The proportion of first-rate output increased, enhancing value-addition

The company generated a superior return on gross block

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### *The company strengthened its logistics management*

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#### **Challenges**

The world is moving to just-in-time delivery

There is a greater premium in knowing where products are in transit

There is a large room to reduce logistical inefficiencies and costs

#### **Interventions**

The company strengthened its understanding of logistics management

The company's IT system ascertained the precise location of dispatched trucks

This empowered the company to keep trade partners periodically updated

#### **Outcomes**

The company encouraged trade partners to stock less

The company serviced trade partners with increased deliveries

The company helped trade partners moderate their working capital outlay



What  
Centuryply  
employees feel  
about working  
with the  
company

"I joined Centuryply as a fresher 16 years ago. The sentence that best describes Centuryply is 'You are the owner of your work'. We are given the freedom to work the way we want, encouraging accountability and excellence. What I like best about Centuryply is its commitment towards employees. The company implemented automation across the organization, reducing human intervention but never laying off a single employee. This validates that as long as you are associated productively with Centuryply, you can 'Raho befikar'."

**Sitanshu Sekhar Das,**  
*Manager-store, Guwahati plant*

"During February 2021, my wife was critical with Covid. Centuryply channel partners arranged a bed for her at 1:30 am. My colleagues frequently visited the hospital, they provided food and milk for my daughter and I and attended to her when I brought her to work.

The management supported me by approving my transfer to Ranchi for a year, so that I could stay closer to my family. This helped me nurse my wife back to good health. I cannot thank Centuryply enough for its support!"

**Karuna Nidhan**  
*Business Development Manager, Nagpur*

"I got laid off by my previous employer owing to the global recession in 2008. After a few short stints at two or three companies, I joined Centuryply and have not looked back since then. The company's work culture is driven by discipline and efficiency, which helps me make time for personal interests.

The company provides an ideal workplace for young professionals as one can get career growth opportunities as well as stability, which is a rarity."

**Yogesh Garodia**  
*Manager, Accounts, Kolkata*

"Even as I have worked in large organizations, Centuryply provided a work environment that encouraged work and learning. My role evolved, resulting in increasing responsibilities and professional growth. One remarkable aspect is the company's attentive ear for employees; whenever I have had an issue, a prompt response has been forthcoming. The result is that working at Centuryply was the best professional decision I made."

**Arpit Pandya,**  
*Executive, Order processing team, Ahmedabad*

"I started working at Centuryply after my MBA in 2016 and rejoined the company again in 2019 as Assistant Sales Manager, Teak. After completing two years with Centuryply Teak Veeners, I got promoted as Branch Manager. It had always been my dream to have my own home in a big city like Bengaluru. Thanks to the promotion I got post-Covid, I was able to fulfill this dream!"

**Rakesh Kumar Bhardwaj**  
*Branch Sales Manager, Bengaluru*

"I moved from Chennai to Bengaluru to join Centuryply. It was a new company in a new city and I had difficulties coping up with the language. However, the company motivated me and gave me a year to adjust. Centuryply is the ideal place to build a career. The company rewards employees with career growth opportunities. In the last 10 years, I was promoted almost every two years."

**Sandeep Mohan,**  
*Branch Sales Manager, Bengaluru*

# How we deepened our manufacturing excellence

## Overview

At Centuryply, manufacturing excellence is pursued through a desire to produce more from less and outperform markets through product excellence and customer experience.

The company made strategic investments in state-of-the-art manufacturing technologies marked by superior capacity utilization, operational safety and optimized raw material yield.

By fostering collaborative approach between our research and manufacturing functions, we delivered a responsible lifecycle approach that commenced with research-based insights and culminated in consistent quality outcomes.

## Initiatives

- Enhanced output across all product categories
- Replaced manual operations with automated and semi-automated processes
- Substituted virgin paper with recycled equivalents in the manufacture of laminate sheets
- Reduced power cost in the Chennai plywood plant through private power purchase and agreements
- Improved product recovery through tighter processes
- Introduced anti-fungal characteristics in products
- Introduced statistical quality control methods like 5S (Sort, Set in order, Shine, Standardize, Sustain the cycle) and Quality Circles

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## Centuryply's cost-efficiency

| Product            | Initiatives  |
|--------------------|--|
| Plywood            | Reduced input costs by manufacturing veneers in-house instead of purchasing from third parties<br>Outsourced resin from third-party vendors at lower costs<br>Switched to lower cost additives   |
| Decorative veneers | Altered the job structure, eliminating overtime and saving costs<br>Commenced in-house putty manufacture, moderating costs cover imports<br>Modified floor-level processes that reduced manual operations<br>Engaged new vendors who provided raw materials of better quality at lower costs |
| Laminates          | Replaced the use of coal with bio-fuels in processes<br>Monitored solar power generation through SCADA; maximized output   |

# Our certifications

**BIS certifications:** Issued by the Bureau of Indian Standards (BIS) in India, assures product quality, reliability and safety to the customers

**Green Guard:** Green Guard helps buyers identify interior products and materials that have low chemical emissions, improving the quality of the air in which the products are used.

**IGBC:** Centuryply is a member of the Indian Green Building Council (IGBC). The council offers a range of services which include developing new green building

rating programmes, certification services and green building training programmes

**Green Pro:** Green Pro is a product certification given to eco-friendly products which allows environmentally-conscious customers to make an informed choice to buy eco-friendly products.

**CARB:** CARB (California Air Resources Board) is the department of the California Environment Protection Agency responsible for air quality and monitoring of toxic air contaminants.



# How Centuryply catalysed a culture of *innovation*

## Overview

Centuryply's research is founded around the vision of Sarvada Sarvottam, enhancing the role of research-led innovation. The company is among few

companies in the Indian wood products sector with a dedicated research and development centre.

The effectiveness of this approach is

reflected in the fact that the company has developed new products and processes; it launched differentiated products that have enhanced the company's brand and accelerated offtake.

## Our innovated *products*



**Post forming laminate:** Thinner and more flexible compared to a standard laminate. Used in kitchen counter-tops, cabinets, ironing boards and masonry slab tops.



**Digital print paper laminate:** Offers a contemporary surfacing option that facilitates customisation by printing a desired image. Pre-finished, durable and offer a range of design options



**Fingerprint resistant laminate:** Durable against fingerprints, dirt, temperatures and scratches. Low-reflective surface provides a satin-smooth appearance. Paper used undergoes EB curing, moderating porosity.



**Virokill:** A unique nanotechnology-driven feature (anti-viral, anti-fungal and anti-bacterial) embedded in plywood, blockboard, laminate and veneer products, helping kill 99.99% viruses on surfaces.



**Firewall:** Used in the Architect and Club Prime range of plywood products that help retard the spread of fire and enhance interior safety

## Achievements, FY 2022-23

Developed an in-house wetting agent for high pressure laminate production, moderating imports and inventory  
Developed a chemical treatment to

reduce plywood hot-pressing time while enhancing productivity  
Addressed higher Virokill output using the same plant infrastructure and innovative process design

Increased the glue shear strength of decorative product by 50% through the development of an advanced adhesive  
Reduced fossil fuel use 14% through biofuel replacement

## Research objectives

Enhance innovative product features

Define the product segment or sector

Enrich the company's brand around innovation

Enhance the price-value proposition

Fuse advanced technologies with consumer needs

Enhance process efficiency; moderate costs

Improve product eco-friendliness

### Case study #1

#### How we reduced time for hot press production

**Reality:** Hot press production is a time-consuming process, a bottleneck in panel production.

**Challenge:** We needed to reduce hot pressing time to improve productivity - without incurring additional costs.

**Activity:** We explored the use of suitable chemicals to reduce machine time and enhance productivity.

**Outcome:** Without additional investment, we produced a sizable quantity of plywood with 20% lower pressing time, increasing production by a fifth

### Case study #2

#### How we produced in-house wetting agent and saved import costs

**Reality:** Since inception, we imported a wetting agent for a high cost to be used in high-pressure laminate production.

**Challenge:** Producing the wetting agent is challenging as it involves complex processes

**Activity:** After multiple trials, we produced an in-house wetting agent.

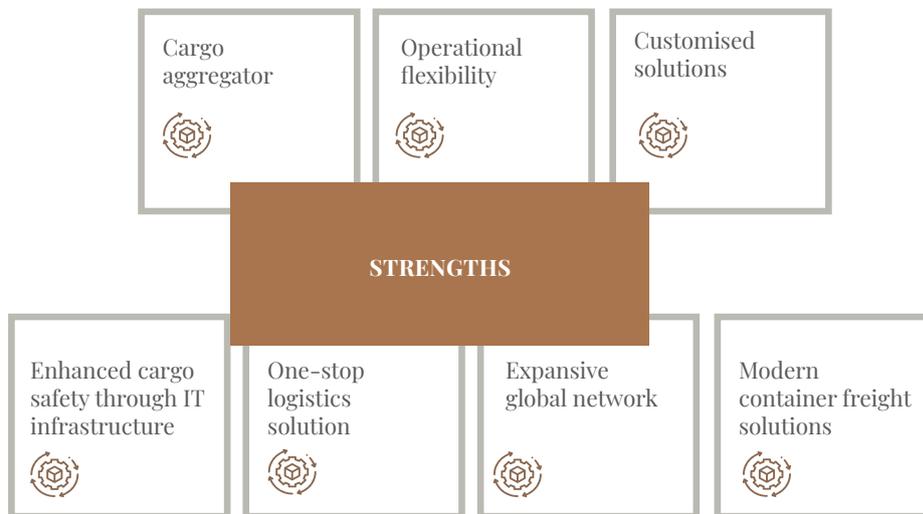
**Outcome:** This helped moderate costs and inventory, replacing imports

# Centuryply. The *global* citizen

## Overview

Even as Centuryply is largely focused in addressing the growth coming out of the Indian market, the company has consistently maintained a global sales presence. This presence has helped the company absorb global trends that have then been translated into business strategy, products quality and design pedigree; besides the global presence has helped the company take the pressure off domestic sales and protect realisations during depressed markets; exports have also helped the company broad-base geographic risks across wider markets.

During the year under review, markets across the globe encountered geo-political challenges, marked by the Russia-Ukraine war, sanctions by NATO countries on Russia and the attrition between USA and China. These events translated into sanctions, container shortages, global ports congestion and material shortages.



## Initiatives

We offered customized services and a quick turnaround of equipment to minimize inventory build-up in one location.

We upskilled our employees on the latest tools to enhance efficiency.

We established a task force group to plan, control and monitor the movement of goods to ensure that cargo was delivered seamlessly to customers.

We eliminated empty miles (non-revenue miles) by implementing

tighter yard planning and management to enhance operational efficiency.

We encouraged all stakeholders and competitors to collaborate and address challenges collectively, resulting in a positive impact on the stakeholders' bottomline.

## Challenges and counter-initiatives

The company's global consumers were hesitant about making fresh interior investments.

The combination of economic uncertainty, reduced demand and higher fuel costs affected Centuryply. The company encountered currency challenges in economically vulnerable countries, leading to a sales decline.

Centuryply initiated national, sectorial and corporate actions. It focused on competitive product manufacture, leveraged the growing products popularity due to reliable supply and consistent quality.





### Highlights

- We entered into new contracts with liners/NVOCC (non-vessel operating common carriers)
- We enhanced engagement with third party logistics businesses
- We generated ₹ 147.73 Crore from exports, accounting for 4.1% of our revenue

### Outlook

The company aims to achieve exports worth over ₹ 200 Crore in the next two years by exploring new markets and product segments, focusing on its premium flagship Century Laminates product.

#### Exports

125.89

₹ Crore in FY 2021-22

#### Countries

14

Countries of presence, FY 2021-22

#### Export intensiveness

4.19

Exports as a % of revenues, FY 2021-22

147.73

₹ Crore in FY 2022-23

14

Countries of presence, FY 2022-23

4.10

Exports as a % of revenues, FY 2022-23

PART 6

# THE *performance* *of* OUR BU

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# SINNESS

— *segments*

Business segment: *Plywood*

# Our plywood business performance in FY 2022-23

## Highlights, FY 2022-23

Retained market leadership; enhanced market share

Revenues from this segment grew 27.03% to ₹2011.93 Crore revenues from this segment as a proportion of the company's overall revenues moved from 52.78% in FY 2021-22 to 55.57% in FY 2022-23

Sales footprint increased from 580

towns to 900+ towns; channel partners (primary and secondary) grew from 2,650 to 4,240.

Lead generation crossed 1,00,000 through physical scouting; more than 6,000 dealers were enrolled

Improved products integrity through technology improvements

Sainik OEM product was launched; will address OEM sales



# The brand recall that *Centuryply plywood* generates

Whenever I use Centuryply plywood products, I feel a peace of mind because I know that my clients are getting value for money.

**Abhijit Sinha Roy**  
Interior Designer, Kolkata

I have been working with Centuryply since 2002 because it is the most popular brand on account of high product quality and transparent accounting

**Vijay Kumar Saraf**  
Gopal Plywood, Kolkata

Centuryply has driven my business growth since 2006. It has been a longstanding consumer favourite because of 'Buy it, install it, forget it.'

**Dilip Agarwal**  
Saraswati Plywood Pvt Ltd., Kolkata

## Big numbers

### Consistent growth in market share

29

%, Centuryply share of the organized plywood market, FY 2022-23

25

%, Centuryply share of the organized plywood market, FY 2021-22

# Boce St

If it is *Centuryply*, it must be the



Business review by **Shankho Chowdhury**,  
*Head – Laminates business*

**Q: What challenges were faced by the business at the start of FY 2022-23 and how did the company address them?**

To take readers a bit back in time, there was a sharp Covid resurgence during the last quarter of FY 2021-22 that staggered laminates demand. As the pandemic began to peter from the start of the last financial year, laminates demand began to normalize. But there was something else that began to transpire as well: the unexpected Russia-Ukraine war that hardened costs of raw material and logistics, which affected our company, considering that most of our laminate raw materials are imported. In turn, this cost push enhanced the price of branded laminates, widening the price gap between Tier 1 (Centuryply included) and Tier 2 laminate companies. There was evident downtrading; in the post-pandemic environment, consumers began to spend more on discretionary items like travel, which moderated their disposable income and gave them an incentive to buy Tier-2 products.

**Q: How did Centuryply respond to this reality?**

Centuryply recognised that the time had come to strengthen its presence across retail stores and influencers, marketing a stronger recall, established trust and superior product attributes. This approach was formalized through the Connect Programme that addressed contractors and architects/interior designers, educating them on the benefits of branded products in interior applications. A dedicated team widened the coverage of this programme, making it possible for Centuryply to market to consumers a more holistic price-value proposition over a narrower interpretation of price and price alone. The company also focused on the expansion of its B2B channel, which accounts for around 40% of the total laminates market. To establish a method in our approach,

Centuryply developed business-to-business products, backed by a dedicated team. The result was a more concerted initiative in enhancing the company's recall, visibility and market share across the retail and institutional segments..

**Q: What was achieved by this business in FY 2022-23?**

During the year under review, the laminates business reported a 14.43% growth in revenues and a 6.76% increase in volumes. The business reported total revenues of ₹657.60 Crore compared with ₹574.66 Crore in the previous year. The share of revenues reported by this business within the company's overall revenue mix was 18.16% in FY 2022-23 compared with 19.15% in FY 2021-22.

The Company continued to promote laminates for the residential kitchen segment, which is attracting higher investments. Centuryply promoted the Lucida high gloss laminate designed around modern kitchen priorities. This promotion was woven around the tag line of 'Chaahе jo ho jaaye, Kitchen chamakta jaaye'.

**Q: What products were introduced by this business during the last financial year?**

Centuryply widened its OEM and B2B footprints, introducing post-forming laminates. What made these laminates different was that they are flexible and can adapt to diverse furniture shapes, circumventing sharp edges. The company also introduced door laminates in a range of sizes customized around different door applications.

**Q: What are the strengths of this business?**

A: The following strengths helped catalyse offtake of the company's laminates. The company comes from the house of Centuryply, a potent reputation driver. Centuryply is respected for its benchmarked quality, generating a recall that 'If it

is Centuryply, it must be the best'. Centuryply has been a consistent investor in researching innovative laminate varieties. Centuryply's consumer-oriented innovation is reflected in its capacity to launch distinctive products like Silk-Tuff (variant of matt), Lucida and Nature Plus. Centuryply is among the largest laminate manufacturers in India (comprising the largest laminate manufacturing unit), empowering the company to service consumer needs of any quantity, anywhere and at any time. These laminates are manufactured in a state-of-the-art facility, resulting in superior product attributes and cost-efficiency. The company possesses a diverse product range, which facilitates consumer selection. The company enjoys extensive and enduring relationships with global resource providers, helping secure product quality.

**Q: How does the company intend to take this business ahead in FY 2023-24?**

There are various initiatives planned to grow the business in FY 2023-24.

**One**, we shall continue to deepen our presence among influencers that makes Centuryply the undisputed first brand of recall, a reality that can be achieved only if we keep turning up periodically to engage with sales influencers

**Two**, we recognize that much of the consumption growth in India is being driven through retail points of sale; in line with this, we plan to widen our retail footprint, widening accessibility and availability

**Three**, we recognise that the consumer of today is becoming increasingly sophisticated, reflecting in the need for new or different laminate varieties or sub-varieties. In line with this reality, we intend to add new categories and products that enhance our premiumness

**Four**, we will continue deepening our B2B and OEM access, accounting for substantial volume growth.

## Big numbers

~9

Per cent, Centuryply's laminate market share, FY 2022-23

14,091

Number of retail counters across India that sell Centuryply laminates

### ways in which we strengthened our laminates business. FY 2022-23

**We** widened our engagement with product influencers, enhancing our visibility and price-value proposition

**We** widened our footprint, addressing B2B and OEM customers

**We** focused on maximising premium laminate sales (high gloss scuff-resistant)

**We** leveraged our retail presence through brand promotion and dealer incentives

**We** introduced digital solutions across business functions

**We** promoted the cutting-edge Virokill technology embedded into laminates

**We** marketed products on digital platforms; we employed telecallers to service small retailers.

#### How customers responded to our laminates

Centuryply possesses an excellent laminates marketing catalogue, with consistent improvements.

**Mukesh Patel,**  
*Purnima Wood and Ply Centre*

Centuryply possesses an excellent collection of laminates with good availability, which makes selection easy in the 1 mm catalogue.

**Pradeep Pailoor**  
*Profess Infrastructure*

Centuryply offers a range of designs, textures and combinations in high gloss Lucida Digital laminates, which makes selection challenging!

**Sanjeeb Mohanta**  
*SM Interiors*

#### Our prominent laminate products

**Silk Tuff:** Silk Tuff is Centuryply's range of European matte surfaces with a twist of sheen to the designs – solid surfaces and seamless finishing packed in one laminate. CenturyLaminates was the first in the industry to experiment with shiny matte finish with a wide design choice. The silk tuff range of laminates is all about beauty and durability. The range was created based on the insight that customers like the touch and feel of matte surfaces but also love the always clean and neat looking features of glossy surfaces. The Silk Tuff range of laminates balances these requirements to create a winning proposition.

**Lucida:** Lucida is a collection of scuff resistant premium gloss laminates that shine more and require less maintenance. These are one of the glossiest laminates in the entire laminates industry, which also provide a long-lasting gloss. The beauty of these laminates is that they combine functional product with superior aesthetics. These are sturdy as well as stylish and comprise safety features such as heat and impact resistance, which make using these products handy for high maintenance areas in the differential weather conditions in the Indian subcontinent.

**Nature Plus:** Exquisitely crafted for nature lovers, the Nature Plus range provides a plethora of laminate designs with natural woodgrain textures. These are perfect to enjoy the mesmerising outdoors, inside your home and stay close to the nature. Nature Plus is an exquisite collection of a unique texture that provides a natural feel and a touch of a tree bark look, with low maintenance and colour fastness to make them functional for interiors.



THE LARGER THE  
COMPANY GROWS,  
THE LARGER THE  
ROLE OF

MDF

IN ITS **SUCCESS**



**Ajay Baldawa**

The Executive Director on the  
growth potential of MDF

**Q: What is the importance of the MDF business at the company?**

MDF is the driving force at Centuryply. This growth is being attributed to a growing trend among customers to buy factory-machined furniture products, largely off e-commerce marketplaces. In today's fast-paced world, where individuals lack the time to have furniture custom-made in their homes or on their apartment floors, there is a preference for purchasing furniture online. Online furniture shopping offers speed, convenience and the option to return the product if it fails to meet buyer's expectations. The online home décor market in India is expected to grow at a CAGR of 10.24% from 2021 to 2026, higher than the corresponding average of product segments. The furniture available for online purchase is predominantly factory-made using MDF, which offers superior qualities.

Most furniture sold online is manufactured in factories using MDF, which possess superior attributes. As a result, MDF has come into long-term limelight; this business

segment can potentially transform the company's revenues and profits. The larger the company grows, the more important MDF could be to its success. Therefore, MDF is not just a coincidental part of the company's growth but an essential component.

**Q: How did the business perform in FY 2022-23?**

The Century Prowud MDF business reported 14.13% revenue growth during the year under review. However, revenues from this business as a proportion of the turnover decreased 100 bps to 17.68%. The company reinforced its cost leadership to drive the business ahead.

This growth was made possible because the company was proactive in addressing market demand, leveraging its brand visibility and commitment to consistent quality. MDF has become increasingly prominent and essential to the company; its significance could continue to expand

**Q: What challenges were faced by this business in FY 2022-23 and how**

**did the company address them?**

There was a sharp movement in the cost of raw materials (wood and resin), which made pricing unpredictable. Besides, the industry was marked by competition, moderating costs and margins. The high freight cost during the crop season posed another challenge.

The company improved productivity, enhanced profits and moderated expenses. To combat rising resin costs, the company implemented process upgrades that led to a reduction in resin use. The company invested in employee training and preventative maintenance, enhancing productivity.

The company protected realizations despite growing competition (organized, unorganized and imports).

The company followed industry-best practices and was proactive in adopting new innovative responses (OEM app) and addressal of loyalty bonus points redemption. The company addressed customer feedback with speed. It enhanced social media visibility.

**How does the company intend to take this business ahead in FY 2023-24?**

Centuryply increased its MDF capacity from 600 cubic meters per day to 950 cubic meters per day, with plans to enhance it to 1,900 cubic meters by March 2024. The company allocated an investment of over ₹700 crore for a medium density fibre unit and over ₹200 crore for laminates in Andhra Pradesh. Additionally, it allocated over ₹500 crore for particle board unit in Tamil Nadu and over ₹150 crore for a plywood unit at Hoshiarpur, Punjab, to establish a new plywood capacity.

Over three years (FY 2022-23, FY 2023-24 and FY 2024-25), the company aims to undertake a capital expenditure of ₹2,000 crore. The majority of the company's investment will be directed towards MDF and particle boards. By 2031, it is estimated that MDF and particle boards may comprise 35-45% of the company's revenue mix.



- 1/ Emission zero
- 2/ Emission 1 & Emission 2 Norm Grade
- 3/ CARB Certification Grade
- 4/ FSC Certified Grade
- 5/ Prelam MDF with Virokill capability
- 6/ Embossed MDF
- 7/ Interior Grade (DIR)
- 8/ Exterior Grade (DWR)
- 9/ MDF BIS-Certified
- 10/ Premium Plus HDF

### MDF production

**186.235**  
CBM, Our production in  
FY 2022-23

**1.79.356**  
CBM, Our production in  
FY 2021-22

### MDF revenue

**640.14**  
₹ Crore in FY 2022-23

**560.89**  
₹ Crore in FY 2021-22

### Average MDF realisations

**34.406**  
₹ per CBM, FY 2022-23

**31.215**  
₹ per CBM, FY 2021-22

### MDF PRELAM

**9.72.580**  
Number of sheets sold in  
FY 2022-23

**8.81.414**  
Number of sheets sold in  
FY 2021-22

### MDF Premium plus

**53.014**  
CBM, area sold in  
FY 2022-23

**45.335**  
CBM, area sold in  
FY 2021-22

### Our strengths

**Brand visibility:** Century Prowud MDF is a market leader in the Indian MDF segment

**Brand recall:** The brand is renowned for its quality consistency, inspiring trust

**Brand team:** The MDF team possesses relevant expertise

**Brand efficiency:** The business possesses a technology-intensive manufacturing facility

**Brand promise:** The brand offers a diverse range of MDF varieties, enhancing convenience

“We’ve been quite happy with the kind of reaction we received from our MDF consumers. Our MDF products have been well received so far, and we expect a robust demand across the coming years.”

- Mr. Sajjan Bhajanka



# MDF

## The next growth frontier

*A variety of reasons that make this so*



**MDF** is blended in a 20:80 ratio with plywood, indicating an attractive consumption headroom

**MDF** (made from waste wood) is used in 'green' buildings

**MDF** is considered superior to lower-end plywood (moulding, durability and termite-resistance)

**MDF** has been marked by the entry of large organised players, which has helped spread awareness for the segment

**MDF** is best used in panel applications over traditional wood products

**MDF** is best used in ready-to-move-in offices/retail stores, manufacture of modular furniture and modular kitchens

**MDF** is considered ideal in the fabrication of light beds, wardrobes, tables and shelves.

**MDF** is suitable in non-directional grain structure for cutting, machining and drilling without splinters or chipping

**MDF** is aligned with a growing preference for ready-made furniture

**MDF** offtake has increased on account of raw material and labour shortages

# Our container *freight* services business

## Overview

Container freight services (CFS) is a capital-intensive state-of-the-art infrastructure project with modern IT support systems, positioned to evolve into logistics parks. This market is expected to witness traction, owing to increased maritime shipping, driven by the expansion of trade agreements between countries, rapid growth of e-commerce, digitalization of container shipping and a growing demand for specialized containers.

To de-leverage its container dependence on China, Container Corporation of India identified ten strategic locations for the pilot production of containers, which holds significant potential for international and domestic businesses.

Centuryply introduced logistics, streamlined logistics, enhanced operational efficiency and addressed evolving container requirements.

## Advantages of container shipping

- Faster transportation at a lower cost
- High cargo security during transport
- Flexibility in goods transportation
- High velocity of container ships
- Lower warehousing costs

## Subsidiarisation

Century Plyboards (India) Limited embarked on a strategic decision to hive its container freight station (CFS) business into a wholly owned subsidiary. This move is expected to enhance focus and efficiency for Centuryply and Century CFS. The CFS business has the potential to transform into an integrated port operation that can attract national and international investments.

The subsidiarisation will allow Centuryply to focus on its core business, while allowing Century CFS to enhance its logistics operations and attract investment.

## Sectorial context

Containers are handled in hundreds of millions of units annually at container ports worldwide. Frequent and regular shipping services provided by these ports are crucial in minimizing trade or transportation costs, linking supply chains and supporting international trade. Port performance plays a crucial role in shaping trade competitiveness. India's lower containerization compared to developed countries indicates attractive prospects and a rationale for the company's presence in this business.

The logistics industry contributes around 13% to India's GDP and employs over 22 million people. The industry plays a crucial role in facilitating foreign trade, with India being one of the largest exporters of textiles, pharmaceuticals and agricultural products.

## Performance, FY 2022-23

- Century CFS revenues were ₹80.99 Crore compared with ₹77.62 Crore in the previous year
- EBITDA was ₹21.49 Crore compared to ₹18.62 Crore in FY 2021-22
- Enhanced one-stop value for

customers, manifested in differentiated logistical services and higher customer retention.

- Invested in advanced cargo handling technology that enhanced operational efficiency, cargo safety and turnaround speed.

- Rail linkage empowered services for export-import trade, providing a shorter navigable distance to ports in Bangladesh, Myanmar, Singapore, Malaysia and Sri Lanka compared to ports in western India.



## Big numbers

# 2

MTPA, Port capacity (both major and minor ports)

# 9.1

Billion, size of the Indian container market in 2021

# 10.3

Billion, size of the Indian container market by 2028

### Sectorial transition

India's economy is expected to grow to US\$26 trillion by FY48 and the country's transportation and logistics sector is expected to play a crucial role in supporting this growth. The majority of India's freight movement is addressed by road transportation, which accounts for 66% cargo movement in ton-km, followed by rail (31%), shipping (3%) and air (1%).

The ports, shipping and logistics industry in India is transforming to meet the changing business environment, with a focus on improving infrastructure, prioritizing digitalization and promoting sustainable logistics. The Government of India introduced supporting policies (given below).

**National Logistics Policy:** The objective of the policy is to moderate the current logistics costs, which make up 14% of the Gross Domestic Product (GDP), to 9-10%. The plan will involve setting up a unified electronic platform for logistics services, as well as prioritizing the growth of capabilities, competitiveness and job opportunities for micro, small and medium enterprises (MSMEs).

**National Logistics Law:** The proposed law aims to establish a standardized legal framework based on the concept of One Nation, One Contract. This framework is intended to facilitate the One Nation, One Market initiative and create a more adaptable regulatory climate, including the implementation of a single bill of lading for all modes of transportation.

**Logistics Master Plan:** This initiative takes a geographical approach rather than focusing on specific industries. The plan aims to incorporate various projects and activities to expand the range of intermodal and/or multimodal transportation options.

**National Grid of Logistics Parks and Terminals:** The National Grid of Logistics Parks and Terminals is being developed to support the promotion of intermodal and Multimodal Logistics Parks (MMLPs) as a distinct category of infrastructure. Additionally, a national registry of multimodal facilities will be established to enable price discovery, optimize utilization and promote planned development. The logistics division has also designed a digitization initiative that will create an integrated IT foundation to enhance efficiency, reduce unnecessary travel and improve the user experience.

**National Logistics Workforce Strategy:** To support the integrated development of skills for professionals working in the logistics sector, the government is in the process of creating a national logistics workforce strategy. This strategy will build upon the existing skill development centers, which are currently organized by modes of transportation, to facilitate cross-sectoral exchange of ideas and best practices. The goal is to cultivate a workforce of experts who will lead the charge in advancing the logistics industry in the country.

### Strengthening our business

Century CFS faces competition from major pan-India CFS operators owing to the surplus infrastructure, making it a price-driven competition.

To counter this reality, the company engaged with customers directly, ensuring secure business volumes while providing value-added services. Leveraging its established brand, Century CFS offered superior logistical services, leading to customer retention. The company provided a comprehensive logistical solution, offering a one-stop destination. By

fostering strong relationships with leading carriers and liners, Century CFS secured competitive commercial terms coupled with customized offerings.

Century CFS plans to optimize its logistics network. It has expanded its services from being a custodian to a third-party logistics (3PL) service provider, offering warehousing, cargo storage, movement and other value-added services. The company provides multi-modal transportation and logistics consultancy to shippers and intermediate agencies (shipping lines, forwarding agents and custom

house agents). Century CFS prioritizes door-to-door delivery, which helps customers moderate inventory and improve working capital efficiency.

### Outlook

The Company intends to increase the number of trailers in an existing fleet to offer end-to-end solutions. The Company plans to synergize the advantages of the recently acquired Kidderpore Dock terminal on a public-private-partnership basis from Shyama Prasad Mookherjee Port, Kolkata, coupled with container freight sales.

### Primary markets

• South East Asia • North America • South America • Middle East

# *Centuryply and* Environment, Health and Safety (EHS)

## **Overview**

To succeed in a fast-evolving environment, it has become imperative for companies to act as responsible corporate citizens, protecting the interests of all stakeholders. This is helping draw environment, health and safety (EHS) into the corporate mainstream.

EHS discipline enhances organizational sustainability by reducing downtime, ensuring timely projects completion, safeguarding workers, upskilling teams, reducing costs, boosting morale, strengthening corporate respect, enhancing process cleanliness, moderating carbon footprint and protecting credit rating.

## **Centuryply and EHS**

At Centuryply, compliance with health, safety and environment practices is crucial to minimise the impact of health and safety hazards that arise during operations.

We are committed to creating a workplace that eliminates hazards and mitigates occupational health and safety risks. We work proactively with employees and involve them in decision-making.

Our commitment to our workforce and the local community's well-being and continuous improvement will help enhance our reputation as a reliable and responsible business.

## **EHS measures**

- Implementation of safe operational practices
- Adoption of modern and latest technologies in the Industry
- Prevention of work-related injury and ill health
- Compliance with statutory and regulatory requirements
- Extensive training to the team
- Compliance with the highest standards of products and service
- Complete PPE use with the objective to minimize work-related injuries, mishaps and fatality

# 1 Our environmental commitment

## Overview

At Centuryply, we are committed to environment friendly processes that minimize the use of resources (materials, space, talent, fuels and energy) while maximizing efficiency. Achieving more with less is essential to enhanced sustainability.

Centuryply's business model has been benchmarked with United Nations' 10 principles for responsible manufacturing and environmental sustainability. These principles cover human rights, labor interests, environmental responsibility and anti-corruption measures. The Company is committed to upholding these principles.

The proportion of energy appetite addressed through captively generated renewable energy was

# 13%

with 8.78 MW dedicated to renewable energy.

## Environment measures and initiatives

At Centuryply, our environment management approach has comprised the 5R's approach – a commitment to reduce consumption, restore the environment through greening, recycle waste, enhance the use of renewable energy and replace material-intensive products with alternatives marked by lower carbon footprint.

**Energy conservation:** Centuryply focused on minimising energy usage by implementing energy-saving technologies. Centuryply reduced

electricity consumption through several measures, comprising the implementation of variable frequency drives and change in stoker design in laminate thermic fluid heater for better heat utilization. The Company installed a higher capacity vacuum pump with a pressure switch, reducing machine running hours. These eco-friendly alternatives were used to replace air-conditioning and lights, resulting in significant electricity savings.

**Energy responsibility:** Centuryply invested in alternative energy sources like renewable energy. The Company

generated power from solar panels and integrated it into its energy mix. The proportion of energy appetite addressed through captive generated renewable energy was 13%, with 8.78 MW dedicated to renewable energy.

**Resource conservation:** Centuryply implemented measures to conserve energy and water resources

**Pollution control:** Centuryply minimised emissions and pollutants discharged through a proactive investment in pollution control technologies (EV delivery vans). These EV delivery vans are expected to significantly reduce



# Our Environmental scorecard

## Water consumption

4.24,630.73

Kiloliters, total volume of water consumed in FY 2022-23

3.85,022.84

Kiloliters, total volume of water consumed in FY 2021-22

## GHG emissions

80,099.80

Metric tonnes of total GHG emissions generated in FY 2022-23

71,818.22

Metric tonnes of total GHG emissions generated in FY 2021-22

## Waste disposal

51,120.43

Metric tons of total waste disposed of in FY 2022-23

46,367.97

Metric tons of total waste disposed of in FY 2021-22

carbon emissions by 17-30% compared to traditional petrol or diesel delivery vehicles. The company implemented 24x7 monitoring of stack particulate matter emissions to ensure a compliance with environmental regulations.

**Waste management:** Centuryply invested in building a solid waste storage yard, which allows it to effectively collect, transport and dispose of waste products. This reduces the environmental impact of waste disposal, but also ensures compliance with applicable environmental regulations.

**Water conservation:** Centuryply took steps to reduce water use and discharge. The company implemented water-saving technologies (closed-loop cooling systems, water reuse programs, and optimised processes). To monitor and manage water consumption, flow meters and OCEM devices were installed. The company implemented rainwater harvesting to collect and store rainwater; it promoted wastewater recycling through its sewage treatment plant.

These measures resulted in daily water savings of 1700 cubic meters, reused for gardening. The company also reused

process-generated water in subsequent processes, reducing groundwater consumption.

**Green cover:** In addition to sustainable measures to minimise environmental impact, the company also promoted greenery and enhanced biodiversity. One such initiative comprised the distribution of free saplings among employees. In July 2022, Centuryply distributed 4600 saplings to employees, encouraging them to plant and nurture the saplings.

### Electricity consumption

113

KWH/m<sup>3</sup> of plywood manufactured, FY 2022-23

132

KWH/m<sup>3</sup> of plywood manufactured, FY 2021-22

1.31

KWH/sheet of laminate manufactured, FY 2022-23

1.33

KWH/sheet of laminate manufactured, FY 2021-22

### Energy consumption from renewable sources

45,059.05

Giga-joule of total energy consumed from renewable sources FY 2022-23

66,985.21

Giga-joule of total energy consumed from renewable sources FY 2021-22

### Coal consumption

6

percent year-on-year decrease in coal consumption



### Employee grievances

17

Number of total employees and workers complaints received

0

% Pending resolution

### Consumer complaints

2

% pending resolution

100

% of employees trained on human rights issues

81

% trained On health and safety measures

## Sustainable raw material sourcing at Centuryply

### Overview

If there is a singular challenge that needs to be addressed by the Indian plywood industry it is this: that far from being environment-unfriendly, the industry is the most environment-friendly with the lowest carbon footprint among interior infrastructure alternatives.

The principal argument that the plywood sector has had to address in the last few decades is that its source material – wood – depletes forest cover. On the contrary, forest timber felling has been banned in India for nearly a quarter of a century. Responsible players like Centuryply address wood resource requirements from non-forest plantations.

### Non-forest plantations

There are a number of realities that have enhanced the role and importance of non-forest plantations in consistent

wood supply. Non-forest plantations are outside the perimeter of forests and do not deplete forest cover; they are promoted on farmlands (often waste). They empower farmers to generate a superior return.

There are good reasons why this plantation-derived wood resource is distinct in origin, commercialisation and sustainability from forest wood.

**One**, it represents an increased annual output from the level of a decade ago, so those who commercialise this wood resource today are doing so from a net surplus without depleting the world's core green cover.

**Two**, the plantation is commercialized in phases, so the net effect on the area's green cover is regulated, predictable and negligible.

**Three**, plantation wood is derived from clonal saplings that grow faster and consume less water.



### Remuneration

97

% of workers are paid higher than the minimum wage limit in FY 2022-23

90

% of workers are paid higher than the minimum wage limit in FY 2021-22

### Appraisals

94

% of employee appraisal were to their satisfaction, FY 2022-23

### CSR contributions

747.26

₹ Lakh, contribution to CSR

100

%, CSR beneficiaries belonging from marginalised and vulnerable groups

**Four.** much of the commercialized plantation wood is purchased by large industrial consumers within the vicinity, resulting in a lower logistical movement (and hence lower carbon footprint).

**Five.** the plantation wood variety and quality are closely aligned with downstream industrial needs, minimizing wastage.

**Six.** the plantation is periodically replenished, so that the space across which the plantation has been commercialized is almost immediately covered with the next round of clonal seed planting.

**Seven.** the trust that this model has been able to inspire has resulted in virtually every serious long-term plywood player encouraging the creation of plantations resulting in a larger national non-forest cover accretion.

**Moreover,** plantation wood is less energy-depleting compared to other

building materials like steel, aluminium and cement, one of the most visible measures of carbon intensity.

### Conclusion

There is growing evidence to suggest that this plantation model sources 95% of its wood resource from plantation tracts – addressing the demanding Triple Bottom Line requirements employed by modern-day analysts to appraise corporate success. The Company generates a handsome return for farmers that enhances their Return on Land and makes it possible to recharge the local economy. The model strengthens the local economy, helps make companies sustainable, generates superior long-term returns and catalyses long-term employment – what is good for customers is good for vendors is good for shareholders is good for the environment.

### Big numbers

98

% of raw materials wood procured through sustainable sources, FY 2022-23

20,49,600

Number of samplings distributed, FY 2022-23

2,808

Total number of farmers engaged with, FY 2022-23

# 2

# Our health commitment

## Overview

Centuryply has taken measures to counter pollution, unsafe practices and health hazards across its manufacturing facilities and offices.

At the heart of this commitment is a

safe operating protocol that has been documented and implemented to mitigate potential risks.

The company's operations are carried out in a controlled environment and supported by trained medical professionals across facilities.

## Our health and safety initiatives

**Policy:** Our Company's Occupational Health and Safety (OH&S) policy outlines the company's strategic direction - redefines the relationship between all individuals, emphasizing their roles in creating a safer and healthier work environment in accordance with established standards.

**Board focus and priority:** Our company prioritises all aspects of workplace health and safety, with a focus on primary hazards prevention and zero accidents goal. This priority is driven from the Board downwards and cascading to managerial levels who are expected to report periodically to the Board on the achievement of these priorities.

**Awareness building/communication:** Our company utilises communication channels to enhance awareness (verbal, electronic, printed, pictorial and social) leading to superior implementation outcomes.

**Team engagement:** Our Company's belief is that the most effective means to superior HSE outcomes is through teamworking and

collaborative engagements across levels, resulting in each employee possessing a sense of ownership in the corporate direction.

**Periodic reporting:** Our Company conducts regular process risk assessments; it implements measures to mitigate hazards that are conducted through periodic safety committee meetings.

**Training:** Our Company conducts periodic safety and health training across levels; each employee undergoes training at least once a month on the subject.

**Mock drills:** Our Company simulates mock drills to deepen employee preparedness to unforeseen developments that affect collective safety; these drills are conducted on-site, cover all departments and are conducted through the year.

**Protection:** Our Company provides protection equipment, which has moderate injuries.

**Monitoring:** Our Company organises health checks (eye, audiometry, bone density, blood and allergy) to validate employee well-being. These reports are periodically reviewed in consultation with a medical officer

# 3

## Our safety priority

Centuryply prioritised employee safety and well-being through regular training. As a validation of its commitment, the company received ISO 45001:2018 certification for Occupational Health and Safety. Relevantly, there were no incidents-related loss of work hours during the year under review.

### Measures

- Implementation of workplace safety programmes
- Providing safety training to employees
- Installation of fire points and assembly points in respective places.
- Identification of high-noise areas and provision of necessary protective equipment
- Refilling of fire extinguishers on the stipulated time
- Replacement of old extinguishers.
- Recruitment of Safety Officers, Environment Officers and paramedics to cover the plant 24x7
- Initiation of fire mock drills and emergency evacuation programmes on regular intervals
- Appointment of security personnel to ensure safe movement (employees and vehicles) inside the plant premises
- Identification and reporting workplace hazards to ensure a safe working environment
- Implementation of a work permit system to ensure that all jobs are done under safe conditions



Corporate social responsibility

HOW WE ARE SEEKING  
TO MAKE THE

# WORLD

A BETTER PLACE

## Overview

Centuryply has been engaged in social welfare that addresses long-term community transformation in the pursuit of building a fair, inclusive and compassionate society. The company's CSR initiatives are centred around the following spaces:

- Education
- Healthcare
- Disaster management
- Animal welfare
- Women's empowerment
- Environmental sustainability

The company's efforts are focused on capacity building and ensuring sustainable livelihoods for marginalized and underprivileged communities. By contributing to their economic development, the company aims to improve life quality for employees, local community and society.

## Highlights, FY 2022-23

During the year under review, the company funded schools, hospitals and charitable institutions to support causes related to education, healthcare, animal welfare, sports and environment sustainability.



**The company supported the following institutions:**

**Calcutta Pinjrapole Society:** The Company contributed to the regular maintenance and running of a hospital for cows in Sodepur.

**Central Kolkata Prerna Foundation:** The Company funded the development and maintenance of cremation ghats

**Green initiatives:** The Company provided Eucalyptus clones under the Century Plantation Project.

**Kalyan Bharti Trust:** The Company funded the upgradation and modernisation of educational infrastructure and laboratories while granting scholarship to underprivileged students.

**Udayan Care:** The Company provided educational and vocational support to girl students

**Morning Glory School:** The Company provided educational support to children with mental retardation, autism and cerebral palsy.

**CanKids... KidsCan:** The Company provided operational assistance in running the cancer centre for children suffering from the disease.

**Indian Institute of Cerebral Palsy:** The Company supported individuals with neuromotor disabilities (cerebral palsy).

**Help Us Help Them:** The Company provided educational support for marginalised children

**Marwari Relief Society:** The Company funded this institution, providing free healthcare support to the underprivileged.

**Vision Mission Foundation:** The Company provided healthcare support to slum residents.

**Debanjan Sen Foundation:** The Company promoted sports among girls

**Calcutta Centre Mahavir Sevasadan:** The Company provided infrastructure support for a super speciality medical centre.

**Gaudiya Mission Vidya Mandir:** The Company provided infrastructure funding for underprivileged students in Nadia district, West Bengal

**Future Hope India:** The Company supported street and slum children through its residential homes, schools, sport activities and medical centres.

**Udayan Care**

**1,200**

Girls benefited

**Morning Glory School**

**78**

Differently abled children benefited

**Future Hope India**

**680**

Slum students were supported.

**Debanjan Sen Foundation**

**35**

Girls benefited

**Can Kids – Cancer patients**

**687**

Cancer kids benefited

**Help Us Help Them**

**100**

Girls were provided free residential learning center.

**Marwari Relief Society**

**220**

Beds were provided along with other medical support.

**Vision Mission Foundation**

**500**

Beneficiaries.

# Board's Report

*Dear members*

Your Directors take pleasure in presenting the Company's Forty-second Annual Report of the Company along with the audited financial statements (standalone and consolidated) for the Financial Year ended 31<sup>st</sup> March, 2023 and Auditors' Report thereon. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL PERFORMANCE

### FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended 31<sup>st</sup> March, 2023 is summarised below:

₹ in crore

| Particulars  | STANDALONE      |                 | CONSOLIDATED    |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 2022-23         | 2021-22         | 2022-23         | 2021-22         |
| Gross Income                                       | 3,665.78        | 3,023.64        | 3,694.26        | 3,050.10        |
| Profit before Depreciation, Interest & Tax         | 581.85          | 557.33          | 606.36          | 553.92          |
| Depreciation                                       | 72.38           | 67.53           | 77.51           | 74.28           |
| Interest & Finance Charges                         | 15.36           | 9.61            | 16.98           | 11.43           |
| Profit before Tax                                  | 494.11          | 480.19          | 511.87          | 468.21          |
| Tax Expenses                                       | 127.27          | 154.92          | 127.82          | 155.05          |
| <b>Profit after Tax</b>                            | <b>366.84</b>   | <b>325.27</b>   | <b>384.05</b>   | <b>313.16</b>   |
| Attributable to:                                   |                 |                 |                 |                 |
| Owners of the Company                              | 366.84          | 325.27          | 383.30          | 313.06          |
| Non-controlling interests                          | -               | -               | 0.75            | 0.10            |
| Other Comprehensive Income (net of taxes)          | (0.41)          | (3.07)          | 7.51            | (0.80)          |
| <b>Total Comprehensive Income for the year</b>     | <b>366.43</b>   | <b>322.20</b>   | <b>391.56</b>   | <b>312.36</b>   |
| Attributable to:                                   |                 |                 |                 |                 |
| Owners of the Company                              | 366.43          | 322.20          | 390.74          | 312.18          |
| Non-controlling interests                          | -               | -               | 0.82            | 0.18            |
| Opening balance in Retained Earnings               | 1,510.11        | 1,210.13        | 1,488.39        | 1,201.07        |
| Adjustment with other equity                       | (0.41)          | (3.07)          | (0.28)          | (2.92)          |
| Adjustment on (acquisition)/disposal of subsidiary | -               | -               | 13.91           | (0.60)          |
| <b>Amount available for appropriation</b>          | <b>1,876.54</b> | <b>1,532.33</b> | <b>1,885.32</b> | <b>1,510.61</b> |
| Final Dividend- FY 2021-22                         | 33.33           | 22.22           | 33.33           | 22.22           |
| <b>Closing Balance in Retained Earnings</b>        | <b>1,843.21</b> | <b>1,510.11</b> | <b>1,851.99</b> | <b>1,488.39</b> |

## THE YEAR IN SUMMARY

### Standalone

- During the financial year 2022-23, your Company registered a revenue of ₹3620.65 crore vs ₹3,000.88 crore in the previous year, up 20.65% YoY.
- Profit before Tax stood at ₹494.11 crore as against ₹480.19 crore in the previous year - a growth of 2.90%.
- Profit after Tax is ₹366.84 crore as against ₹325.27 crore in the previous year showing an increase of 12.78%.
- EBITDA Margin is 16.07% as against 18.57% in the previous year.

### Consolidated

- Centuryply recorded consolidated revenue of ₹3646.57 crore as against ₹3027.02 crore in the previous year, up 20.47% YoY.
- Profit before Tax stood at ₹511.87 crore as against ₹468.21 crore in the previous year - a growth of 9.32%.
- Profit after Tax is ₹384.05 crore as against ₹313.16 crore in the previous year - showing an increase of 22.64%.
- EBITDA Margin is 16.62% as against 18.29% in the previous year.

The operations and financial results of the Company are elaborated in the annexed Management Discussion and Analysis.

## **SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND CENTURY INFRA LIMITED**

During the year under review, the Board of Directors of the Company, on the basis of recommendations of the Audit Committee and the Committee of Independent Directors of the Company, at their meeting held on 20<sup>th</sup> July, 2022 considered and approved the Scheme of Arrangement between the Company and Century Infra Limited and their shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder ("Scheme of Arrangement" or "Scheme"). The Appointed Date for the Scheme is 1<sup>st</sup> April 2022.

The Scheme received "No-Objection" / "No adverse observations" from both National Stock Exchange of India Limited and BSE Limited vide their observation letters dated 10<sup>th</sup> October, 2022. The resolution approving the Scheme was passed by requisite majority by the Equity Shareholders and Unsecured Creditors of the Company at their respective Meetings held on 20<sup>th</sup> March, 2023 through Video Conferencing / Other Audio-Visual Means, convened pursuant to the order of Hon'ble National Company Law Tribunal, Kolkata Bench dated 10<sup>th</sup> February, 2023. Subsequently, the Company has filed a Petition with the Hon'ble NCLT on 31<sup>st</sup> March, 2023.

The Scheme shall be effective from the date on which the certified copies of the order of the NCLT, Kolkata is filed with the Registrar of Companies at Kolkata. Upon the Scheme becoming effective, the Container Freight Station Services Undertaking (as defined in the Scheme) of Century Plyboards (India) Limited shall stand transferred to and vested in Century Infra Limited, as a going concern, on slump sale basis from 1<sup>st</sup> April, 2022, being the appointed date and in consideration whereof, Century Infra Limited shall issue and allot 32,71,00,000 fully paid-up Equity Shares of Re. 1/- each to the Company.

## **DIVIDEND**

Your Company has a consistent track record of dividend payment. For the financial year ended 31<sup>st</sup> March, 2023, based on the Company's performance and in conformity with its Dividend Distribution Policy, the Directors are pleased to recommend for approval of the Members a Final Dividend of Re. 1/- (100%) per equity share of the face value of Re. 1/- (Rupee one) each (compared to that of the previous year of 150% i.e ₹1.50/- per equity share of Re. 1/- each). The Company continues to balance the dual objective of appropriately rewarding Members through dividends and retaining sufficient funds to support the long term growth of your Company. The final dividend, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company, will be paid within the statutory period.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source, wherever applicable.

In compliance of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has formulated a Dividend Distribution Policy which, inter alia, specifies the various factors, that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

The Policy is available on the Company's website at: <https://www.centuryply.com/codes-policies/CPIL-Dividend-Distribution-Policy.pdf> and the same is also annexed to this Report as Annexure '6'.

## **TRANSFER TO RESERVES**

The Reserves and Surplus of your Company has increased to ₹1875.71 crore in the year 2022-23 as compared to ₹1542.62 crore in the year 2021-22. Your Directors have proposed not to transfer any sum to the General Reserve during the Financial Year 2022-23.

## **SHARE CAPITAL**

During the year under review, there were no changes in the share capital of the Company. As on 31<sup>st</sup> March, 2023, the Company's paid-up Equity Share Capital was ₹22,25,27,240/- comprising of 22,21,72,990 Equity Shares of Face Value of Re. 1/- each and ₹3,54,250 received on account of 13,80,000 (post-split) forfeited shares. During the Financial Year 2022-23, your Company has neither issued any shares or convertible securities nor has granted any stock options or sweat equity.

## **INDIAN ECONOMY AND STATE OF AFFAIRS**

FY23 has been strong for India's economy despite the tailwind of the pandemic and the headwind of the geo-political conflict intertwining to escalate global economic uncertainties. The pandemic-induced uncertainty, the geopolitical conflict and the associated risks on India, weighed down GDP growth in FY21. The following year, FY22, the Indian economy started to recover despite the Omicron wave of January 2022. Amidst all these, the Indian economy performed well and emerged as the fastest growing major economy and is expected to sustain the momentum going forward.

The International Monetary Fund (IMF) has projected global real GDP growth at 2.8 per cent for 2023 and 3 per cent for 2024 in its latest World Economic Outlook report. It marks a distinct slowdown from 3.4 per cent growth in 2022. On the other hand, IMF in its flagship World Economic Outlook report, projected that the Indian economy will grow by 5.9% in the current fiscal year, making it the fastest-growing economy in the world, despite confronting considerable challenges such as financial sector turmoil, inflationary pressures, effects of the Russia-Ukraine war and the persistent impact of the Covid-19 pandemic over the past three years. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The year FY23 so far for India has reinforced the country's belief in its economic resilience.

While the year 2022 witnessed a return of high inflation in the advanced world after three to four decades, India caps the rise in prices. While India's retail inflation rate peaked at 7.8 per cent in April 2022, above the RBI's upper tolerance limit of 6 per cent, the overshoot of inflation above the upper end of the target range in India was however one of the lowest in the world. Inflation remained beyond the tolerance level of the RBI, prompting the country's apex bank to go for successive rate hikes. The challenge posed by depreciating rupee, although better performing than most other currencies, also persists with the likelihood of further increases in policy rates by the US Fed. Even during the current times, despite biting inflation and increasing interest rates, the real estate market is still on an upswing.

According to the Economic Survey 2022-2023, the Capital Expenditure (Capex) of the central government increased by 63.4 per cent in the first eight months of FY23 and became major driver of the Indian economy in the current year. The world's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

The measures announced in the Union Budget FY24, such as a rise in capital expenditure, increased focus on infrastructure development, boost to the green economy, and initiatives for strengthening financial markets etc., are expected to promote job creation and spur economic growth. Measures announced for the MSME sector will likely reduce the cost of funds and aid small enterprises. Revision in tax slabs under the new personal income tax regime is expected to boost consumption, thus providing more impetus to economic growth.

The Real Estate sector has witnessed resilient growth in the current year, with housing sales and the launch of new houses surpassing in Q2 of FY23 the pre-pandemic level of Q2 of FY20. There is a massive demand for affordable housing in many parts of the country, propelled by rapid urbanization. Apart from it, there is a significant increase in demand for luxury and big housing spaces due to the need for better lifestyles. The need for a lifestyle upgrade among homebuyers, low-interest rates, comparatively low prices, and the pandemic's renewed need for home ownership have been the primary drivers of sales growth. The real estate industry has particularly benefited from the push for policy that has resulted in legislation like the Real Estate Regulatory Authority (RERA), the introduction of Real Estate Investment Trusts (REITs), and housing initiatives like PMAY (Pradhan-Mantri Awas Yojana) and SWAMIH (Special Window for Completion of Construction of Affordable and Mid-Income Housing Projects). These timely policy intervention by the government coupled with low home loan interest rates propped up demand and attracted buyers more readily in the affordable segment in FY23.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year 2022-23 and the date of this report. The Company is virtually debt free and has adequate liquidity to meet its business requirements.

## **FUTURE OUTLOOK**

The Indian plywood market has witnessed significant growth and transformation over the years. With the increasing demand in the construction and furniture sector, the demand for plywood products is expected to rise. Century Plyboards is one of the prominent players in the Indian plywood market. The future of the plywood industry in India looks bright as the economy of India continues to grow, this will lead to surge in construction industry driving the demand for plywood. As the standard of living of middle class population is increasing in India, the demand for furniture is expected to rise, further driving the need for plywood. However, the Plywood industry in India faces several challenges such as the lack of quality raw materials and skilled manpower. To overcome these challenges, the industry must focus on developing efficient supply chains and investing in the training and development of the workforce. Our resilient business model enables us to withstand challenges and adapt to the changing market demands.

The key drivers of Indian furniture market from the residential sector are growing population, rapid urbanization, shifting lifestyle patterns coupled with increasing number of nuclear families across India. As majority of the population prefers semi-furnished or fully furnished houses, there has been significant increase in the refurbishment and renovation of existing residential areas, which, in turn, is escalating the demand for plywood in the Indian market. This, coupled with the inflating disposable incomes and improving living standards of the working population, are positively influencing the market growth. As consumer awareness and disposable incomes increase, there is a noticeable shift in preference towards branded and high-quality plywood products. Century Plyboards, with its established reputation for manufacturing reliable and durable plywood, is likely to benefit from this trend. Furthermore, rapidly expanding distribution networks and reduced manufacturing costs are also creating a positive market outlook across the country.

The total market size of wood panel industry is estimated at ₹40,000 crore, comprising of both organised and unorganised players, and Century Plyboards has a 25 per cent share of the organised panels market. The Indian plywood market is gradually witnessing a transition from unorganized to organized retail. This shift is driven by factors such as changing consumer preferences, the emergence of modern retail formats, and the increasing influence of e-commerce. Century Plyboards, with its extensive dealer network and robust distribution channels, is well-positioned to tap into this evolving retail landscape.

Century Plyboards operates in a space where more than 50% of the market is dominated by the unorganized sector. In the organised sector, your Company enjoys a leadership position.

The Company's focus on product innovation and sustainable practices further enhances its appeal among environmentally conscious consumers. The Company aims to achieve raw material self-sufficiency while promoting its sustainability and inclusive growth efforts. Besides environmental protection, this helps maintain the sustainability and financial viability of the eco-system and also generates employment opportunities. Centuryply has been the front-runner when it comes to implementing innovative practices. Centuryply upholds its quality commitment by providing in all Centuryply products a unique QR code embedded in them, scanning of which, through a mobile application, will provide relevant details in support of whether consumers are buying a genuine Century Ply product or not. The QR code feature secures trust of customers by verifying authenticity and preventing counterfeit sellers.

The year FY2023 proved to be a tumultuous one for the MDF sector, with various challenges cropping up along the way. The withdrawal of anti-dumping duty, coupled with a slowdown in Europe, resulted in cheaper imports from Thailand and Vietnam, leading to a demand-supply mismatch in the MDF category. Further, rising input prices owing to high crude oil price led to margin pressure. The Indian Furniture Industry (especially the residential and home furnishing segments) continues to be dominated by plywood. Globally, the MDF to plywood consumption ratio is 80:20, but in India, the ratio is skewed in favour of the plywood at 20:80. This number suggests that there is enough room for the growth of MDF in the country in the future. It is estimated that the MDF to Plywood ratio in India will improve to 50:50 by 2030. This presents a strong growth potential for the MDF industry in India. It is expected to gain market share of low & medium grade plywood (which constitute 85% of the plywood market in India). In India, MDF has penetrated all the regions in terms of market presence and is rapidly advancing in terms of both consumer demand as well as production capacity. Further, unlike Plywood, MDF industry is characterized by Strong Entry Barriers. Due to this, it is less likely to face competition from the unorganized segment, resulting in larger market share for the organized players and higher growth potential.

Post-pandemic, there has been continuous momentum in the residential market and higher spending on home improvement, contributing to the robust demand for wood-panels, MDF and readymade furniture. Therefore, one of the industry leaders Centuryply is hoping for a further boost to the housing sector. This would go a long way in keeping up the growth momentum in the plywood-affiliated industry.

The demand in particle board sector is better compared to plywood as demand and supply equilibrium is in balance. The particle board sector is growing steady with double digit growth thanks to rising domestic demand and growing consumption in furniture sector. Significant growth in the construction of homes on account of rapid urbanization and the rising global population represents one of the key factors fueling the market growth. This, along with the growing working population, changing trends of modern offices, growing awareness about

the eco-friendly nature of particle boards among end users, is positively influencing the demand for particle boards in commercial establishments for enhanced aesthetics. To make the most of the growing demand in this segment, Century Plyboards has already taken up expansion of its particle board capacities.

In India, the laminate market has been experiencing steady growth over the years and is expected to exhibit a CAGR of 5.8% during 2023-2028. The large industries with quality and brand focus are now edging out the unorganised decorative laminate players. Your Company launched a new mass segment laminate brand 'Sainik', backed by the same quality commitments as is applicable to Century Laminates.

It can safely be concluded that the future of the wood panel industry in India is promising, driven by the growth of the construction and furniture industries, government initiatives to provide affordable housing and increasing demand for eco-friendly building materials.

## FUTURE PLANS OF EXPANSION

After having received required approvals, construction of a new greenfield unit in the state of Andhra Pradesh by the Company's wholly owned Subsidiary, Century Panels Ltd. for manufacturing of MDF boards having an installed capacity of 313,500 CBM per year is already underway. The Company aims to develop this project as the largest integrated wood panel manufacturing unit, covering Laminates, MDF and Plywood with investments of more than ₹1500 crore in a phased manner and expects first phase production comprising of laminates and MDF to be operational within the third quarter of FY 2023-24.

The Company has also embarked upon enhancement of its present particle board capacities of 72000 CBM per annum with a proposed addition of 240000 CBM per year through a green field project at Gummidipoondi in Tamil Nadu at a CAPEX of about ₹550 Crore.

Capacity expansion at the Company's MDF unit at Hoshiarpur in Punjab has been completed and commercial production at the new line commenced in March, 2023. Post expansion, the capacity of this unit has increased to 313,500 CBM per year. The Company has also initiated steps for setting up a new unit in the State of Punjab for manufacturing of plywood, with capacity of 60,000 CBM per year and for which the required land has been acquired. The Company is in the process of obtaining necessary approvals for going ahead with the construction activity.

The project for rejuvenation of Khidderpore Docks (KPD-I West) through PPP mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis at Syama Prasad Mookerjee Port, Kolkata, being undertaken by the Company's wholly owned Subsidiary Century Ports Limited is progressing at a steady pace and is expected to be completed and operational within the third quarter of FY 2023-24. The Company had emerged as the top bidder to modernise and mechanise a cluster of six berths in Calcutta's Khidderpore Docks, marking a major milestone in private sector participation in the city's century old port operation. Concession Agreement for this project has also been executed. Once fully operational, these berths under

KPD -I (West), will create additional port capacity in eastern India by installing mechanised systems to handle containers as well as clean bulk cargo.

Your Company launched a new mass brand 'Sainik Laminates' in order to address the untapped 80% of the approximately ₹8,000 crore laminate market. With this, your Company aims to reinforce its high margin laminates vertical.

## **CHANGE IN NATURE OF BUSINESS, IF ANY**

There has not been any change in the nature of business of the Company during the FY ended 31<sup>st</sup> March, 2023.

## **SUBSIDIARIES**

### **CHANGES IN SUBSIDIARIES**

As a purposeful strategy, your Company carries a part of its business operations through several subsidiaries which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of majority stake in existing companies. As on 31<sup>st</sup> March, 2023, your Company had following 12 subsidiaries and 4 step-down subsidiaries:

#### **Subsidiary Companies**

- Auro Sundram Ply & Door Pvt. Ltd.
- Century MDF Ltd.
- Ara Suppliers Pvt. Ltd.
- Arham Sales Pvt. Ltd.
- Adonis Vyaper Pvt. Ltd.
- Apnapan Viniyog Pvt. Ltd.
- Century Infotech Ltd.
- Century Panels Ltd.
- Century Infra Ltd.
- Century Ports Ltd.
- Century Ply (Singapore) Pte. Ltd.
- Century Gabon SUARL

#### **Step-down subsidiaries**

- Asis Plywood Ltd.
- Century Ply Laos Co. Ltd.
- Century Huesoulin Plywood Lao Co., Ltd.
- Century Adhesives & Chemicals Limited

Your Company did not have any associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013, as amended from time to time. There has been no material change in the nature of the business of the subsidiaries. During the year and till date the following changes have taken place with respect to subsidiary companies:

- Your Company incorporated a wholly-owned subsidiary in the name of 'Century Ports Ltd.' at Kolkata on 20<sup>th</sup> April, 2022 for rejuvenation, repair and renovation, maintenance and operation of ports, docks, jetties, containers freight stations, etc. It had bagged its first contract for carrying out the project for rejuvenation of Khidderpore Docks (KPD-I West) through PPP mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis at Syama Prasad Mookerjee Port, Kolkata.

- Century Panels Ltd., a wholly owned subsidiary of the Company, acquired the entire shareholding in Century Adhesives & Chemicals Ltd., thereby making it a step-down subsidiary of the Company with effect from 1<sup>st</sup> October, 2022.
- The Board of Directors approved to dispose of the Company's investments in Centuryply Myanmar Pvt. Ltd. (CPML). The Company had estimated and recognised impairment loss of ₹4937 lacs (including ₹237 lacs in current quarter) in the carrying amount of its investment in the aforesaid foreign subsidiary. The Company has completed disposal and transfer of its entire stake in CPML w.e.f 1<sup>st</sup> March, 2023. Consequently, CPML remains a subsidiary of the Company till 28<sup>th</sup> February, 2023.
- Century Infra Limited, a wholly owned subsidiary of your Company incorporated with the object of operating container freight station, container handling services, warehousing of imported and exported goods and other related services. Upon the Scheme of arrangement between Century Plyboards (India) Limited and Century Infra Limited & their respective shareholders and creditors under Sections 230 to 232 (read with other applicable provisions) of the Companies Act, 2013, and rules framed thereunder ('Scheme'), becoming effective, the business and interest of the Company in manufacture of Container Freight Station Services will be transferred to and vest in Century Infra Limited on slump sale basis and in consideration thereof the Resulting Company shall issue its equity shares to the Company. The details of the Scheme have been included elsewhere in this Report.

Your Company does not have any material subsidiary whose net worth exceeds 10% of the consolidated net worth of the Company in the immediately preceding financial year or has generated 10% of the consolidated income of the Company during the previous financial year.

## **OPERATIONS**

There has been no material change in the nature of the business of the subsidiaries/ step-down subsidiaries during the year under review.

Auro Sundram Ply & Door Pvt. Ltd. is engaged in the manufacturing of plywood and allied products from eco-friendly agro-forestry timber and operating a plywood unit at Roorkee in Uttarakhand.

The Company's wholly owned Subsidiary, Century Panels Ltd. is actively moving ahead with the construction of its integrated wood panel manufacturing facility at Gopavaram, Kadapa District in Andhra Pradesh. It expects the laminate and MDF manufacturing to facilities to commence operations within the third quarter of FY 2023-24.

The project is designed to provide direct employment to over 2000 people and indirect employment to over 5000. Apart from this, the local farmers will be the largest beneficiaries of this project as much of the required raw materials would be sourced from them.

Ara Suppliers Pvt. Ltd., Arham Sales Pvt. Ltd., Adonis Vyaper Pvt. Ltd. and Apnapan Viniyog Pvt. Ltd. jointly own

and hold some land in Kolkata which is yet to be developed. Century Infotech Ltd. is primarily engaged in the business of e-commerce, e-shopping, online information services, online application integration including buying, selling, marketing, trading and dealing in various kinds of products and services. Its e-commerce operations are however currently suspended. Century MDF Ltd., Century Infra Ltd., and Asis Plywood Ltd. are presently not operational.

Century Ports Ltd. had initiated steps for carrying out the project for rejuvenation of Khidderpore Docks (KPD-I West) for carrying out the project for modernisation of Khidderpore Docks (KPD-I West) through PPP mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis at Syama Prasad Mookerjee Port, Kolkata.

Century Adhesives & Chemicals Ltd. has initiated the process for setting up a resin and formalin manufacturing facility at Multi product SEZ, Industrial Park Naidupetta, Andhra Pradesh.

Century Gabon SUARL enjoys the advantage of availability of abundant Okoume timber required for production of face veneer. It is presently operating at a capacity of peeling 200 CBM of timber per day, serving as a vital backward integration for securing availability of raw material for Century Ply.

Century Ply Laos Co. Ltd. is engaged in the manufacturing of veneer in Attapeu province in Laos out of raw material sourced locally while Century Huesoulin Plywood Lao Co., Ltd. is manufacturing plywood at its unit in Savannakhet Province in Laos. However, due to administrative restrictions imposed by the Laos Government, the operations of these step-down subsidiaries and consequently that of Century Ply (Singapore) Pte. Ltd. remained suspended during the financial year under review.

## POLICY ON MATERIAL SUBSIDIARIES

In accordance with Regulation 16(1)(c) of Listing Regulations, your Company has adopted a policy for determining material subsidiaries. The Policy aims to Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries. The Policy is hosted on the website of the Company under the web link: <https://www.centuryply.com/codes-policies/CPIL-Policy-on-material-subsiary.pdf>. The Company does not have any material subsidiary Company.

## FINANCIAL POSITION & PERFORMANCE

During the year under review, the affairs of the subsidiaries were reviewed by the Board, inter alia, by the following means:

- ◆ Financial statements of the subsidiary companies are reviewed by the Company's Audit Committee.
- ◆ Major investments made by the subsidiaries are reviewed quarterly by the Company's Audit Committee.
- ◆ Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.
- ◆ Significant transactions and arrangements entered into by subsidiary companies are placed before the Company's Board.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement in Form No. AOC-1, containing the salient features of financial statements of the Company's subsidiaries is appended as Annexure '1' to this Report.

The Contribution of the subsidiaries to the overall performance of the Company during the year is given in note no. 47 of the Consolidated Financial Statement.

## ACCOUNTS

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries for FY 2022-23 are prepared in compliance with the applicable provisions of the Companies Act, 2013, Regulation 33 of the Listing Regulations and in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015 and other applicable provisions and Regulation 34(2) of Listing Regulations, the Consolidated Financial Statements of the Company and its subsidiaries for FY 2022-23 along with Auditor's Report thereon forms part of this Annual Report. These statements have been prepared on the basis of audited financial statements received from the subsidiary companies as approved by their respective Boards.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, Annual Report of the Company, containing therein its standalone and consolidated financial statements along with relevant documents and separate audited financial statements in respect of each of the subsidiaries, are available on the website of the Company, [www.centuryply.com](http://www.centuryply.com) under the 'Investors' section.

The Financial Statements along with audit reports thereto in respect of the Company's subsidiaries are available for inspection by the Members at the Registered Office of the Company and that of the respective subsidiaries during working days between 11.00 A.M. and 1.00 P.M. Shareholders interested in obtaining a copy of the audited financial statements of the subsidiary companies may write to the Company Secretary at the Company's registered office.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and schedule V of the Listing Regulations, as on 31st March, 2023, are set out in Annexure '2' hereto and forms a part of this Report. The particulars of loans and investments have also been disclosed in notes to the Financial Statements.

The aggregate of loans, guarantees given and investments made by the Company in accordance with Section 186 of the Companies Act, 2013, does not exceed the higher of sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account.

## RELATED PARTY TRANSACTIONS

Your Company has drawn up a Policy on materiality of and dealing with Related Party Transactions ('RPT Policy'), in line with the provision of the Companies Act and Listing Regulations. The Policy may be accessed on the Company's website at: <https://www.centuryply.com/codes-policies/Policy-on-Materiality-of-and-dealing-with-related-party-transactions.pdf>. The Policy intends to regulate transactions between the Company and its Related Parties based on applicable laws and regulations and also sets out the mechanism for identification, approval, review and reporting of such transactions.

All contracts/ arrangements/ transactions with related parties, entered into or modified by the Company during the Financial Year 2022-23, were on an arm's length basis and not 'material'. The said transactions with Related Parties were entered into for the benefit and in the interest of your Company and its stakeholders. These transactions were, inter-alia, based on various considerations such as business exigencies, synergy in operations, the policy of the Company and resources of the Related Parties. During the year, all transactions entered into with related parties were approved by the Audit Committee. Certain transactions, which were planned/ repetitive in nature or unforeseen in nature, were approved through omnibus route. A statement of transactions entered into pursuant to the approvals so granted is placed before the Audit Committee and the Board of Directors on a quarterly basis. All the transactions were in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. There are no materially significant transactions with related parties which may have a potential conflict with the interest of the Company at large.

During the year, your Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in terms of the RPT Policy, requiring shareholders' approval under Regulation 23(4) of the Listing Regulations or Section 188 of the Companies Act, 2013 read with Rules made thereunder. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

Members may refer Note No. 38 to the Financial Statements which sets out the Related Party Disclosures pursuant to IND AS and in terms of Regulation 34(3) read with Part A of Schedule V of the Listing Regulations. The Company, in terms of Regulation 23 of the Listing Regulations submits half-yearly disclosures of related party transactions to the stock exchanges and the same can be accessed on the website of the Company, [www.centuryply.com](http://www.centuryply.com).

## PUBLIC DEPOSITS

During the Financial Year 2022-23, the Company has not invited, accepted or renewed any public deposits covered under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. As such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet. In terms

of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of the amount received, if any, from the Directors of the Company are provided in the Note Nos. 17 and 38 of the Standalone Financial Statements of the Company.

## AUDITORS

### STATUTORY AUDITORS

M/s Singhi & Co, Chartered Accountants (ICAI Firm Registration No. 302049E) has been your Company's Auditors since 2014. In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014, as amended, the Members at the Thirty-Eighth Annual General Meeting (AGM) held on 4<sup>th</sup> September, 2019, approved their re-appointment as Statutory Auditors of the Company for a second term of five consecutive years, i.e., from the conclusion of the Thirty-eighth AGM until the conclusion of Forty-third AGM to be held in the calendar year 2024. The Statutory Auditors of the Company were present in the last AGM.

Pursuant to Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Singhi & Co have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company. M/s. Singhi & Co. have also confirmed that they have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of ICAI as required under Regulation 33(1)(d) of the Listing Regulations.

### STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report "with an unmodified opinion", given by M/s. Singhi & Co, on the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023, is appended in the Financial Statements forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditor in their Report for the year under review.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, your Company had appointed M/s MKB & Associates, a firm of Company Secretaries in Practice, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2022-23. The Report of the Secretarial Audit in Form MR-3 is appended hereto as Annexure '3'. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

## REPORTING OF FRAUDS BY AUDITORS

In terms of Section 143(12) of the Companies Act, 2013, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees during the year under review.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### I. INDEPENDENT DIRECTORS:

#### (a) CHANGES IN INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the shareholders at the Annual General Meeting held on 21<sup>st</sup> September, 2022, inter alia, confirmed re-appointment of Sri Probir Roy (DIN: 00033045) for a second term of three years from 1<sup>st</sup> October, 2022 to 30<sup>th</sup> September, 2025 as Independent Director on the Board of the Company.

The Company's remuneration policy provides criteria for the selection, appointment and remuneration of Directors, which inter-alia, requires that the Directors shall be of high integrity with relevant expertise and experience to have a diverse Board. The Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment of a new Director.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors, through a Circular Resolution passed on 26<sup>th</sup> March, 2022, subject to approval of the shareholders, appointed Ms. Ratnabali Kakkar (DIN: 09167547) as an Additional Director in the Independent category, not liable to retire by rotation, with effect from 1<sup>st</sup> April, 2022 for a term of five years ending on 31<sup>st</sup> March, 2027, in place of Ms. Mamta Binani, whose second term got completed on 31<sup>st</sup> March, 2022.

The Company had received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Ratnabali Kakkar for the office of Independent Director of the Company.

The Company had also received from Ms. Ratnabali Kakkar (i) consent to act as Director in writing in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) disclosure in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration to the effect that she meets the criteria of independence as prescribed both in the Act and in the Listing Regulations.

Approval of the Members by way of Special Resolution, was sought through Postal Ballot/ e-voting for appointment of Ms. Ratnabali Kakkar as an Independent Director, not liable to retire by rotation, with effect from 1<sup>st</sup> April, 2022 for a term of five years ending on 31<sup>st</sup> March, 2027 and the same was approved by requisite majority on 24<sup>th</sup> May, 2022, being the last date specified for E-voting.

Pursuant to the provisions of Section 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the shareholders, at their Annual General Meeting held on 9<sup>th</sup> September, 2020, inter-alia, had confirmed appointment of Sri Amit Kiran Deb (DIN: 02107792) as an Independent Director with effect from 1<sup>st</sup> April, 2020 to 30<sup>th</sup> September, 2023.

As per the provisions of Section 149(10) of the Companies Act, 2013, Independent Directors can be re-appointed for a second term of up to five consecutive years on passing of special resolution by shareholders of the Company and disclosure of such appointment in its Board's report. Accordingly, in terms of Sections 149(10) and 149(11) of the Companies Act, 2013, the first term of Sri Amit Kiran Deb is due to expire on 30<sup>th</sup> September, 2023. The Board of Directors at its meeting held on 4<sup>th</sup> August, 2023, after considering the recommendations of the Nomination and Remuneration Committee and on the basis of his performance evaluation and his consent and subject to approval of the shareholders, recommended re-appointment of Sri Amit Kiran Deb for a second term of five years from 1<sup>st</sup> October, 2023 to 30<sup>th</sup> September, 2028 as Independent Director on the Board of the Company, notwithstanding that he would be attaining the age of 75 years on 26<sup>th</sup> December, 2023.

#### (b) DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 (7) of the Companies Act, 2013 read with Rules made thereunder and in terms of Regulation 25(8) of Listing Regulations, the independent directors have submitted declarations confirming that:

- i. they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Schedule and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended and that during the year, there has been no change in the circumstances affecting their status as Independent Directors of the Company;
- ii. in terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence;

In terms of Regulation 25(9) of the Listing Regulations, the Board of Directors has ensured the veracity of the disclosures made under Regulation 25(8) of the Listing Regulations by the Independent Directors of the Company and is of the opinion that they fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

The Independent Directors have confirmed compliance with the Company's Code of Conduct as formulated by the Company and also with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent

Directors of the Company have valid registration with the Independent Director's database maintained by the Indian Institute of Corporate Affairs and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required.

All the Directors of your Company have confirmed that they are not disqualified from being appointed or continuing as Directors in terms of Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than payment of sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee / Independent Directors of the Company and save and except one transaction as detailed in Note no. 38(b) of the Notes to the Financial Statements.

**(c) FAMILIARISATION PROGRAMME**

Pursuant to Regulation 25(7) of the Listing Regulations and Schedule IV of the Companies Act, 2013, the Company conducted a familiarization programme for all its Independent Directors on 7<sup>th</sup> February, 2023, wherein a visit to the Company's MDF manufacturing facility at Hoshiarpur, Punjab was organised. The Independent Directors were given an overview of the plant operations, production processes, important raw materials, finished goods, health and safety measures together with environmental concerns. Independent Directors had an opportunity to have interactions with HODs of various departments and functions including HR and marketing. For more details on the familiarisation programmes imparted to Independent Directors, Members may visit the Company's website, [https://www.centuryply.com/investor-information/familiarisation-program/Familiarisation-Programme-Details\\_2022-23.pdf](https://www.centuryply.com/investor-information/familiarisation-program/Familiarisation-Programme-Details_2022-23.pdf).

Your Company has in place a structured programme for orientation and training of the Independent Directors so as to enable them to understand the Company - its operations, business, industry and environment in which it functions. Each Director of the Company has complete access to any information relating to the Company. Independent Directors have the freedom at all times to interact with the Company's management. A detailed overview of the Company's familiarisation program can be accessed through web-link: <https://www.centuryply.com/codes-policies/Familiarization-Programme-for-Independent-Directors.pdf>.

On appointment of an Independent Director, the Company issues a formal appointment, inter-alia, setting out his / her role, function, duties and responsibilities. The newly Independent Director to the Board are provided an induction-cum-familiarization kit containing Memorandum and Articles of Association of the Company, organisational structure, set of major statutory and internal policies of the Company, Board and Committee structure and details about the Company's subsidiaries. The Company Secretary briefs the Director about their legal & regulatory responsibilities as a Director.

The Company believes that an enlightened Board plays a pivotal role in the overall governance processes of the Company. To this end, the Directors were empowered with the knowledge of the latest developments with respect to significant amendments in the Companies Act and SEBI Regulations and implication thereof. The Directors are periodically updated on the performance/developments of the Company, new initiatives by the Company, domestic/overseas industry scenario, business model of the Company and its strategic priorities.

The Company also arranges for visits to the Company's Plants to enable them to get first hand understanding of the processes. Apart from in-house programme, the Independent Directors are also encouraged to participate in various training sessions to update and refresh their skills and knowledge. Each Director has complete access to information relating to the Company. Independent Directors have the freedom at all times to interact with the Company's management.

**(d) STATEMENT REGARDING INDEPENDENT DIRECTOR**

Independent Directors on your Company's Board bring a wealth of industry experience to the Company and represents a good and diverse mix of professionalism, knowledge and experience. In the opinion of the Board of Directors of your Company, the Independent Directors comprise persons of high repute and possess relevant expertise and experience in their respective fields. They demonstrate highest level of integrity while maintaining confidentiality and identifying, disclosing and managing conflict of interest.

**II. NON- INDEPENDENT DIRECTORS:**

**(a) CHANGES IN NON-INDEPENDENT DIRECTORS**

There has not been any appointment/ retirement/ resignation of Non-independent Directors during the Financial Year ended 31<sup>st</sup> March, 2023.

**(b) RETIREMENT BY ROTATION**

In accordance with Section 152(6)(c) of the Companies Act, 2013, Sri Rajesh Kumar Agarwal (DIN: 00223718) and Sri Prem Kumar Bhajanka (DIN: 00591512), being longest in office, will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered their candidature for re-appointment as Directors. In view of their considerable experience and contribution to the Company, the Board recommends their re-appointment. Their detailed profiles and particulars of experience, skill and attributes that qualify them for Board Membership together with other details as required under the Companies Act, 2013, Secretarial Standards and Listing Regulations, forms a part of the explanatory statement attached to the Notice of ensuing Annual General Meeting of the Company.

**III. KEY MANAGERIAL PERSONNEL**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 7<sup>th</sup> February, 2023, subject to approval of

the shareholders, re-appointed Sri Prem Kumar Bhajanka and Sri Vishnu Khemani as Managing Directors of the Company for a further period of five years each with effect from 1<sup>st</sup> August, 2023. The Board of Directors of your Company accordingly recommends the same for approval of the shareholders.

Apart from the above, there has not been any change in Key Managerial Personnel during the Financial Year ended 31<sup>st</sup> March, 2023.

#### **IV. INTER-SE RELATIONSHIPS BETWEEN THE DIRECTORS**

None of the Directors of the Company are related inter-se, except for Sri Keshav Bhajanka who is the son of Sri Sajjan Bhajanka, Chairman and Managing Director and Ms. Nikita Bansal, who is the daughter of Sri Sanjay Agarwal, CEO & Managing Director.

#### **MEETINGS**

##### **MEETINGS OF BOARD OF DIRECTORS**

During the year, the Board met four times, i.e., on 16<sup>th</sup> May, 2022, 20<sup>th</sup> July, 2022, 10<sup>th</sup> November, 2022 and 7<sup>th</sup> February, 2023. The details of these Meetings are given in the Corporate Governance Report forming part of the Annual Report.

##### **MEETINGS OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met once on 7<sup>th</sup> February, 2023 without the presence of Non-Independent Directors and members of the Management inter alia to:

- Review the performance of Non-Independent Directors, the Board as a whole and that of its Committees;
- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assess the quality, content and timeliness of flow of information between the Company's management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

#### **MANAGERIAL REMUNERATION**

##### **PARTICULARS OF MANAGERIAL REMUNERATION**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure '4'. Your Directors state that none of the Executive Directors of the Company received any remuneration or commission from any of its Subsidiaries.

##### **PARTICULARS OF EMPLOYEES**

Statement containing particulars of Top 10 employees in terms of remuneration drawn and the particulars of employees as

required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure '4' forming part of this report.

There was no employee receiving remuneration during the year in excess of that drawn by the Managing Director or Whole-time Director and holding by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

#### **CORPORATE GOVERNANCE MEASURES**

##### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief, states that it had:-

- (i) followed the applicable accounting standards in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2023 along with proper explanations relating to material departures, if any;
- (ii) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year 31<sup>st</sup> March, 2023 and of the profit of the Company for that period;
- (iii) 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) prepared the Annual Accounts of your Company for the Financial Year ended 31<sup>st</sup> March, 2023 on a 'going concern' basis;
- (v) laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis report, capturing your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries is presented in a separate section forming part of the Annual Report. The Report provides a consolidated perspective of economic, social and environmental aspects material to our strategy and our ability to create and sustain value for our stakeholders and includes aspects of reporting as required by Regulation 34(2)(e) read with Schedule V of the Listing Regulations.

#### **CORPORATE GOVERNANCE**

Centuryply believes in promoting the principles of sound Corporate Governance and its endeavor is to uphold ethical

business practices to ensure transparency, integrity and accountability in its functioning which are vital to achieve its vision of “Sarvada Sarvottam, - The Best Always.” We consider it our inherent responsibility to ensure transparency in our operations and disclose timely and accurate disclosures to stock exchanges for enhancing and retaining investors trust. Governance is integral to your Company’s existence and its business structures, values, cultures, policies and procedures are designed to ensure that the Company is managed in a manner that meets stakeholder’s aspirations and societal expectations.

The Company believes in achieving business excellence and optimizing long-term value for its shareholders on a sustained basis through ethical business conduct. Your Company is committed to adopt best Corporate Governance practices to boost long-term shareholder value without compromising the rights of the minority shareholders.

Your Company complies with the applicable provisions of the Companies Act, 2013 and applicable Secretarial Standards issued by the Institute of Company Secretaries of India. Apart from complying with the mandatory requirements, your Company also complies with certain discretionary requirements of Corporate Governance as specified in Part E of Schedule II of the Listing Regulations.

In compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V of Listing Regulations, a Report on Corporate Governance for the Financial Year ended 31<sup>st</sup> March, 2023 along with a Certificate issued by M/s. MKB & Associates, Company Secretaries in Practice, confirming compliance with the requirements of Corporate Governance, forms a part of the Annual Report.

## **CEO & CFO CERTIFICATION**

In terms of Regulation 17(8) read with Schedule II Part B of the Listing Regulations, a certificate from the Chief Executive Officer and Chief Financial Officer of the Company addressed to the Board of Directors, inter alia, confirming the correctness of the financial statements and cash flow statements for the Financial Year ended 31<sup>st</sup> March, 2023, adequacy of the internal control measures and reporting of matters to the Audit Committee, is provided elsewhere in this Annual Report.

## **RISK MANAGEMENT**

Risks are unavoidable component of business. Thus, your Company focuses on timely management of the key risks of your Company to prevent unfavourable circumstances. Your Company has in place a robust and efficient mechanism for the identification, assessment, quantification, control, mitigation and monitoring of the risks. Our risk management framework ensures identification of emerging risks and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact the Company’s long-term goals. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Your Company is conscious of how better risk management techniques may provide early signals of probable threats to the Company so that they may be addressed in time. Risk management process has been established across

your Company and is designed to identify, assess and frame a response to threats that may affect achievement of its objectives. It is designed to manage rather than eliminate the risk of failure to achieve business objectives and provides reasonable and not absolute assurance against material misstatement or loss. Risk management is at the core of the operating structure of the Company. Our risk management approach includes minimising undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources.

The Board shoulders the ultimate responsibility for the management of risks and for ensuring the effectiveness of internal control systems. The Risk Management Committee aids the Board by assessing and providing oversight to management relating to identification and evaluation of the identified risks, including Sustainability, Information Security, etc. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

The Company endeavours to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

## **INTERNAL CONTROLS/ INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Company’s internal controls are commensurate with the nature of its business, the size and complexity of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. Such controls have been tested during the year and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. The Audit Committee regularly reviews the budgetary control system of the Company as well as system for cost control, financial controls, accounting controls, physical verification controls, etc. to assess the adequacy and effectiveness of the internal control systems. Regular review of the established internal controls system of the Company were undertaken and deficiencies in the design or operation of such control, if any, was discussed with the Auditors and the Audit Committee and suitable actions to rectify those deficiencies were recommended for implementation. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 read with Part C of Schedule II of the Listing Regulations), the Audit Committee has concluded that, as of 31<sup>st</sup> March, 2023, the Company’s internal financial controls were adequate and operating effectively.

Your Company understands a strong internal controls framework is imperative to carry on business in an orderly and efficient manner. In this context, your Company has adequate

Internal Financial Controls System over financial reporting which ensures that all transactions are authorized, recorded, and reported correctly in a timely manner. The Company's Internal Financial Control over financial reporting is designed to provide reliable financial information and to comply with applicable accounting standards. The Company uses a state-of-the-art enterprise resource planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes.

The Company has laid down Standard Operating Procedures and policies to guide the operations of the business. Functional heads are responsible to ensure compliance with all laws and regulations and also with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms and review processes ensure that such systems are reinforced on an ongoing basis and updated with new / revised standard operating procedures in order to align the same with the changing business environment. The Company periodically tracks all amendments to Accounting Standards and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. All resultant changes to the policy and impact on financials are disclosed after due validation with the statutory auditors and the Audit Committee.

Your Board reviews the internal processes, systems and the internal financial controls and accordingly, the Directors' Responsibility Statement contains a confirmation as regards adequacy of the internal financial controls. The statutory Auditors of the Company, The Internal Financial Control of the company is analyzed and audited for the compliances and accordingly the report under Section 143 of the Companies Act, 2013 is prepared and the report on internal control over financial reporting as issued by M/s. Singhi & Co., Statutory Auditors is annexed to the Independent Auditor's Report. As per the Report, the Company has, in all material respects, an 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, 2023 based on 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. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

## PERFORMANCE EVALUATION

The Independent Directors at their separate Meeting held on 7<sup>th</sup> February, 2023, collectively reviewed the performance of the non-independent Directors, the Board as a whole and that of its Committees. The performance of the Chairman of the Company was also reviewed after taking into account the views of executive directors and non-executive directors. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board. The Nomination and Remuneration Committee, at its Meeting held on 7<sup>th</sup> February, 2023, carried out evaluation of performance of all Independent

Directors. The Independent Directors were highly satisfied with the overall functioning of the Board, its various committees and with the performance of other Non-Executive and Executive Directors. They also appreciated the exemplary leadership role of the Board Chairman in upholding and following the highest values and standards of corporate governance.

The Board, at its meeting held on 7<sup>th</sup> February, 2023, discussed and took on record the performance evaluation carried out by the Independent Directors and by the Nomination and Remuneration Committee. Thereafter, the Board carried out an evaluation of its own performance and that of its Committees. Performance evaluation of all Directors was also carried out by the entire Board without the presence and participation of the Director being evaluated. Parameters and process applied for carrying out the evaluation has been discussed in detail in the Corporate Governance Report.

As an outcome of the evaluation exercise, the performance of the Board, its Committees and Individual Directors, including that of Chairman and Independent Directors, was found to be satisfactory. It was noted that the Board as a whole has a composition that represents appropriate balance of experience, skills, expertise, etc. and that the Board is provided with adequate competitive and industry information to keep the members upto date with industry landscape. The Board members functioned constructively individually as well as a team. The Board is well-supported by the activities of each of the Board Committees which ensure the right level of attention and consideration are given to specific matters. It was noted that the Committees of the Board are functioning smoothly in accordance with its respective charter which clearly defines their purpose, roles, and responsibilities. Each Director on the Board is bringing to the table deep functional experience, well proven strategic and critical thinking skills and sound financial acumen, thereby aggregating a competent Board of Directors. The board meetings were well run and the members of the Board acted with sufficient diligence and care. The Chairman had been instrumental in fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. Under the abled guidance of the Chairman, the Company performs satisfactorily even in the adverse market conditions. He demonstrated efficient leadership abilities by providing his continuous guidance to the Board with the objective of creating long term value for the Company's stakeholders. The Chairman follows utmost professionalism and objectivity in decision making.

Information is provided to the Board and Committee Members on a continuous basis for their review, inputs and approval from time to time. The Independent Directors reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees and unanimously opined that the same is proper, adequate and timely. The Directors freely interact with the Management on information that may be required by them.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the

openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

## COMMITTEES OF BOARD OF DIRECTORS

The Committees of the Board are pillars of Corporate Governance and they function as extended arms of the Board. The Board has seven Committees out of which five have been mandatorily constituted in compliance with the requirements of Companies Act, 2013 and Listing Regulations and two non-mandatory Committees have been constituted to enhance the objectivity and independence of the Board's judgment and to increase the efficacy of governance. The Board has adopted charters setting forth the roles and responsibilities of each of the Committees. The Company Secretary officiates as the Secretary of these 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
- Risk Management Committee
- Corporate Social Responsibility Committee

### Non-mandatory Committees

- Share Transfer Committee
- Finance 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.

## POLICIES AND CODES

### REMUNERATION POLICY

The Board of Directors has framed a Remuneration Policy which lays down a framework in relation to appointment and remuneration of Directors, Key Managerial Personnel, Senior Management on the basis of their qualifications, positive attributes and independence of a Director and other matters as required under Section 178(3) of the Companies Act, 2013. The aforesaid Policy is given in Annexure '5', which forms part of this annual Report, and has also been posted on the website of the Company at <https://www.centuryply.com/codes-policies/Remuneration-policy.pdf>

Your Company's Remuneration Policy is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Your Company's Remuneration Policy is directed towards providing a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. Further, it aims to attract, retain and motivate highly qualified members for the Board and other executive level and ensure their long term sustainability. The Policy is designed to ensure that:

- a) the Company is able to attract, retain and motivate highly qualified members for the Board and other executive level and ensure their long term sustainability.
- b) the Company is able to provide a well-balanced and competitive compensation package to its Executives, taking into account their roles and position, shareholder interests, industry standards and relevant regulations.
- c) remuneration of the Directors and other Executives are aligned with the business strategy and risk tolerance, objectives, vision, values and long-term interests of the Company.

### Selection and procedure for nomination and appointment of Directors

The Nomination and Remuneration Committee ('NRC') is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re- appointment is required. The NRC reviews and vets the profiles of potential candidates vis-a-vis the required competencies, undertakes due diligence, prior to making recommendations of their nomination to the Board.

### Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 read with Schedule II of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- **Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Companies Act, 2013, the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Companies Act, 2013, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

### BOARD DIVERSITY POLICY

Your Company recognizes and embraces the importance of a diverse Board in its success and aims to attract and maintain a Board which has an appropriate mix of diversity, skills, experience and expertise. The Board composition as on the date of this report meets the above objective. Your Company believes that attracting, recruiting and retaining a diverse team at the Board level will enhance Company's reputation and will help the Company in furtherance of its objectives. Your Company

has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board. The Company believes that a truly diverse Board leverages differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity and gender that will help the Company retain its competitive advantage.

The Company's Policy on Board Diversity, formulated and adopted in terms of Regulation 19 read with Part D of Schedule II of Listing Regulations sets out its approach to diversity. This policy aims to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of the members in a way that collectively benefits the organisation and business as a whole. The said Policy makes the Nomination and Remuneration Committee of the Company responsible for monitoring and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

The Board Diversity Policy of the Company is available on our website at <https://www.centuryply.com/codes-policies/Board-Diversity-Policy.pdf>.

Moving beyond the Board, the Company also believes and puts into practice the fact that diversity and inclusion at workplace helps nurture innovation, by leveraging the variety of opinions and perspectives coming from employees with diverse age, gender and ethnicity.

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

Over the years, the Company has built a reputation for doing business with honesty and integrity, and it has zero tolerance for any type of unethical behaviour or wrongdoing. The Organization has in place a stringent vigil system to deal with ethical transgressions in the organization. In terms of the requirements under Section 177 (9) and (10) of the Companies Act, 2013 read with the relevant Rules, Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has framed vigil mechanism/ whistle bower policy for Directors and Employees to report their genuine concerns or grievances, about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy is designed to ensure that whistle blowers may report genuine concerns without fear of retaliation. It lays emphasis on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect. The vigil mechanism works with the objective to promote probity and integrity in governance. During the year under review, there was no change in the Company's Whistle Bower Policy.

Your Company encourages honesty from and among its Employees and promotes 'zero tolerance' towards corruption, illegal and unethical behaviour. Your Company's Whistle Bower Policy/ Vigil mechanism provides a channel to the Employees and Directors of the Company to report genuine concerns about unethical behaviour, actual or suspected incidents of fraud or instances of leakage/ suspected leakage of unpublished price sensitive information or violation of the Company's Code of Conduct and/ or the Insider Trading Code

adopted by the Company. The Policy also provides complete confidentiality of the matter so that no unfair treatment is meted out to the Whistle Bower for reporting any concern. The Policy provides that the Vigilance and Ethics Officer of the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld.

The Audit Committee oversees the implementation of the Whistle Bower Policy which provides for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases. The said policy is available on the Company's website at: <https://www.centuryply.com/codes-policies/Vigil-Mechanism-Policy-CPIL.pdf>.

During the Financial Year ended 31<sup>st</sup> March, 2023, no case was reported under this policy. Further, no employee or Director was denied access to the Audit Committee or its Chairman.

### **RISK MANAGEMENT POLICY**

The Company follows a consistent and comprehensive risk management strategy at all levels. Company's Risk Management procedure covers all aspects which may affect its working like, changes in business environment, Government policies, competency requirements, manpower planning, safety of manpower, buildings and other assets, currency risk management, data security, cyber security etc. Your Company's policy on Risk Management is designed to minimise the adverse consequence of risks on business objectives of the Company. The Risk Management Policy articulates the Company's approach to address uncertainties in its endeavours to achieve its stated and implicit objectives. Risk Management is an attempt to identify and then manage threats that could severely impact or bring down the organisation.

We have a structured risk management process, which is overseen by the Risk Management Committee. The Company's Risk Management Committee is entrusted with the responsibility to frame, implement and monitor the risk management plan for the Company. The Committee also monitors and reviews the risk management plan and ensures its effectiveness. The Board is kept informed about the risk assessment and minimization procedures. The risk management framework is reviewed periodically by the Board and the Audit Committee. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of Risk Management Policy has been covered in the Management Discussion and Analysis, which forms part of this report.

### **POLICY ON PREVENTION OF SEXUAL HARASSMENT**

Your Company is an equal opportunity employer and has a gender neutral approach in its hiring process and task assignments to its workforce. The Company is committed to create a positive atmosphere at the workplace where a woman is encouraged to come to work, secure in the knowledge that

she will be treated with dignity, respect and will be protected from harassment. We have adopted a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder to counter any potential harassment or discrimination against women, resulting in their economic empowerment and inclusive growth. All employees (permanent, contractual, temporary, trainees) are covered under the said Policy.

The Policy serves as a guide for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. The said Policy is available on your Company's website, [www.centuryply.com](http://www.centuryply.com). The Company continuously invests in enhancing the awareness on the Policy across its workforce. Further, the Company has complied with the provisions relating to constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received on sexual harassment. The ICC comprises of internal members and an external member who has extensive experience in this field. Adequate workshops and awareness programme against sexual harassment are conducted across the organization. Aggrieved women may report complaints to the ICC formed for this purpose or to any member thereof or to the location head, who is also a member of the ICC.

During the year, no complaint regarding sexual harassment was received.

## **DIVIDEND DISTRIBUTION POLICY**

Your Company is deeply committed to driving superior value creation for all its stakeholders. It continuously focuses on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation.

Pursuant to Regulation 43A of Listing Regulations, the Board of Directors of the Company have formulated and adopted a progressive and dynamic Dividend Distribution Policy, keeping in view the immediate as well as long term needs of the business. The same has been appended as Annexure '6' to this Report and is also available on the Company's website at: <https://www.centuryply.com/codes-policies/CPIL-Dividend-Distribution-Policy.pdf>.

The intent of the Policy is to broadly specify the parameters (internal, external, financial, etc.) which the Company would take into consideration for the purpose of ascertaining the amount of dividend to be declared. Our dividend distribution policy is aimed at sharing prosperity with shareholders subject to maintaining an adequate chest for liquidity and growth. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the Shareholders. The Policy, inter alia, specifies the external and internal factors including financial parameters that need to be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

## **POLICY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION**

The Company's Policy for determination of materiality of events/ information has been designed to promote transparency and ensures that the stakeholders are informed regarding the major and material events of the Company. The objective of this policy is to put in place a framework for disclosure of events and information to the stock exchanges, in line with the requirements prescribed under Regulation 30 of the Listing Regulations and to ensure that such information is disclosed to the Stock Exchanges in a timely and transparent manner. The Policy is available on the Company's website at <https://www.centuryply.com/codes-policies/CPIL's-Policy-for-Determination-of-Materiality.pdf>.

## **OTHER POLICIES**

Policy on 'Material Subsidiaries', Policy on Corporate Social Responsibility and Business Responsibility Policy has been discussed elsewhere in this Report. Policy on Materiality of and dealing with Related Party Transactions, Policy for Preservation of Documents, Archival Policy and Anti-Bribery and Anti-Corruption Policy are some of the other policies formulated and adopted by the Board pursuant to the requirement of Listing Regulations. These policies may be accessed on the Company's website, [www.centuryply.com](http://www.centuryply.com).

## **CODE OF CONDUCT**

Your Company has a documented Code of Conduct for members of its Board and for Senior Management Personnel. It is in alignment with Regulation 17(5) of the Listing Regulations and details thereof have also been included in the Corporate Governance Report forming part of this Annual Report. The Code entails our values of maintaining integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect and avoidance of practices like bribery and corruption. The Code intends to follow an ethical and transparent process in managing the affairs of the Company and thereby reinforces the trust and confidence reposed in the Management of the Company by all its stakeholders.

In line with the amendments in the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023, whereby, inter alia, the definition of 'Senior Management' has been amended, your Company's Policy on Code of Conduct for Directors and Senior Management was amended by the Board of Directors at its meeting held on 7<sup>th</sup> February, 2023 and same became effective from that date. This policy is available on the Company's website at: <https://www.centuryply.com/codes-policies/Code-of-Conduct-for-Directors-and-Senior-Management-Executives.pdf>

All members of the Board and Senior Management Personnel have affirmed compliance with the 'Code of Conduct for Directors and Senior Management Personnel' for the financial year 2022-23. A declaration to this effect signed by the CEO & Managing Director is annexed in the Corporate Governance Report.

The Senior Management of the Company have made disclosures to the Board confirming that there are no material

financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

### **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS AND CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has laid down a comprehensive 'Code of Conduct to regulate, monitor and report trading by Designated Persons' to preserve the confidentiality and to prevent misuse of un-published price sensitive information. All the Promoters, Directors and such other persons defined as designated persons and their immediate relatives have a duty to adhere the aforesaid Regulations and the Code.

The key objective of the Code is to protect the interest of shareholders at large, prevent misuse of any unpublished price sensitive information and promote transparency and fairness in dealings in the securities of the Company. The Code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautions on the consequences of non-compliances. The Code prohibits and deters the Promoters, Directors of the Company and other specified employees and their relatives from dealing in the securities of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company. The Code is available on the website of the Company, [www.centuryply.com](http://www.centuryply.com). The Company Secretary of the Company acts as the Compliance Officer for the purpose of the aforesaid Code to inter-alia monitor adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Your 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.

The Designated Persons of the Company have provided annual disclosure of their shareholding and other information in the format prescribed in the Code.

### **CORPORATE SOCIAL RESPONSIBILITY**

As a large-scale industrial player, Centuryply has considerable responsibility to give back to the communities. Towards achieving our commitment in bringing about a lasting and holistic impact on enhancement of social values, we have been undertaking Corporate Social Responsibility (CSR) initiatives well before it became a legal mandate. We treat CSR not as an obligation but as the very core of why business exists – to eventually share the wealth for prosperity of our communities. The CSR activities of the Company encapsulate a large gamut of social activities including promoting education, including special education & livelihood projects, creating employability,

enabling access to quality primary health care services, disaster relief measures and environmental protection, with emphasis on local areas around our business operations. The Company's CSR is an extension of its commitment to respond ethically and contribute to economic development while improving life quality of the workforce, local communities and society at large.

Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII thereof and Rules made thereunder, the Company has undertaken CSR activities, projects and programs primarily in the field of Education and Skill Development, Health and Wellness, Environmental Sustainability, participating in relief operations during natural disasters, while also pursuing CSR activities for the benefit of the local community in the States in which it operates. During the year, the total CSR expenditure incurred by your Company was ₹747.26 lac which was higher by ₹54.77 lac than that statutorily required to be spent. The Company also has an amount of ₹71.03 lac and ₹7.61 lac resulting out of excess spending in FY 2020-21 and FY 2021-22 respectively, available for set off in succeeding financial years. In terms of Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Sri Arun Kumar Julasaria, Chief Financial Officer of the Company certified that the Corporate Social Responsibility expenditure made during the year 2022-23 has been utilised for the purpose and in the manner as approved by the Board.

Composition of CSR Committee of your Company, attendance at the said Meeting, terms of reference of the CSR Committee and other relevant details has been provided in the Corporate Governance Report forming part of the Annual Report. The CSR Committee has confirmed that the implementation and monitoring of CSR Policy is in conformity with CSR objectives and policy of the Company and in compliance with Section 135 of the Companies Act, 2013.

Your Company's Policy on CSR was amended on 10<sup>th</sup> November, 2022 and the same can be accessed on the Company's website at <https://www.centuryply.com/codes-policies/Policy-on-Corporate-Social-Responsibility.pdf>. The Company also amended its Annual Action Plan for CSR Activities for the FY 2022-23. The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2023, in accordance with Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in Annexure '7' to this Report.

### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Being a public listed Company, your Company understands that its accountability is not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. At Centuryply, we are committed to enhance value for our stakeholders together with economic and social well-being of the society and minimising the direct and indirect adverse impact of our operations on the environment. The Business Responsibility and Sustainability Report is one of the avenues to communicate the Company's obligations and performance to all its Stakeholders. To adapt ourselves to changing business dynamics, we have developed

an organised ecosystem to address new challenges and seize new opportunities while supporting a more sustainable world. Sustainable development is integral to our business strategy. Centuryply takes pride in its commitments towards protecting the environment, delivering on its social responsibilities and good governance. The Company has always believed in the power of partnerships to unlock long-term value for its stakeholders, in a responsible manner. Your Company, as a responsible corporate citizen, recognizes that ethical conduct in all its functions and processes is the cornerstone of a responsible business. Your Company, through its various sustainability initiatives, focusses on creation of a future ready organisation, which can pre-empt imminent challenges and address the needs of all stakeholders. The Business Responsibility Policy adopted by your Company focuses on developing and integrating a detailed sustainability vision into its long-term strategic plan in a way that creates lasting value for its stakeholders whilst also building public trust. This is premised on striking a proper balance between economic, social and environmental performance in dealings with various stakeholders, thereby ensuring sustainable development for the Company.

In accordance with Listing Regulations, the Company's Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective is appended as Annexure '8' to this Annual Report. The Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by Ministry of Corporate Affairs and is in accordance with Regulation 34(2)(f) of the Listing Regulations. The Report describes the initiatives taken by the Company from an environmental, social and governance perspective to enable Members to take well-informed decisions and to have a better understanding of the Company's long term perspective.

## **MISCELLANEOUS**

### **ANNUAL RETURN**

The Annual Return as required under Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at <https://www.centuryply.com/investor-information/cpil-annual-return/MGT-7.pdf>.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS / COURTS / TRIBUNALS**

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the operations of the Company in future.

### **COMPLIANCE WITH SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS**

Your Directors state that during the Financial Year 2022-23,

the Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings" respectively. In the preparation of the Financial Statements, the Company has also applied the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.

### **CREDIT RATING**

The Company has obtained credit rating for its Borrowing Programme viz. Long-term/Short-term, Fund based/Non-fund based Facility limits from ICRA Limited. The details of Credit Ratings are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

### **GREEN INITIATIVES IN CORPORATE GOVERNANCE**

Your Company supports and welcomes the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, permitting electronic dissemination of notices, Annual Report and other communications through email to Members whose email IDs are registered with the Company/ Depository Participant(s). Your Company sends notices, Annual Report and other communications through email to Members whose email IDs are registered with the Company/ Depository Participant(s).

In line with the Circulars issued by MCA and SEBI, the Company had circulated Notices and Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2022 only through email to all those Shareholders who have registered their email address for the said purpose. With reference to relaxation provided by MCA and SEBI, Companies have been dispensed with the printing and dispatch of Annual Reports to Shareholders. Hence, the Annual Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 would also be sent only through e-mail to the Shareholders. Members can access all the documents relating to Annual General Meeting from the Company's website at [centuryply.com/investors-new/investor-information](https://www.centuryply.com/investors-new/investor-information).

We would greatly appreciate and encourage Members who have not yet registered their e-mail address to register their e-mail address with their Depository Participant in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically. Members requiring physical copies can send a request to the Company.

### **HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS**

Your Company values its employees and believes that the Company's success is a result of the collective efforts of all of its employees. In today's intensely dynamic markets, your Company follows a multipronged approach covering all the key facets of employee development to make them more productive, efficient and integral to the organisation. Your Company endeavours to create a work environment which is collaborative and learning and growth oriented to enable employees to perform at their full potential. Your Company's unique culture

and robust People Practices & Policies, inspire and ensure that every employee aspires to grow in the organization. Onboarding the right people with the right skills, plays a vital role in shaping the culture of the organization. On the industrial front, the Company maintained positive Industrial Relations with its workforce throughout the year. Notwithstanding the challenges posed by the ongoing pandemic, the enthusiasm and unstinting efforts of the employees have enabled your Company to remain at the forefront of the Industry and to achieve ever high targets.

The Company's cloud-based HR portal 'Adrenalin' facilitates end-to-end HR functioning including payroll and appraisals and is integrated with the Company's present ERP system. The Company's intranet portal 'centurion' continues to serve as an interactive platform, bringing employees together and closer to the management besides keeping them informed of the happenings in the Company. Besides this, the 'Centurion Helpdesk', a Whatsapp group, also facilitates time bound resolution of employee grievances.

The Company has a robust performance evaluation process through which individual goals are aligned to organizational goals so that the individuals and the organisation grow in tandem. In our quest to remain robust and competitive in people processes your Company in partnership with Mercer Mettl introduced Psychometric Assessments for lateral hirings at various levels.

The Company strongly believes that hiring the best available talent, who share the same values and work ethic develops a positive and productive work environment. We understand that employee well-being is essential to maintaining our leading business performance. We maintain a collaborative, inclusive, non-discriminative and safe work culture, and provide equal opportunities to all employees. We believe that such an enabling environment is essential for us to deliver value for our customers, shareholders and communities.

Long-service award are being organised to recognize the loyalty and commitment of employees. Performance recognition through initiatives like representation on the Company's monthly merit board, 'Sarvada Sarvottam Ambassadors' and 'Star Centurion' are also being carried out on a regular basis. All these initiatives coupled with quick grievance resolution mechanisms have enabled the Company to create a highly motivated pool of professionals and skilled workforce that share a passion and vision of the Company.

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out in the Annexure '9' to this report.

### **PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on 31<sup>st</sup> March, 2023.

### **ONE TIME SETTLEMENT OF LOANS TAKEN FROM BANKS/ FINANCIAL INSTITUTIONS**

The Company serviced all the debts & financial commitments as and when they became due and no settlements were entered into with the bankers.

### **COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business carried out by the Company.

### **INVESTOR EDUCATION AND PROTECTION FUND**

As per the provisions of Sections 124 and 125 of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, read with the relevant circulars and amendments thereto, ("IEPF Rules"), any money transferred to the Unpaid Dividend Account of a Company which remains unpaid/ unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued (if any) thereon to 'Investor Education and Protection Fund' (IEPF) constituted by the Central Government. Accordingly, the Company had transferred to IEPF ₹8,00,334/- in respect of Members whose dividend were unpaid/ unclaimed for the Financial Years 2014-15 (Final) and 2015-16 (Interim).

Members are requested to note that the unclaimed dividend amount for the Financial Year ended 31<sup>st</sup> March, 2017 will be due for transfer to IEPF on 8<sup>th</sup> September, 2024. In view of this, the Shareholders who have not claimed the dividend for this period and for subsequent periods, are requested to lodge their claim with the Company. The Company regularly sends reminder letters through electronic and/or physical means to all those shareholders whose dividend are lying unclaimed for any year/(s) during the last seven years requesting them to claim the same.

Pursuant to provisions of Section 124(6) of the Act, read with IEPF Rules, all shares on which dividend has not been paid or claimed for seven or more consecutive years are required to be transferred to IEPF. Accordingly, as on date, your Company has transferred 114264 shares (on which dividend remained unpaid or claimed for seven or more consecutive years) held by 447 shareholders to the demat account of IEPF authority. The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF, requesting the shareholders to claim their dividends in order

to avoid transfer of shares/dividend to the IEPF. The Company had also given newspaper advertisements, before making such transfer. In accordance with the provisions of IEPF Rules, the Company has also placed on its website [www.centuryply.com](http://www.centuryply.com), information on dividends which remain unclaimed with the Company as on the date of closure of financial year. The information is also available on the website of the Ministry of Corporate Affairs.

Members are requested to note that, both the unclaimed or unpaid dividend and corresponding shares transferred to the IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority by them by submitting an online application in web Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enlisted in the said form. For detailed procedure, shareholders may refer Rule 7 of the IEPF Rules.

In accordance with the IEPF Rules, the Board of Directors have appointed Sri Sundeep Jhunjhunwala, Company Secretary of the Company, as the Nodal Officer for the purpose of co-ordination with the IEPF Authority.

## ANNEXURES

### Annexures forming part of this Board's Report

The Annexures referred to in this Report containing information required to be disclosed are annexed as under:

| Annexure | Particulars  |
|----------|--|
| 1        | Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures |
| 2        | Details of Loans, Guarantees and Investments   |
| 3        | Secretarial Audit Report   |
| 4        | Particulars of Employees and Managerial Remuneration   |
| 5        | Remuneration Policy  |
| 6        | Dividend Distribution Policy   |
| 7        | Report on Corporate Social Responsibility  |
| 8        | Business Responsibility and Sustainability Report  |
| 9        | Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo                   |

## APPRECIATIONS AND ACKNOWLEDGEMENTS

Your Company has maintained healthy, cordial and harmonious industrial relations at all levels. The Directors express their gratitude for the commitment, solidarity, dedication and the tireless efforts put in by every member of the Centuryply family. To them goes the credit for the Company's achievements and realization of new performance milestones.

Your Directors are particularly grateful to the Banks, Central and State Governments and their Departments, the Local Authorities, Securities and Exchange Board of India, BSE Ltd., National Stock Exchange of India Ltd. and other Regulatory bodies for their continued guidance and support. Your continued support and unstinted confidence encourage us towards fulfillment of our corporate vision.

Your Directors express their appreciation for the co-operation and support given to the Company by its vendors, dealers, business associates, consultants, bankers, financial institutions, auditors, solicitors and other stakeholders during the year. The trust and confidence reposed by the customers in the Company and its products is especially cherished. The Company looks upon them as partners in its progress and has shared with them the rewards of growth.

Your Directors place on record their sincere thanks to the valuable contribution made by all the front-line workers and Centuryply's exceptionally talented employees who are instrumental in your Company scaling new heights, year after year. Your Directors appreciate the commendable efforts, teamwork and professionalism of the employees of the Company.

Finally, the Directors wish to place on record their special appreciation to the valued Shareholders of the Company who have reposed faith in us.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

(DIN: 00246043)

Kolkata, 4<sup>th</sup> August, 2023

*Chairman & Managing Director*

# Annexure I Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

## Part "A" : Subsidiaries

| Sl. No. | Particulars   | Name of Subsidiaries              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              | Step-Down Subsidiaries            |                              |  |                              |                                    |        |
|---------|---|-----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------------|------------------------------|--|------------------------------|------------------------------------|--------|
|         |   | Auro Sundram Ply & Door Pvt. Ltd. | Century MDF Ltd.             | Ara Suppliers Pvt. Ltd.      | Arham Sales Pvt. Ltd.        | Adonis Vyaper Pvt. Ltd.      | Apnapan Vinivog Pvt. Ltd.    | Century Panels Ltd.          | Century Infotech Ltd.        | Century Infra Ltd.           | Century Ports Ltd            | Century Gabon SUARL          | Century Myanmar Pte. Ltd. ## | Century Ply (Singapore) Pte. Ltd. | Century Ply Laos Co. Ltd.    | Century Huesoulin Plywood Lao Co. Ltd. | Asis Plywood Ltd.            | Century Adhesives & Chemicals Ltd. |        |
| 1       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31 <sup>st</sup> March, 2023      | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023      | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2023           | 31 <sup>st</sup> March, 2023 |                                    |        |
| 2       | Reporting currency  | INR                               | INR                          | INR                          | INR                          | INR                          | INR                          | INR                          | INR                          | INR                          | INR                          | INR                          | INR                          | USD                               | USD                          | INR                                    | INR                          |                                    |        |
| 3       | Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.   | -                                 | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | 0.14                         | 82.22                        | 82.22                        | 82.22                             | 82.22                        | -                                      | -                            |                                    |        |
| 4       | Share Capital   | 100.00                            | 430.00                       | 177.76                       | 177.76                       | 177.76                       | 177.76                       | 177.76                       | 177.76                       | 499.50                       | 14500.00                     | 5.00                         | 55.00                        | 1878.07                           | 24.32                        | 419.17                                 | 116.99                       | 5.00                               |        |
| 5       | Reserves & Surplus  | 2724.21                           | (34.23)                      | (11.47)                      | (10.08)                      | (10.33)                      | (10.27)                      | (493.12)                     | (50.28)                      | (1.50)                       | (1.50)                       | (8.83)                       | (7945.83)                    | (3571.41)                         | (3742.39)                    | (323.65)                               | -                            | -                                  |        |
| 6       | Total Assets  | 6187.32                           | 866.41                       | 166.57                       | 167.97                       | 167.71                       | 167.77                       | 6.62                         | 29854.03                     | 3.75                         | 173.80                       | 173.80                       | 239.44                       | 899.71                            | 1233.75                      | 88.84                                  | 447.81                       | 447.81                             |        |
| 7       | Total Liabilities   | 3363.11                           | 470.64                       | 0.29                         | 0.28                         | 0.28                         | 0.28                         | 0.24                         | 15404.31                     | 0.25                         | 127.63                       | 1354.79                      | 5.40                         | 4446.80                           | 4556.97                      | 295.5                                  | 442.81                       | 442.81                             |        |
| 8       | Investments* (except investments in subsidiaries)   | -                                 | -                            | 152.54                       | 152.54                       | 152.54                       | 152.54                       | -                            | -                            | -                            | -                            | -                            | -                            | -                                 | -                            | -                                      | -                            | -                                  | -      |
| 9       | Turnover  | 13672.06                          | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                                 | -                            | -                                      | -                            | -                                  | -      |
| 10      | Profit/ (Loss) before Tax   | 181.79                            | (5.56)                       | (0.55)                       | (0.48)                       | (0.50)                       | (0.49)                       | (19.77)                      | (0.41)                       | (1.50)                       | (8.83)                       | (8.83)                       | 62.37                        | (3.12)                            | 20.05                        | (3.02)                                 | -                            | -                                  | -      |
| 11      | Provision for Tax   | 42.26                             | -                            | -                            | -                            | -                            | -                            | -                            | 12.80                        | -                            | -                            | -                            | -                            | -                                 | -                            | -                                      | -                            | -                                  | -      |
| 12      | Profit / (Loss) after Tax   | 139.53                            | (5.56)                       | (0.55)                       | (0.48)                       | (0.50)                       | (0.49)                       | (19.77)                      | (13.21)                      | (1.50)                       | (8.83)                       | (8.83)                       | 62.37                        | (3.12)                            | 20.05                        | (3.02)                                 | -                            | -                                  | -      |
| 13      | Proposed Dividend   | -                                 | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                            | -                                 | -                            | -                                      | -                            | -                                  | -      |
| 14      | Percentage of Shareholding  | 51.00                             | 100.00                       | 80.00                        | 80.00                        | 80.00                        | 80.00                        | 99.99                        | 100.00                       | 100.00                       | 100.00                       | 100.00                       | 90.68                        | 90.00                             | 51.00                        | 100.00                                 | 100.00                       | 100.00                             | 100.00 |

\* Includes investments in property

# Subsidiary till 28th February, 2023.

### Other Information

- Names of subsidiaries which are yet to commence operations as on 31st March, 2023 - Century MDF Ltd., Century Panels Ltd., Century Ports Ltd., Century Infra Ltd and Century Adhesives & Chemicals Ltd
- Names of subsidiaries which have been liquidated or sold during the year - Centuryply Myanmar Pvt. Ltd

## Part "B" : Associates and Joint Ventures

The Company does not have any Associate or Joint Venture.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

**Sanjay Agarwal**  
CEO & Managing Director  
DIN:00246132

**Arun Kumar Julasaria**  
Chief Financial Officer

**Sundeep Jhunjhunwala**  
Company Secretary

Kolkata, 15<sup>th</sup> May, 2023

## Annexure -2

### Details of loans, guarantees and investments made during the year ended 31<sup>st</sup> March, 2023

| Name of the entity                          | Relation   | Amount<br>(₹ in Lac) | Particulars of Loans,<br>Guarantees and Investments       | Purpose for which<br>the Loan, Guarantee<br>and Investment are<br>proposed to be utilised |
|---|------------|----------------------|---|---|
| Century MDF Ltd. @                          | Subsidiary | 400.00               | 40,00,000 Equity Shares allotted                          | Business purpose  |
| Century Panels Ltd. @                       | Subsidiary | 10,895.00            | 10,89,50,000 Equity shares allotted                       | Business purpose  |
| Century Panels Ltd. ^                       | Subsidiary | 10,300.00            | Loan given at market rates and received back part thereof | Business purpose  |
| Century Panels Ltd.                         | Subsidiary | 30,000.00            | Corporate Gurantee given                                  | Business purpose  |
| Century Ports Ltd. @                        | Subsidiary | 55.00                | 55,00,000 Equity Shares allotted                          | Business purpose  |
| Century Ports Ltd. ^                        | Subsidiary | 109.00               | Loan given at market rates and received back part thereof | Business purpose  |
| Century MDF Ltd. ^                          | Subsidiary | 465.00               | Loan given at market rates                                | Business purpose  |
| Century Gabon SUARL @                       | Subsidiary | 151.29               | Share Application Money given                             | Business purpose  |
| Centuryply Myanmar Pvt. Ltd. @              | Subsidiary | (1,012.33)           | 95,980 Equity Shares sold                                 | Business purpose  |
| Century Ply (Singapore) Pte. Ltd. ^^        | Subsidiary | 21.34                | Share Application Money given                             | Business purpose  |
| OPG Power Generation Pvt. Ltd. @            | Other      | (7.39)               | 64,300 Equity Shares sold                                 | Business purpose  |
| Watsun Infrabuild Private Ltd. @            | Other      | (10.00)              | 1,00,000 Equity Shares sold                               | Business purpose  |
| Good View Agencies Pvt. Ltd. #              | Other      | (80.00)              | Loan received back  | Business purpose  |
| Channel Financing to Dealers & Distributors | Other      | 832.89               | Guarantee   | Channel Financing   |

(The loanees have not made any investments in the shares of the Company)

@ For more details on investments, refer note no. 4 of the financial statements

^ Maximum amount due at any point of time during the year and year end balance.

# Maximum amount due at any point of time during the year-₹80.00 Lac; Year end balance: NIL.

^^ Share application money of ₹21.34 Lakhs which was given to Century Ply (Singapore) Pte. Ltd. was later refunded by the Company during the year.

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

(DIN: 00246043)

Chairman & Managing Director

Kolkata, 4<sup>th</sup> August, 2023

## Annexure -3

### Form no. MR 3

# Secretarial Audit Report

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

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

To  
The Members,  
**CENTURY PLYBOARDS (INDIA) LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CENTURY PLYBOARDS (INDIA) LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Based on our 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 and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period for the financial year ended on 31<sup>st</sup> March, 2023, generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
  - iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
  - iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
  - v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
- a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021
  - f) The Securities and Exchange Board of India (Issue and listing of Non-convertible securities) Regulations, 2021
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:
- a) The Indian Forest Act, 1927;
  - b) The Water (Prevention and Control of Pollution) Act, 1974;
  - c) The Air (Prevention and Control of Pollution) Act, 1981;
  - d) The West Bengal Forest (Establishment And Regulation of Saw-Mills and other Wood-based Industries) Rules, 1982;
  - e) The Environment (Protection) Act, 1986 and rules there under;
  - f) The Petroleum Act, 1934 and the Petroleum Rules, 2002;
  - g) The Legal Metrology Act, 2009 and rules there under;
  - h) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

- i) The Insecticides Act, 1968 and the Insecticides Rules, 1971.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We 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) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that 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.

We further report that the Board of Directors at its meeting held on July 20, 2022, considered and approved the Scheme of Arrangement between the Company and its wholly owned subsidiary i.e. Century Infra Limited ("Transferee Company") and their respective shareholders and creditors, which inter alia provides for the transfer and vesting of the Container Freight Station Services Undertaking (as defined in the Scheme) from the Company to the Transferee Company, as a going concern, on slump sale basis, and in consideration thereof, the Transferee Company shall issue its equity shares

to the Company. Pursuant to the order of the Hon'ble National Company Law Tribunal, Kolkata Bench ("Tribunal") dated February 10, 2023, the meeting of shareholders and unsecured Creditors of the Company was held on March 20, 2023 where in the aforementioned Scheme of Arrangement was approved. A petition for sanction of aforementioned Scheme of Arrangement was filed before the Tribunal and the same was admitted by the Tribunal on 14<sup>th</sup> June, 2023.

We further report that during the year under review, the company has passed the following special resolutions:

1. Appointment of Ms. Ratnabali Kakkar (DIN: 09167547) as an Independent Director for a term of 5 (five) years from 1<sup>st</sup> April, 2022;
2. Re-appointment of Ms. Nikita Bansal (DIN: 03109710) as an Executive Director of the Company for a period of five years with effect from 1<sup>st</sup> February, 2022;
3. Re-appointment of Sri Probir Roy (DIN: 00033045), as an Independent Director of the Company for a second term of three years from 1<sup>st</sup> October, 2022 to 30<sup>th</sup> September, 2025, notwithstanding that he has attained the age of 75 years;
4. Approve payment of remuneration to Executive Directors who are Promoters in excess of limits mentioned in Regulation 17(6)(e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This report is to be read with our letter of even date which is annexed as Annexure – 1 which forms an integral part of this report

**For MKB & Associates**

*Company Secretaries*

Firm Reg No: P2010WB042700

**Manoj Kumar Banthia**

*Partner*

Membership no. 11470

COP no. 7596

UDIN: A011470E000701687

Date: 04.08.2023

Place: Kolkata

## Annexure I

To  
The Members,

**CENTURY PLYBOARDS (INDIA) LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For MKB & Associates**

*Company Secretaries*

Firm Reg No: P2010WB042700

**Manoj Kumar Banthia**

*Partner*

Membership no. 11470

COP no. 7596

UDIN: A011470E000701687

Date: 04.08.2023

Place: Kolkata

## Annexure-4 Particulars of Employees

Information required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Name   | Designation                                     | Qualification  | Nature of Employment | Nature of duties                     | Age (Years) | Date of Joining | Experience Remuneration (Years) | received (₹ in lac) | Previous Employment                                | Designation at Previous Employment | Relationship with Director/ Manager |
|--|---|--|----------------------|--------------------------------------|-------------|-----------------|---------------------------------|---------------------|--|------------------------------------|-------------------------------------|
| <b>Employed throughout the financial year</b>  |   |  |                      |                                      |             |                 |                                 |                     |  |                                    |                                     |
| Sri Prem Kumar Bhajanika                       | Managing Director                               | Commerce Graduate  | Contractual          | Management & administration          | 65          | 16-Apr-08       | 43                              | 486.23              | Century Panels Pvt. Ltd.                           | Managing Director                  | None                                |
| Sri Ajay Baldawa                               | Executive Director                              | B.E. Engg., M.Tech.  | Contractual          | Production, Project implementation   | 66          | 23-Feb-94       | 41                              | 485.75              | Sarda Plywood Industries Ltd.                      | General Manager                    | None                                |
| Sri Sajjan Bhajanika                           | Chairman & Managing Director                    | Commerce Graduate  | Contractual          | Management, administration & finance | 71          | 5-Feb-86        | 44                              | 426.14              | None   | N.A.                               | Father of Sri Keshav Bhajanika      |
| Sri Sanjay Agarwal                             | CEO & Managing Director                         | Commerce Graduate  | Contractual          | Marketing & sales promotion          | 62          | 5-Jan-82        | 36                              | 426.14              | None   | N.A.                               | Father of Ms. Nikita Bansal         |
| Sri Vishnu Khemani                             | Managing Director                               | Science Graduate   | Contractual          | Management & administration          | 71          | 16-Apr-08       | 45                              | 412.78              | Sharon Veneers Pvt. Ltd.                           | Managing Director                  | None                                |
| Sri Keshav Bhajanika                           | Executive Director                              | Graduate (Accounting and Finance)  | Contractual          | Management & administration          | 34          | 28-Jan-16       | 12                              | 326.14              | None   | N.A.                               | Son of Sri Sajjan Bhajanika         |
| Ms. Nikita Bansal                              | Executive Director                              | Graduate (Economics), Minor in Business and Mathematics                                  | Contractual          | Management & administration          | 34          | 1-Feb-17        | 12                              | 326.14              | None   | N.A.                               | Daughter of Sri Sanjay Agarwal      |
| Sri Martin Alexander Cameron                   | Head- Production & Quality (MDF)                | Diploma-Wood Panel Mfg. & Science  | Permanent            | MDF- Production & Quality control    | 58          | 1-Nov-18        | 39                              | 205.20              | Advance Fiber Limited Thailand                     | Production Head                    | None                                |
| Sri Shripal Jain                               | President- Laminates (Mfg.)                     | M.COM.   | Permanent            | Manufacturing                        | 62          | 20-Jan-03       | 40                              | 177.18              | Greenply Industries Ltd.                           | Commercial Manager                 | None                                |
| Sri Ratan Rajkhowa                             | Senior President (Mfg.) & Unit Head- Joka       | Science Graduate   | Permanent            | Manufacturing                        | 60          | 14-Aug-92       | 37                              | 167.93              | Premier Industries Pvt. Ltd.                       | General Manager                    | None                                |
| Sri Navarun Sen                                | President - Panels                              | PGDM   | Permanent            | Sales & Marketing                    | 56          | 1-Nov-13        | 32                              | 143.14              | UNINOR   | Circle Business Head               | None                                |
| Sri Shankho Chowdhury                          | President - Decoratives                         | B.A. Honours   | Permanent            | Sales & Marketing                    | 62          | 1-Aug-13        | 34                              | 135.92              | Consultancy K                                      | Director                           | None                                |
| Sri Arun Kumar Julasana                        | Chief Financial Officer                         | Commerce Graduate; FCA; FCS  | Permanent            | Finance, Taxation, Accounts          | 61          | 5-Aug-04        | 38                              | 133.29              | Mani Group   | Finance Head                       | None                                |
| Sri Ashutosh Jaiswal                           | President - International Business & Logistics  | B. Sc.   | Permanent            | Overall Management                   | 64          | 1-Jun-94        | 44                              | 121.49              | M/s. Dutta Exports                                 | Export Executive                   | None                                |
| Sri Vivek Agarwal                              | Vice President (Operations) & Unit Head- Kandla | M.COM., MBA  | Permanent            | Operations                           | 48          | 1-Apr-08        | 22                              | 104.83              | Century Panels (F) Ltd.                            | Commercial Manager                 | None                                |
| Sri Y. K. Chaudhry                             | Unit Head- Cent Ply & Purbanchal                | M.E., MBA, LL.B, ACMA, ACS, CAIIB, CFA   | Permanent            | Overall Management of the Unit       | 63          | 16-Feb-06       | 41                              | 101.81              | North Eastern Development Finance Corporation Ltd. | General Manager                    | None                                |
| <b>Employed for part of the financial year</b> |   |  |                      |                                      |             |                 |                                 |                     |  |                                    |                                     |
| Sri Gaurav Srivastava                          | National Sales Manager                          | MBA(PGDBM)- Marketing-XLRI Jamshedpur<br>B.Tech- Mechanical- IET, CSJM University,Kanpur | Permanent            | Sales & Marketing                    | 44          | 9-Sep-22        | 18                              | 57.98               | Bajaj Auto Limited                                 | Circle Head                        | None                                |

## Particulars of Managerial Remuneration

Information pursuant to Section 197(12) of the Companies Act, 2013 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Requirements of Rule 5(1)  | Details  |  |  |
|--|--|--|--|
| (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year | <b>Executive Directors</b>   | <b>Ratio</b>   |  |
|  | Sri Sajjan Bhajanka  | 141.04 : 1   |  |
|  | Sri Sanjay Agarwal   | 141.04 : 1   |  |
|  | Sri Prem Kumar Bhajanka  | 160.93 : 1   |  |
|  | Sri Vishnu Khemani   | 136.62 : 1   |  |
|  | Sri Keshav Bhajanka  | 107.94 : 1   |  |
|  | Sri Ajay Baldawa   | 160.77 : 1   |  |
|  | Ms. Nikita Bansal  | 107.94 : 1   |  |
|  | Sri Rajesh Kumar Agarwal   | 29.79 : 1  |  |
|  | <b>Non-Executive Independent Directors</b>   | <b>Ratio</b>   |  |
|  | Sri Amit Kiran Deb   | 1.32 : 1   |  |
|  | Sri Debanjan Mandal  | 1.32 : 1   |  |
|  | Sri J. P. Dua  | 1.32 : 1   |  |
|  | Ms. Ratnabali Kakkar   | 1.32 : 1   |  |
|  | Sri Naresh Pachisia  | 1.32 : 1   |  |
|  | Sri Probir Roy   | 1.32 : 1   |  |
|  | Sri Sunil Mitra  | 1.32 : 1   |  |
|  | Sri Vijay Chhibber   | 1.32 : 1   |  |
|  | (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | <b>Executive Directors</b>   | <b>Percentage Increase<sup>s</sup></b> |
|  |  | Sri Sajjan Bhajanka  | 7.27%                                  |
|  |  | Sri Sanjay Agarwal   | 7.27%                                  |
|  |  | Sri Prem Kumar Bhajanka  | (15.14)%                               |
|  |  | Sri Vishnu Khemani   | 42.03%                                 |
| Sri Keshav Bhajanka  |  | 54.64%   |  |
| Sri Ajay Baldawa   |  | (19.04)%   |  |
| Ms. Nikita Bansal  |  | 54.64%   |  |
| Sri Rajesh Kumar Agarwal   |  | Nil  |  |
| <b>Non-Executive Independent Directors</b>   |  |  |  |
| Sri Amit Kiran Deb   |  | Nil  |  |
| Sri Debanjan Mandal  |  | Nil  |  |
| Sri J. P. Dua  |  | Nil  |  |
| Ms. Ratnabali Kakkar*  |  | -  |  |
| Sri Naresh Pachisia  |  | Nil  |  |
| Sri Probir Roy   |  | Nil  |  |
| Sri Sunil Mitra  |  | Nil  |  |
| Sri Vijay Chhibber   |  | Nil  |  |
| <b>CFO &amp; CS</b>  |  |  |  |
| Sri Arun Kumar Julasaria (CFO)   |  | 0.06%  |  |
| Sri Sundeep Jhunjhunwala (CS)  |  | 10.76%   |  |
|  |  | <sup>s</sup> Includes commission on net profit paid to Executive Directors |  |
|  |  | * Comparative figures for the previous year NIL.                           |  |
| (iii) the percentage increase in the median remuneration of employees in the financial year  |  | 8.54%  |  |
| (iv) the number of permanent employees on the rolls of company (as on 31 <sup>st</sup> March, 2023)                                  |  | 6966   |  |

| Requirements of Rule 5(1)  | Details   |                     |
|--|---|---------------------|
| (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 | Average percentile increase in salary of non-managerial employees   | 12.75%              |
|  | Average percentile increase in salary of managerial employees   | 14.25% <sup>§</sup> |
|  | <sup>§</sup> Includes commission on net profit paid to Executive Directors  |                     |
| (vi) affirmation that the remuneration is as per the remuneration policy of the company  | The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time. The average increase is also an outcome of the Company's performance and its market competitiveness as against its peer group companies. |                     |
|  | The Company affirms that the remuneration paid during the year ended 31 <sup>st</sup> March, 2023 is as per the Remuneration Policy of the Company.   |                     |

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
(DIN: 00246043)

*Chairman & Managing Director*

Kolkata, 4<sup>th</sup> August, 2023

## Annexure-5

# Remuneration Policy

### 1. Preamble

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" shall mean officers/ personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/executive director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.
- 1.2 The policy may be reviewed as and when required by the Nomination and Remuneration Committee of the Board of Directors .

### 2. Aims & Objectives

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
- 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level and to ensure their long term sustainability.
- 2.1.2 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.1.3 The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.1.4 The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### 3. Principles of remuneration

- 3.1 **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

- 3.2 **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 **Internal equity:** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 **External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.5 **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

### 4. Nomination and Remuneration Committee (NRC)

- 4.1 Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 4.2 The Committee shall carry out responsibilities as assigned by the Board, which may include the following.-
- 4.2.1 Recommending/ reviewing remuneration of the Managing Director(s)/ Whole-time Director(s)/ Executive Directors based on their performance and defined assessment criteria;
- 4.2.2 formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- 4.2.3 identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the laid down

criteria and recommend to the Board their appointment and removal;

4.2.4 Formulating the criteria and specifying the manner for effective evaluation of performance of Board, its Committees and individual Directors including independent directors, reviewing its implementation and compliance and also carrying out of such evaluation either by the NRC or the Board or an independent external agency;

4.2.5 recommending to the Board, all remuneration, in whatever form, payable to senior management;

4.2.6 recommending whether or not to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

4.2.7 devising a policy on Board diversity

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and

4.4.3 review the terms of executive Directors' service contracts from time to time.

## 5. Procedure for selection and appointment of the Board Members

### 5.1 Board membership criteria

5.1.1. The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations

5.1.2. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

5.1.3. Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

5.1.4. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

5.1.5. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

### 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

5.2.1. One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2. The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

## 6. Procedure for selection and appointment of Executives other than Board Members

6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel;

6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the

Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;

- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;
- 6.5 Before the selection of KMP or SMP, the recommendations of and relevant information of the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

## 7. Compensation Structure

### 7.1 Remuneration to Non-Executive/ Independent Directors:

The Non-executive/ Independent Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law.

The Non-Executive/Independent Directors may be paid commission as the Board may approve from time to time on recommendation of the Nomination and Remuneration Committee subject to limits prescribed in the Companies Act, 2013 or Rules made thereunder and approved by the shareholders.

Travelling, fooding & lodging expenses of outstation Non-Executive/Independent Directors for attending Board/Committee meetings shall be borne by the Company.

The Independent Directors shall not be entitled to any stock option of the Company.

Where the annual remuneration payable to a single Non-Executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, then approval of the shareholders by special resolution shall be obtained every year.

### 7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel(s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors / Executive Directors (MD/WTD/EDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for MD/WTD/EDs shall be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors shall not be paid sitting fee.

In addition to the basic/fixed salary, benefits, perquisites and allowances, the Company may provide for payment to its MDs/ WTD/EDs, such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board on recommendations made by the Nomination and Remuneration Committee, subject to the overall ceilings stipulated in Section 197 and other applicable provisions of the Companies Act, 2013. The specific amount payable to the MDs/WTD/EDs would be based on their performance.

The fees or compensation payable to Executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (a) the annual remuneration payable to such Executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or
- (b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits (calculated as per section 198 of the Companies Act, 2013) of the Company.

The Nomination and Remuneration Committee shall recommend the remuneration of the KMP/SMP of the Company. The Compensation for the other employees would be guided by the external competitiveness and internal parity and shall be based on the Key Result Areas (KRAs) identified and the achievement thereof. The increments shall usually be linked to their performance as well as performance of the Company. The remuneration structure can be divided into fixed and variable components and can also include issuance of stock options.

## 8. Role of Independent Directors

- 8.1 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.

## 9. Approval and publication

- 9.1 This remuneration policy as framed and revised from time to time by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be placed on the Company's website.
- 9.3 Necessary disclosures in respect of the policy shall be

made in the Directors Report in the manner stated in the Companies Act, 2013 or any other statute.

## **10. Supplementary provisions**

- 10.1 This Policy shall formally be implemented from the date as may be approved pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended and submitted to the Board of Directors for review and adoption.

10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

## **11. Amendment:**

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

## **12. Effective Date:**

This Policy is effective from 10<sup>th</sup> August, 2021.

## Annexure-6

# Dividend Distribution Policy

### PREAMBLE

The shares of Century Plyboards (India) Limited ('the Company') are presently listed on The National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). Securities Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year. In compliance with the said Regulation, the Company is required to frame a Dividend Distribution Policy ('the/this Policy') which would aid investors in identifying stocks that match their investment objectives.

### EFFECTIVE DATE

This Policy is effective from the date of its adoption by the Board on 1<sup>st</sup> November, 2016.

### INTENT AND OBJECTIVE

The intent of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend, etc.

The objective of the Dividend Distribution Policy of the Company is to reward its shareholders by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Company. This policy aims to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company.

Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans. This Policy will also regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions Contained in Companies Act, 2013 read with the applicable Rules framed thereunder, as may be in force for the time being.

This Policy intends to act as a guiding tool to the Board for taking decision whether to distribute or to retain its profits, in the best interest of the stakeholders. It should not be construed as an alternative to the decision making process of the Board, which is based on careful consideration of several factors and circumstances. This Policy endeavours for fairness, consistency and sustainability while distributing profits to the shareholders.

### CATEGORIES OF DIVIDEND AND PROCESS FOR APPROVAL

The Companies Act provides for two Types of Dividend namely Interim dividend and Final Dividend. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company.

#### Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

#### Process for approval of Payment of Final Dividend:

- Board shall recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy based on the profits arrived at as per the audited financial statements.
- Dividend as recommended by the Board shall be approved/ declared at the annual general meeting of the Company.
- Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.

#### Interim dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial statements. This would be in order to supplement the annual dividend or in exceptional circumstances.

#### Process for approval of Payment of Interim Dividend:

- Board may declare Interim Dividend at its complete discretion, one or more times in a financial year in line with this Policy based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items.
- Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.
- Interim dividend paid during the year shall be confirmed in the annual general meeting, held after the payment of the same.

## DIVIDEND GUIDELINE

The Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, available cash flow, Capex requirements and applicable taxes. Distribution of dividend in kind, i.e. by way of issue of fully or partly paid bonus shares or other securities shall be subject to applicable law.

In the event of inadequacy or absence of profits in any year, the Company may declare dividend out of surplus subject to the fulfilment of conditions specified under the Companies Act, 2013 and rules made thereunder, including any amendment/modifications thereto.

Payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

Preference Shareholders shall be entitled and paid dividend at the fixed rate as per the terms of issue. In case of the Cumulative Preference Shares, if the Company is not having distributable profits for any certain financial year or the Company is not able to pay the dividend, then this shall be accumulated and be paid later on. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

## RELEVANT FACTORS FOR CONSIDERATION WHILE DECLARING DIVIDEND

The decision regarding dividend pay-out is a crucial one as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained by the Company for its business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Board shall consider the following factors while deciding the dividend pay-out:

### Internal Factors:-

#### a. Profits earned during the year

The profits earned during a financial year is the foremost criteria which impacts dividend pay-out decision.

#### b. Present & future liquidity requirements of the existing businesses

Availability of adequate operating cash flow is necessary for a business to meet its financial obligations and for running its day-to-day operations. This may impact the Board's decision to declare dividend or retain its profits.

#### c. Expansion/Modernization of existing businesses

In addition to plough back of earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital stock, including any major capital expenditure proposals.

#### d. Brand/ Business Acquisitions

Acquisition of brands and businesses, increasing expenditure on marketing, advertising and brand building

in the long-run will also influence the Board's decision of declaration of dividend.

#### e. Additional investments in subsidiaries/associates of the Company

The Company operates in various areas through subsidiaries/ associates and continuously needs to make investments therein. Capital requirements of these entities for expansion and operations also need to be assessed by the Board.

#### f. Fresh investments into external businesses

The Company is continuously exploring the possibility of establishing its foot-prints overseas in order to secure availability of resources in the long-run. This may lead to substantial capital requirements and may impact dividend distribution.

#### g. Cost of borrowings

Cost of funds raised/ to be raised from bankers, lending institutions or through issuance of debt securities vis-à-vis ploughing back of profits also needs to be considered while deciding dividend payment.

#### h. Obligations towards creditors

The Company needs to maintain adequate liquidity to be able to fulfil its obligations towards its creditors within the agreed time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

#### i. Post dividend EPS

Post dividend EPS tends to have substantial impact on market capitalisation and the same also needs to be considered before declaring dividend.

#### j. Past dividend pay-out

Track record of dividend pay-out in the past and its trend also tends to impact dividend distribution decision.

### External Factors:-

Many external factors act as determinants for the amount of dividend proposed to be declared. In such conditions, the Board shall exercise its discretion after due consideration of such factors:

#### a. State of Economy

In case of uncertain or recessionary economic and business conditions, whether in the National or International markets, Board will endeavour to retain larger part of profits to have adequate reserves to absorb unforeseen and adverse circumstances.

#### b. Capital Markets

When the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

#### c. Taxation and Statutory Restrictions

The Board shall consider the tax regulations in respect of Dividend distribution together with restrictions imposed by any statute, including the Companies Act, with regard

to declaration of dividend as may be applicable at the time of declaration of dividend. Changes in policies of the Government with respect to dividend may also impact dividend distribution.

### **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The Equity Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing all expenses, depreciation, etc. and complying with all other applicable statutory requirements. The decision of dividend payout shall, majorly be based on the factors discussed above considering the balanced interest of the shareholders and the Company.

The shareholders of the Company may not expect dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions of business/brand/company or joint ventures requiring significant allocation of capital.
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

### **DIVIDEND RANGE**

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavour to maintain a per-share minimum dividend pay-out at the rate of 100% (excluding applicable tax on dividend distribution) of face value of equity shares of the Company,

subject to an aggregate maximum pay-out of 25% (including applicable tax on dividend distribution) of distributable profit for the particular year.

The upper limit of dividend will inter alia depend upon available free cash flow generated during the particular financial year.

As mentioned above, for computing the distributable profits for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) other Comprehensive Income (iv) one off charges on account of change in law or rules or accounting policies or accounting standards (v) provisions or write offs on account of impairment in investments (long term or short term) (vi) non-cash charges pertaining to amortisation or ESOP or resulting from change in accounting policies or accounting standards. Further, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision including declaring a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

### **UTILIZATION OF RETAINED EARNINGS**

The Company always looks forward to deliver maximum to its shareholders by consistently working towards creating a balance between overall Wealth Maximization and Earnings per share. Thus the retained earnings of Company after declaration of dividend (if any), shall be utilized in the manner as considered appropriate by the Board.

### **PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

Since the company has issued only one class of equity shares with equal voting rights, all the members of the company are entitled to the same dividend per share.

### **REVIEW AND AMENDMENT**

This Policy will be reviewed periodically by the Board. Alternatively, the Chairman or the Managing Director of the Company shall be jointly/severally authorised to review and amend the Policy, to give effect to any change/amendment required in terms of any applicable law. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

## Annexure-7

# Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company.
- Century Plyboards (India) Ltd. engages in a variety of initiatives with the goal of empowering communities to make an impact in three focus areas of education and skills, health and wellbeing and environmental sustainability. Centuryply has always been conscious of its social responsibilities and the environment in which it operates. The Company has, over the years, contributed substantially for development in the field of health, education, culture and other welfare measures to improve the general standards of living in and around its works. The CSR policy encompasses the Company's philosophy for giving back to society as a corporate citizen. The Company takes up programmes that benefit the communities over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- CSR activities in the Company are carried out by the Company directly and also by way of contribution / donation to Organizations, Specialized Agencies, Trusts and institutions as may be permitted under the applicable laws from time to time.
- The Company recognizes education and health-care as the two main building blocks of any nation and considers the same as priority areas for its CSR activities.

2. Composition of the CSR Committee (as on 31<sup>st</sup> March, 2023)

| Sl. No. | Name of Director                                      | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---|--------------------------------------|--|--|
| 1.      | Sri Sajjan Bhajanka                                   | Chairman                             | 1  | 1  |
| 2.      | Sri Rajesh Kumar Agarwal                              | Member                               | 1  | 1  |
| 3.      | Sri Sunil Mitra<br>(till 16 <sup>th</sup> May, 2022)  | Member                               | 1  | 1  |
| 4.      | Sri Probir Roy<br>(w.e.f. 16 <sup>th</sup> May, 2022) | Member                               | 1  | NA   |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
- Web-link for composition of the CSR Committee of the Company:  
[https://www.centuryply.com/investor-information/Board\\_and\\_Committee\\_Structure.pdf](https://www.centuryply.com/investor-information/Board_and_Committee_Structure.pdf)  
 (Composition as on 31<sup>st</sup> March, 2023)  
 Web-link for CSR Policy of the Company:  
<https://www.centuryply.com/codes-policies/Policy-on-Corporate-Social-Responsibility.pdf>  
 Web-link for CSR projects as approved by the Board for the Financial Year 2023-24:  
<https://www.centuryply.com/corporate-social-responsibility/annual-action-plan/CSR-Annual-Action-Plan-2023-24.pdf>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable
- Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
| 1.      | 2020-21        | -----   | -----  |
| 2.      | 2021-22        | 71,03,544   | -----  |
| 3.      | 2022-23        | 7,61,601  | -----  |
|         | <b>TOTAL</b>   | <b>78,65,145</b>  | -----  |

6. Average net profit of the company as per Section 135(5). ₹34624.41 Lac
7. (a) Two percent of average net profit of the company as per section 135(5) ₹692.49 Lac
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off for the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹692.49 Lac

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹)  |                   |  |         |                   |
|---|--|-------------------|--|---------|-------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                   |
|   | Amount.  | Date of transfer. | Name of the Fund   | Amount. | Date of transfer. |
| 747.26 Lac  | --   | --                | --   | --      | --                |

- (b) Details of CSR amount spent against **ongoing projects** for the financial year: **NIL**

| (1)     | (2)                  | (3)  | (4)                  | (5)                      |           | (6)               | (7)                                      | (8)  | (9)   | (10)                                    | (11)   |                          |
|---------|----------------------|--|----------------------|--------------------------|-----------|-------------------|--|--|---|---|--|--------------------------|
| Sl. No. | Name of the Project. | Item from the List of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. |           | Project duration. | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation Direct (Yes/No). | Mode of Implementation Through Implementing Agency |                          |
|         |                      |  |                      | State.                   | District. |                   |  |  |   |   | Name   | CSR Registration number. |
| 1.      | --                   | --   | --                   | --                       | --        | --                | --                                       | --   | --  | --                                      | --   | --                       |
| --      | --                   | --   | --                   | --                       | --        | --                | --                                       | --   | --  | --                                      | --   | --                       |
| --      | --                   | --   | --                   | --                       | --        | --                | --                                       | --   | --  | --                                      | --   | --                       |
|         | TOTAL                |  |                      |                          |           |                   |  |  |   |   |  |                          |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

| (1)<br>Sl No. | (2)<br>Name of the Project  | (3)<br>Item from the list of activities in Schedule VII to the Act.  | (4)<br>Local area (Yes/No). | (5)<br>Location of the project.      |                   | (6)<br>Amount spent for the project (in ₹). | (7)<br>Mode of implementation Direct (Yes/No). | (8)<br>Mode of implementation Through implementing agency. |                          |
|---------------|---|--|-----------------------------|--------------------------------------|-------------------|---|--|--|--------------------------|
|               |   |  |                             | State.                               | District.         |   |  | Name.  | CSR Registration number. |
| 1.            | Improving literacy among the rural and tribal people in India to achieve economic development by educating and training them and creating awareness about their rights; Providing non-formal primary education through One Teacher; Running of Libraries and providing reading room facilities to general public. | Clause (ii)-promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project | Yes                         | West Bengal                          | Kolkata           | 3,68,94,663                                 | No   | Udayan Care  | CSR00000619              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Morning Glory School                                       | CSR00007090              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Shree Burra Bazar Kumar Sabha Pustakalaya                  | CSR00000334              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Vidyarthi Vikash   | CSR00011495              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Ek Tara  | CSR00004075              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Tagore Foundation School Kolkata                           | CSR00007876              |
|               |   |  | Yes                         | West Bengal                          | South 24 Parganas |   | No   | Help Us Help Them  | CSR00002874              |
|               |   |  | No                          | Punjab                               | Hoshiarpur        |   | No   | Ashadeep Welfare Society                                   | CSR00012595              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Debanjan Sen Foundation                                    | CSR00014735              |
|               |   |  | No                          | Assam                                | Kamrup            |   | No   | Parly Nowapara Free Education Center (Cent Ply)            | N.A.                     |
|               |   |  | No                          | Assam                                | Kamrup            |   | No   | Rani Free Coaching Centre (Cent Ply)                       | N.A.                     |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Vidya Bharti Vikash Parishad                               | CSR00002113              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Kalyan Bharti Trust  | CSR00042031              |
|               |   |  | No                          | Assam                                | Kamrup            |   | Yes  | Sewing School (Palasbari Paridhan kendra & Manpur)         | N.A.                     |
|               |   |  | Yes                         | West Bengal                          | Howrah (S)        |   | No   | Keshav Seva Kendra   | CSR00014460              |
|               |   |  | No                          | Odisha                               | Rourkela          |   | No   | Vanvasi Kalyan Ashram                                      | CSR00028454              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Friends of Tribals Society                                 | CSR00001898              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Gaudiya Mission  | CSR00018891              |
|               |   |  | No                          | New Delhi                            | South Delhi       |   | No   | Help Care society  | CSR00008265              |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Future Hope India  | CSR00007351              |
|               |   |  | No                          | Assam                                | Kamrup            |   | Yes  | Renovation of Library                                      | N.A.                     |
|               |   |  | No                          | Assam                                | Kamrup            |   | Yes  | Distribution of ceiling fan to education centre            | N.A.                     |
|               |   |  | Yes                         | West Bengal                          | Kolkata           |   | No   | Katakhalī Swapnopuran Welfare Society                      | CSR00000352              |
| No            | Rajasthan   | Chittorgarh  | No                          | Donation of Tractor to Sainik School | N.A.              |   |  |  |                          |
| No            | Assam   | Kamrup   | Yes                         | Renovation of education centre       | N.A.              |   |  |  |                          |
| Yes           | West Bengal   | Purba Medinipur  | No                          | Kurpai Unnayani Society              | CSR00011072       |   |  |  |                          |

| (1)<br>Sl<br>No. | (2)<br>Name of the Project  | (3)<br>Item from the list<br>of activities in<br>Schedule VII to<br>the Act.   | (4)<br>Local<br>area<br>(Yes/<br>No). | (5)<br>Location of the project. |                 | (6)<br>Amount<br>spent<br>for the<br>project<br>(in ₹). | (7)<br>Mode of<br>implementation<br>Direct<br>(Yes/No). | (8)<br>Mode of implementation<br>Through implementing agency. |                                |
|------------------|---|--|---------------------------------------|---------------------------------|-----------------|---|---|---|--------------------------------|
|                  |   |  |                                       | State.                          | District.       |   |   | Name.   | CSR<br>Registration<br>number. |
|                  |   |  | No                                    | Assam                           | Kamrup          |   | No  | Kalyan Ashram<br>Assam  | CSR00016785                    |
|                  |   |  | No                                    | Assam                           | Kamrup          |   | No  | Seva Bharati<br>Purbanchal                                    | CSR00004021                    |
| 2.               | Promoting humanitarian principles and values; Health and Care in the Community; Running and maintenance of Hospitals, offering medical and surgical services to the ailing, and especially, the underprivileged section of the society; Supporting blood banks, HIV/ AIDS programmes; maternity, child and family welfare, nursing etc. | Clause (i)- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. | Yes                                   | West Bengal                     | Kolkata         | 2,24,10,348   | No  | Can Kids-Cancer Patients                                      | CSR00000341                    |
|                  |   |  | Yes                                   | West Bengal                     | Howrah (N)      |   | No  | Shree Ram Seva Samity Trust                                   | CSR00012967                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Institute of Cerebral Palsy                                   | CSR00001730                    |
|                  |   |  | Yes                                   | West Bengal                     | Purba Medinipur |   | No  | Kurpai Unnayani Society                                       | CSR00011072                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Marwari Relief Society  | CSR00006109                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Nagrik Swasthya Sangh   | CSR00002886                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Shree Manav Seva Trust  | CSR00011270                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Manav Seva Trust  | CSR00018898                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Purvanchal Kalyan Ashram                                      | CSR00002322                    |
|                  |   |  | Yes                                   | Tamil Nadu                      | Krishnagiri     |   | No  | Vivekananda Yoga Anusandhana Samsthana                        | CSR00021706                    |
|                  |   |  | Yes                                   | West Bengal                     | Howrah (S)      |   | No  | Dr Bholanath Chakravarty Memorial Trust                       | CSR00014755                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Shree Vishudanand Hospital                                    | CSR00003771                    |
|                  |   |  | No                                    | Assam                           | Kamrup          |   | Yes   | Distribution of fans, chairs, etc. to Community Health Centre | N.A.                           |
|                  |   |  | No                                    | Uttar Pradesh                   | Noida           |   | No  | Vision Mission Foundation                                     | CSR00030942                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Calcutta Centre Mahavir Seva Sadan                            | CSR00000949                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | Yes   | Eye testing machine for Nagarik Swasthya Sangha               | N.A.                           |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | Yes   | Shree Vishudhanand Saraswati Marwari Hospital                 | CSR00001804                    |
|                  |   |  | No                                    | Assam                           | Kamrup          |   | No  | Nutritional support to TB patients                            | N.A.                           |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | Yes   | Bhukailash Welfare Centre                                     | CSR00016570                    |
|                  |   |  | Yes                                   | West Bengal                     | Kolkata         |   | No  | Mosquito net distribution                                     | N.A.                           |

| (1)<br>Sl No. | (2)<br>Name of the Project   | (3)<br>Item from the list of activities in Schedule VII to the Act.  | (4)<br>Local area (Yes/No). | (5)<br>Location of the project. |                   | (6)<br>Amount spent for the project (in ₹). | (7)<br>Mode of implementation Direct (Yes/No). | (8)<br>Mode of implementation Through implementing agency. |                          |
|---------------|--|--|-----------------------------|---------------------------------|-------------------|---|--|--|--------------------------|
|               |  |  |                             | State.                          | District.         |   |  | Name.  | CSR Registration number. |
| 3.            | Protecting Environment; Maintenance of burning ghats; Animal Welfare     | Clause (iv)- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. | Yes                         | West Bengal                     | North 24 Parganas | 1,53,20,729                                 | No   | Calcutta Pinjrapole Society                                | CSR00007320              |
|               |  |  | Yes                         | West Bengal                     | Kolkata           |   | No   | Central Kolkata Prerna Foundation                          | CSR00007631              |
|               |  |  | No                          | Uttar Pradesh                   | Mathura           |   | No   | Friends of Vrindaban                                       | CSR00006386              |
|               |  |  | No                          | Punjab                          | Hoshiarpur        |   | Yes  | Tree Plantation  | N.A.                     |
|               |  |  | Yes                         | West Bengal                     | Kolkata           |   | No   | Agri- horticulture Society of India                        | CSR00010329              |
| 4.            | Reducing inequalities faced by socially and economically backward groups | Clause (iii)- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.                                     | No                          | New Delhi                       | South West Delhi  | 1,00,000                                    | No   | Armed Forces Flag Day Fund Kendriya Sainik Board           | CSR00011199              |
| <b>TOTAL</b>  |  |  |                             |                                 |                   | <b>7,47,25,740</b>                          |  |  |                          |

- (d) Amount spent in Administrative Overheads Nil
- (e) Amount spent on Impact Assessment, if applicable Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹747.26 Lac
- (g) Excess amount for set off, if any

| Sl. No. | Particular  | Amount (in ₹) |
|---------|---|---------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 692.49 Lac    |
| (ii)    | Total amount spent for the Financial Year   | 747.26 Lac    |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 54.77 Lac     |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil           |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 54.77 Lac     |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the Reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                 |                   | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|--------------------------|--|--|--|-----------------|-------------------|--|
|         |                          |  |  | Name of the Fund   | Amount (in Rs). | Date of transfer. |  |
| 1.      | 2019-20                  | Nil  | Nil  | Nil  | Nil             | Nil               | Nil  |
| 2.      | 2020-21                  | Nil  | Nil  | Nil  | Nil             | Nil               | Nil  |
| 3.      | 2021-22                  | Nil  | Nil  | Nil  | Nil             | Nil               | Nil  |
|         | <b>TOTAL</b>             | <b>Nil</b>   | <b>Nil</b>   | <b>Nil</b>   | <b>Nil</b>      | <b>Nil</b>        | <b>Nil</b>   |

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NIL**

| (1)     | (2)          | (3)                  | (4)  | (5)               | (6)  | (7)  | (8)  | (9)   |
|---------|--------------|----------------------|--|-------------------|--|--|--|---|
| Sl. No. | Project ID.  | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the Project (in ₹). | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of Reporting Financial Year. (in ₹) | Status of the project – Completed /Ongoing. |
| 1.      | --           | --                   | --   | --                | --   | --   | --   | --  |
| 2.      | --           | --                   | --   | --                | --   | --   | --   | --  |
| 3.      | --           | --                   | --   | --                | --   | --   | --   | --  |
|         | <b>TOTAL</b> | --                   | --   | --                | --   | --   | --   | --  |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

**Sanjay Agarwal**  
CEO and Managing Director  
Kolkata, 4<sup>th</sup> August, 2023

**Sajjan Bhajanka**  
Chairman- CSR Committee

## Annexure- 8

# Business Responsibility & Sustainability Reporting

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the Company

|    |  |  |
|----|--|--|
| 1  | Corporate Identity Number (CIN) of the Listed Entity   | L20101WB1982PLC034435  |
| 2  | Name of the Listed Entity  | Century Plyboards (India) Ltd. [CPIL]  |
| 3  | Year of Incorporation  | 1982   |
| 4  | Registered office address  | P-15/1, Taratala Road, Kolkata- 700 088  |
| 5  | Corporate address  | CENTURY HOUSE, P-15/1, Taratala Road, Kolkata - 700 088  |
| 6  | E-mail   | investors@centuryply.com   |
| 7  | Telephone  | +91 33 3940 3950   |
| 8  | Website  | www.centuryply.com   |
| 9  | The financial year for which reporting is being done   | 2022-2023  |
| 10 | Name of the Stock Exchange(s) where shares are listed  | National Stock Exchange of India Ltd. and BSE Ltd  |
| 11 | Paid-up Capital  | ₹22,21,72,990 (Excluding forfeited capital of ₹3,54,250)   |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report | Sri Sundeep Jhunjhunwala Designation – Company Secretary & Compliance Officer<br>Phone - 033-3940 3950<br>Email - investors@centuryply.com |
| 13 | Reporting boundary   | Standalone basis   |

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover) -

| Sl. No. | Description of Main Activity | Description of Business Activity                             | % Of Turnover of the Entity |
|---------|------------------------------|--|-----------------------------|
| 1.      | Manufacturing                | Wood and wood products, furniture, paper, and paper products | 100                         |

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover) -

| S. No. | Product/Service       | NIC Code | % Of total turnover contributed |
|--------|-----------------------|----------|---------------------------------|
| 1.     | Plywood & Veneer; MDF | 1621     | 73.25%                          |
| 2.     | Laminate              | 1709     | 18.16%                          |

#### III. Operations

##### 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 10*              | 27**              | 37    |
| International | 4*               | 1                 | 5     |

\*CPIL has 10 manufacturing facilities in India (including one facility under its Subsidiary at Roorkee and 2 Container Freight Stations at Kolkata). The Company has its subsidiaries in 4 international locations.

\*\*Includes registered office in Kolkata and 26 marketing offices across the country supported by 40 depots/warehouses/showrooms (including 10 regional distribution centres).

**17. Markets served by the entity:****a. Number of locations**

| Locations                        | Number   |
|----------------------------------|--|
| National (No. of States)         | 28 States and 7 Union Territories and 532 districts (through dealers and e-commerce selling)   |
| International (No. of Countries) | CPIL exports its products to 14 countries including Indonesia, Singapore, Mexico, Bangkok, USA, Venezuela, Bangladesh, Israel, Vietnam, and Puerto Rico. |

**b. What is the contribution of exports as a percentage of total turnover of the entity?**

4.16%

**c. A brief on types of customers**

CPIL is a leading manufacturer of plywood, decorative laminates, and other allied products. The Company caters to a diverse range of customers including builders, architects, contractors, interior designers, furniture manufacturers and end consumers. CPIL's base is spread across India and abroad and it serves both the retail and institutional segments. The retail segment includes individual customers, small retailers, dealers and sub-dealers, and distributors while the institutional segment comprises corporate clients, government agencies, and other large-scale buyers. The Company has a trade network of around 18,000 dealers and retailers.

Furthermore, CPIL has a strong presence in the export market and caters to customers across Asia, Europe, Africa, and the Middle East. The Company has built a reputation for providing high-quality products and services to its customers, and its focus on customer satisfaction has helped it maintain long-term relationships with many of its clients.

**IV. Employees****18. Details as at the end of Financial Year i.e.****a. Employees and workers (including differently abled) \*-**

| S. No.           | Particulars              | Total (A) | Male    |         | Female  |         |
|------------------|--------------------------|-----------|---------|---------|---------|---------|
|                  |                          |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>Employees</b> |                          |           |         |         |         |         |
| 1.               | Permanent (D)            | 3,169     | 3,082   | 97%     | 87      | 3%      |
| 2.               | Other than Permanent (E) | -         | -       | -       | -       | -       |
| 3.               | Total employees (D + E)  | 3,169     | 3,082   | 97%     | 87      | 3%      |
| <b>Workers</b>   |                          |           |         |         |         |         |
| 4.               | Permanent (F)            | 3,797     | 3,545   | 93%     | 252     | 7%      |
| 5.               | Other than Permanent (G) | 4,803     | 4,625   | 96%     | 178     | 4%      |
| 6.               | Total workers (F + G)    | 8,600     | 8,170   | 95%     | 430     | 5%      |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023**b. Differently abled Employees and workers\* -**

| S. No.                             | Particulars                               | Total (A) | Male    |         | Female  |         |
|------------------------------------|---|-----------|---------|---------|---------|---------|
|                                    |   |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>Differently abled employees</b> |   |           |         |         |         |         |
| 1.                                 | Permanent (D)                             | -         | -       | -       | -       | -       |
| 2.                                 | Other than Permanent (E)                  | -         | -       | -       | -       | -       |
| 3.                                 | Total differently abled employees (D + E) | -         | -       | -       | -       | -       |
| <b>Differently abled workers</b>   |   |           |         |         |         |         |
| 4.                                 | Permanent (F)                             | 11        | 11      | 100%    | -       | -       |
| 5.                                 | Other than permanent (G)                  | 1         | 1       | 100%    | -       | -       |
| 6.                                 | Total differently abled workers (F + G)   | 12        | 12      | 100%    | -       | -       |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**19. Participation/Inclusion/Representation of women\* -**

| Particulars              | Total (A) | No. and the percentage of females |         |
|--------------------------|-----------|-----------------------------------|---------|
|                          |           | No. (B)                           | % (B/A) |
| Board of Directors       | 16        | 2                                 | 12.5%   |
| Key Management Personnel | 10        | 1                                 | 10%     |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**20. Turnover rate for permanent employees and workers\*-**

|                     | FY 23 |        |       | FY 22 |        |       | FY 21 |        |       |
|---------------------|-------|--------|-------|-------|--------|-------|-------|--------|-------|
|                     | Male  | Female | Total | Male  | Female | Total | Male  | Female | Total |
| Permanent Employees | 29%   | 21%    | 29%   | 22%   | 16%    | 22%   | 12%   | 6%     | 12%   |
| Permanent Workers   | 18%   | 12%    | 18%   | 18%   | 6%     | 17%   | 15%   | 7%     | 14%   |

\* Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**V. Holding, Subsidiary and Associate companies (including joint ventures)**
**21. a. Name of the holding / subsidiary / associate companies / joint ventures\* –**

| S No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity |
|-------|---|--|-----------------------------------|
| 1.    | Auro Sundram Ply & Door Pvt. Ltd.   | Subsidiary   | 51%                               |
| 2.    | Ara Suppliers Pvt. Ltd.   | Subsidiary   | 80%                               |
| 3.    | Arham Sales Pvt. Ltd.   | Subsidiary   | 80%                               |
| 4.    | Adonis Vyaper Pvt. Ltd.   | Subsidiary   | 80%                               |
| 5.    | Apnapan Viniyog Pvt. Ltd.   | Subsidiary   | 80%                               |
| 6.    | Century MDF Ltd.  | Subsidiary   | 100%                              |
| 7.    | Century Infotech Ltd.   | Subsidiary   | 99.99%                            |
| 8.    | Century Panels Ltd  | Subsidiary   | 100%                              |
| 9.    | Century Infra Ltd.  | Subsidiary   | 100%                              |
| 10.   | Century Ports Ltd.  | Subsidiary   | 100%                              |
| 11.   | Century Ply (Singapore) Pte Ltd.  | Subsidiary   | 90.68%                            |
| 12.   | Century Gabon SUARL   | Subsidiary   | 100%                              |
| 13.   | Centuryply Myanmar Pvt. Ltd.*   | Subsidiary   | 100%*                             |
| 14.   | Asis Plywood Ltd.   | Step Down Subsidiary   | 100%                              |
| 15.   | Century Adhesives & Chemicals Ltd.  | Step Down Subsidiary   | 100%                              |
| 16.   | Century Ply Laos Co. Ltd.   | Step Down Subsidiary   | 90%                               |
| 17.   | Century Huesoulin Plywood Lao Co., Ltd                                      | Step Down Subsidiary   | 51%                               |

\*Subsidiary till 28<sup>th</sup> February, 2023

**Do the entities indicated in the column A of the above table participate in the Business Responsibility initiatives of the listed entity? (Yes/No)**

No

**VI. CSR details**
**22. i. Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No) : Yes**

In accordance with CPIL's Corporate Social Responsibility Policy and Schedule VII of the 2013 Companies Act, 2013 the Company directly and through implementing agencies undertakes its CSR activities in the areas of education, health care, disaster aid, animal welfare, women's sports, and environmental sustainability (plantation and green initiatives). Further details on CSR expenditure of the Company are mentioned in the Annual report on CSR Activities (Annexure '7' of the Board's Report).

ii. Turnover: ₹3620.65 Cr. (FY 2022-23)

iii. Net worth: ₹1894.29 Cr. (FY 2022-23)

## VII. Transparency and Disclosures Compliances

### 23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy) | FY 23                                      |  |         | FY 22                                      |  |  |
|---|---|--|--|---------|--|--|--|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks  |
| Communities                                       | Yes   | -  | -  | None    | -  | -  | CPIL has a CSR Team which engages in in- person discussion with its network of NGGO partners and community members to resolve the grievances, if any.  |
| Investors (other than shareholder)                | Yes, Weblink: <a href="https://www.centuryply.com/investors">https://www.centuryply.com/investors</a>           | -  | -  | None    | 3  | -  | None   |
| Shareholders                                      | Yes, Weblink: <a href="https://www.centuryply.com/investors">https://www.centuryply.com/investors</a>           | -  | -  | None    | -  | -  | None   |
| Employees And workers                             | Yes   | 17   | -  | None    | 8  | -  | Employees and workers report their concerns either verbally or in writing to the Human Resources (HR) department of respective facilities or the head office HR, as the case may be. For Example, CPIL Joka facility maintains a grievance register to record and resolve cases within a maximum time limit of 48 hours from its registration. |
| Customers   | Yes, <a href="https://www.centuryply.com/contact-us">https://www.centuryply.com/contact-us</a>                  | 3,002                                      | 61   | None    | 2,057                                      | 55   | None   |
| Suppliers   | Yes, <a href="https://www.centuryply.com/contact-us">https://www.centuryply.com/contact-us</a>                  | -  | -  | None    | -  | -  | None   |
| Wholesale traders                                 | Yes, <a href="https://www.centuryply.com/contact-us">https://www.centuryply.com/contact-us</a>                  | -  | -  | None    | -  | -  | None   |

### 24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues about environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, along-with its financial implications as per the following format:

| S. No | Material issue identified | Indicate whether risk or opportunity | The rationale for identifying the risk / opportunity   | In Case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate Positive/ Negative Implications) |
|-------|---------------------------|--------------------------------------|--|--|--|
| 1.    | Chemical Management       | Risk                                 | Improper management of chemicals like formaldehyde can lead to health hazards for the employees and workers as well as environmental hazards | <ul style="list-style-type: none"> <li>Use of turbo air ventilators to maintain fresh air circulation inside plant sheds, installation of exhaust fans near chemical working areas</li> <li>Decrease in chemicals consumed per kg of product produced</li> </ul> | Negative   |

| S. No | Material issue identified                  | Indicate whether risk or opportunity | The rationale for identifying the risk / opportunity  | In Case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate Positive/Negative Implications) |
|-------|--|--------------------------------------|---|--|---|
| 2.    | Sustainable forest / Plantation Management | Opportunity                          | Sustainable plantation-sourced timber is an opportunity to meet the growing demand for wood products while also promoting the conservation of natural resources, mitigating climate change, and supporting sustainable livelihoods for communities dependent on forest resources              | Not Applicable   | Positive  |
| 3.    | Climate Change- Energy and GHG Emissions   | Risk                                 | Rising temperatures can pose physical risks like floods, forest fires etc., posing risk to raw material availability for the industry. Also, increasing stringent regulations for adaptation of renewable energy and volatile energy costs can make energy availability and cost risk to CPIL | <ul style="list-style-type: none"> <li>• Installation of renewable energy captive power plants (Solar) in all facilities</li> <li>• Use of biomass feed in Thermic Fluid Heaters (TFH)</li> <li>• Integration of technology for reduction of energy intensity in the production process</li> <li>• Auto controlled streetlights and timed switches</li> </ul>  | Negative  |
| 4.    | Product Stewardship                        | Opportunity                          | Opportunity to approach the new market that caters to impactful, innovative products  | Not Applicable   | Positive  |
| 5.    | Resource Efficiency                        | Opportunity                          | Cost efficiency in addition to reducing GHG emissions and increasing process efficiency   | Not Applicable   | Positive  |
| 6.    | Responsible Supply Chain                   | Risk                                 | The risk of sourcing from suppliers or vendors with unethical business misconduct like child labour, forced labour, inadequate environmental compliances etc. will impact the values and brand image of the Company   | <ul style="list-style-type: none"> <li>• CPIL procures multiple raw material types for its production activities including timber, core veneer, chemicals, paper etc. Out of which core veneer and timber constitute nearly 70% of the total procurement. For such major raw materials, CPIL is already undertaking efforts for backward integration to ensure traceability and accountability in across the supply chain and prevent unethical business practices by suppliers. Further, during the supplier onboarding process, CPIL assess all potential suppliers on their compliance related to multiple parameters including ESG.</li> </ul> | Negative  |

| <b>S. No</b> | <b>Material issue identified</b>      | <b>Indicate whether risk or opportunity</b> | <b>The rationale for identifying the risk / opportunity</b>  | <b>In Case of risk, approach to adapt or mitigate</b>  | <b>Financial implications of the risk or opportunity (Indicate Positive/Negative Implications)</b> |
|--------------|---------------------------------------|---|--|--|--|
| 7.           | Waste Management and Circular Economy | Opportunity                                 | Opportunity to achieve cost savings by reuse of waste materials as raw materials and as energy carriers  | Not Applicable   | Positive   |
| 8.           | Water and Effluent Management         | Risk  | Future risks arising from India being identified as a water risk region, cost of water may rise with time and water availability may serve as a problem  | <ul style="list-style-type: none"> <li>• Installation of rainwater harvesting stations</li> <li>• ETPs and STPs ensure the complete reuse of water from the operations"</li> </ul> | Negative   |
| 9.           | Community Welfare                     | Opportunity                                 | Opportunity to give back to the communities located around the operations and ensure their welfare and livelihood development  | Not Applicable   | Positive   |
| 10.          | Human Rights                          | Opportunity                                 | Opportunity for the Company to embrace and promote human rights principles, build trust and enhance company reputation, gain a competitive edge, attract socially conscious consumers, and contribute to a more equitable and sustainable world.   | Not Applicable   | Positive   |
| 11.          | Employee Management                   | Opportunity                                 | Opportunity to create a positive impact in employees' work-life balance, health & wellbeing and meet overall expectations of their growth in the company. Efforts to recruit, nurture and retain talent, provide equal opportunity and build a safe working environment are ways to effective employee management. | Not Applicable   | Positive   |
| 12.          | Occupational Health & Safety (OHS)    | Risk  | Risk of fatalities and adverse effects on employee health and well-being, with both permanent and temporary consequences   | <ul style="list-style-type: none"> <li>• Frequent OHS training drills</li> <li>• Maintenance and provision of necessary health and safety measures in the operations</li> </ul>    | Negative   |

| S. No | Material issue identified | Indicate whether risk or opportunity | The rationale for identifying the risk / opportunity   | In Case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate Positive/Negative Implications) |
|-------|---------------------------|--------------------------------------|--|--|---|
| 13.   | Corporate Governance      | Opportunity                          | Opportunity for the company to achieve its goals, make sound decisions, control risk and ensure compliance. Good corporate governance refers to set of rules, controls, policies and resolutions put in place to direct corporate behaviour and define the relationship between the stakeholders and company management. | Not Applicable                                 | Positive  |
| 14.   | Customer Centricity       | Opportunity                          | Opportunity to enable better business and better relationships with the customers by focusing on customer requirements and expectations  | Not Applicable                                 | Positive  |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

|    |  |
|----|--|
| P1 | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable            |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe  |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains                       |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders  |
| P5 | Businesses should respect and promote human rights   |
| P6 | Businesses should respect, protect and make efforts to restore the environment   |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development   |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner   |

| Disclosure Questions   | P1   | P2   | P3  | P4  | P5  | P6             | P7  | P8  | P9  |
|--|--|--|---|-----|-----|----------------|-----|---|---|
| <b>Policy and management processes</b>   |  |  |   |     |     |                |     |   |   |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)  | Yes  | Yes  | Yes   | Yes | Yes | Yes            | Yes | Yes   | Yes   |
| b. Has the policy been approved by the Board? (Yes/No)   | Yes  | Yes  | Yes   | Yes | Yes | Yes            | Yes | Yes   | Yes   |
| c. Web link of the policies  | <a href="https://www.centuryply.com/codes-and-policies/BRS-Policy_CenturyPly.pdf">https://www.centuryply.com/codes-and-policies/BRS-Policy_CenturyPly.pdf</a>  |  |   |     |     |                |     |   |   |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)  | Yes  | Yes  | Yes   | Yes | Yes | Yes            | Yes | Yes   | Yes   |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)  | Yes  | Yes  | Yes   | Yes | Yes | Yes            | Yes | Yes   | Yes   |
| 4. Name the national and international codes/ certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | -  | Indian Standards (IS 5509), American Society for Testing Material (ASTM E84) | ISO 45001:2018 Indian Green Building Council (IGBC) | -   | -   | ISO 14001:2015 | -   | ISO 9001-2015 Carb-certified MDF, E0- certified MDF | Greengard FSC, British Standard. (BS476 Part 7) |
| 5. Specific commitments, goals and targets set by the entity with timelines if any.  | <ol style="list-style-type: none"> <li>The Company is committed to conducting its business in an environmentally responsible manner.</li> <li>CPIL is committed towards the preservation of human rights across the value chain.</li> <li>Commitment to ethical and transparent governance and business.</li> <li>Commitment to improving the lives of marginalized and vulnerable communities through its CSR practices.</li> </ol>   |  |   |     |     |                |     |   |   |
| 6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.   | <ol style="list-style-type: none"> <li>In alignment with the commitment to conduct business responsibly, CPIL consistently works to embed environmental sustainability. Timber logs being the Company's primary raw material, it makes constant endeavours to control the excessive consumption of resources and its associated negative impacts. The Company also resorts to sustainable procurement practices by obtaining almost ~98% of its raw material requirements through agro-forestry practices. CPIL's facilities consistently drives effort for optimal use of resources including reuse and recycling of its generated waste. The Company is currently generating waste wood which is recycled in-house to manufacture particle boards and MDF. Further, the waste wood that cannot be recycled is incinerated for use as fuel in boilers, replacing the use of conventional non-renewable fuels like coal. Other efforts such as, implementation of energy efficient equipment such as replacement of multiple Thermic Fluid Heaters (TFH) with a single high-capacity modern energy efficient TFH to save on fuel and reduce emission in multiple facilities, introduction of SAP inventory management to track chemical purchase and avoid over stocking have resulted in considerably energy and emission footprint.</li> <li>CPIL has incorporated the relevant guidelines on Human Rights within its BRSR policy and therein established the expectations of the Company from its stakeholders including the Business Channel Partners, Investors, and Contractors to uphold human rights values. Within its sphere of influence, the Company makes efforts to raise human rights awareness across their value chain. During the reporting period, no reports of human rights violations were received by CPIL.</li> <li>CPIL continues to follow the best practices as a part of its commitment to good corporate governance. For this, the Company has developed a Code of Conduct which intends to foster integrity and accountability across the organization and encompasses the Company's commitment to corporate social responsibility and sustainable development, occupational health, safety, inclusive workplace, transparency, and legal compliance.</li> </ol> |  |   |     |     |                |     |   |   |



**8. Details of the highest authority responsible for oversight of the Business Responsibility policy(ies).**

| Sl. No. | Particulars      | Details                  |
|---------|------------------|--------------------------|
| 1       | DIN Number       | 00246132                 |
| 2       | Name             | Sri Sanjay Agarwal       |
| 3       | Designation      | CEO & Managing Director  |
| 4       | Telephone number | 033 39403950             |
| 5       | E-mail ID        | investors@centuryply.com |

**9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.**

Yes, the Board level Risk Management Committee is responsible for decision-making on sustainability-related issues and overseeing Business Responsibility policy(ies). The following are the members of the Risk Management Committee of the Board.

- Sri Sanjay Agarwal, (Executive, Non-Independent Director, DIN 00246132)
- Sri Keshav Bhajanka (Executive, Non-Independent Director, DIN 03109701)
- Sri Debanjan Mandal (Non –executive, Independent Director, DIN 00469622)
- Sri Arun Kumar Julasaria (Chief Finance Officer)

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review  | Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee            | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
|---|--|--|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
|   |  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against the above policies and follow-up action   | Yes, the Board reviews the policy to ensure its effectiveness and alignment with the Company's objectives. |  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes, CPIL ensures compliance with all statutory requirements of relevance to the principles.               |  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |

**11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.**

| P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|
| The Company internally reviews their policies to identify any implementation gaps. Accordingly, appropriate corrective actions are taken. |    |    |    |    |    |    |    |    |

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATORS

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment                           | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % Of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|---|---|
| Board of Directors                | 1  | All BRSR principles   | 100%  |
| Key Managerial Personnel (KMP)    | 1  | All BRSR principles   | 100%  |
| Employees other than BOD and KMPs | 3  | OHS Human Rights Anti-bribery & Anti- corruption            | OHS - 81% Human Rights- 100% Anti-bribery & Anti-corruption – 100%      |
| Workers                           | 3  | OHS Human Rights Anti-bribery & Anti- corruption            | OHS - 54% Human Rights- 100% Anti-bribery & Anti-corruption – 100%      |

#### 2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format

|                 | Monetary  |                 |            |                   |  |
|-----------------|---|-----------------|------------|-------------------|--|
|                 | Name of the regulatory / enforcement agencies / judicial institutions | NGRBC Principle | Amount (₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine    |   |                 | Nil        |                   |  |
| Settlement      |   |                 | Nil        |                   |  |
| Compounding Fee |   |                 | Nil        |                   |  |

|              | Non-Monetary  |                 |                   |  |
|--------------|---|-----------------|-------------------|--|
|              | Name of the regulatory / enforcement agencies / judicial institutions | NGRBC Principle | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment |   |                 |                   | Nil                                    |
| Punishment   |   |                 |                   | Nil                                    |

#### 3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

During the reporting year, there were no cases reported by the entity or its directors or KMPs that resulted in fines/penalties/punishment/award/compounding fees/settlement amounts paid in proceedings with regulators/law enforcement agencies/judicial institutions.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
|              | Not Applicable  |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, CPIL has an anti-corruption and anti-bribery policy ([https://www.centuryply.com/codes-policies/Anti-Bribery\\_and\\_Anti-Corruption\\_Policy.pdf](https://www.centuryply.com/codes-policies/Anti-Bribery_and_Anti-Corruption_Policy.pdf)). The policy extends to senior managers, officers, directors, employees (including regular, fixed term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, agents, or any other person associated with us, or any of the Company's subsidiaries or their employees, wherever located.

The policy emphasizes on the Company's approach to ensure professionalism, fairness and integrity in all its business dealings and relationships.

The Policy provides necessary information and guidance on how to recognize and deal with bribery and corruption issues. The purpose of this policy is to establish clear rules to ensure compliance with all applicable Anti-Bribery and Anti-Corruption laws and to implement and enforce effective systems to counter bribery. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to or from any person, including officials in the private or public sector, customers and suppliers.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

|           | FY 23 | FY 22 |
|-----------|-------|-------|
| Directors | Nil   | Nil   |
| KMPs      | Nil   | Nil   |
| Employees | Nil   | Nil   |
| Workers   | Nil   | Nil   |

**6. Details of complaints regarding conflict of interest.**

|  | FY 23  |         | FY 22  |         |
|--|--------|---------|--------|---------|
|  | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of directors | Nil    |         | Nil    |         |
| Number of complaints received in relation to issues of conflict of interest of KMPs      | Nil    |         | Nil    |         |

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable - No charges of corruption or conflicts of interest were reported during the relevant period. The Company is committed to maintain the highest level of ethical standards in its business operations and expects the same from all its Directors, KMPs, Employees and Workers. Also, the company ensures prompt and appropriate corrective actions when such standards are breached.

## LEADERSHIP INDICATORS

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.**

Although formal awareness programs are not conducted, the Company communicates its commitment to business transparency and ethical practices to its value chain partners. CPIL engages with various stakeholders, including suppliers, distributors, employees, government, and other entities in the value chain to encourage them to conduct business in accordance with the BRSR principles. Regular communication with stakeholders is maintained to raise awareness about the Company's vision, mission, and values, and to communicate its environmental responsibilities. The company engages with community members mainly through its CSR activities and also discloses its initiatives, commitments, and performance to all value chain partners through the company website and multiple social media platforms.

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.**

Yes, the Company has in place a Policy on the Materiality of and dealing with Related Party Transactions and a Code of Conduct formulated and approved by the board (<https://www.centuryply.com/investors-new/codes-and-policies>). The policy aims to monitor and manage potential conflicts of interest by the directors, Key Management Personnel, shareholders and other designated persons of the Company.

In an event of a conflict of interest involving members of the board, the Audit Committee investigates and evaluates all options available to the Company. After a thorough investigation by the Committee on the facts and circumstances pertaining to the conflict of interest, action is taken as deemed appropriate.

In the reporting year, no material related party transactions that would have conflicted with the interests of the Company have occurred.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**ESSENTIAL INDICATORS**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|       | <b>FY 23</b> | <b>FY 22</b> | <b>Details of improvements in environmental and social impacts</b>   |
|-------|--------------|--------------|--|
| R&D   | INR 2,19,211 | INR 2,34,604 | The Company has not incurred any specific and material capital/recurring expenditure on research and development. Research and Development is carried out in-house using the existing manufacturing setup. The Company is a member of Indian Plywood Industries Research and Training Institute (IPIRTI) and has contributed INR 2,19,211 to it in FY 22-23. |
| Capex | -            | -            |  |

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company places a strong emphasis on incorporating sustainability into its procurement process. An effective inter-department communication mechanism embedded in the SAP system enables the purchase department to act according to production and sales forecasts for the forthcoming periods to ensure optimum raw material procurement.

The central procurement team of the Company has integrated sustainable sourcing into their operations. They have implemented a comprehensive evaluation system for new vendors, considering various environmental and social factors such as human rights, health and safety, and air emissions.

Moreover, the Company places a major focus on plantation of timber and agroforestry materials, for sustainable sourcing of raw materials. In FY 2022-23, the Company distributed 20,49,600 samplings to 2,808 farmers around its manufacturing locations to plant eucalyptus and other trees around their fields. With this, the Company tries to encourage extensive plantations of fast-growing, short-rotation plant species close to its manufacturing facilities, particularly in Punjab and Tamil Nadu. Approximately 98 % of the raw materials procured by the company is through such agroforestry practices. Additionally, CPIL purchases face veneer instead of timber logs to ensure the sustainability of the raw material. The Company, through its Subsidiary, has set up a veneer processing unit in Gabon to take advantage of the availability of 'Okoume' timber for meeting its face veneer requirements. Similarly, the company had backward integration strategies in place in Myanmar and Laos to guarantee the availability of raw materials, before the same got dis-continued. Along with increasing the amount of green cover and providing the farmers with a source of income, the agro-forestry practices adopted by the company can become a significant source of its sustainable raw material supply in the future.

Furthermore, in order to serve the dealers with reduced time and transportation costs, the Company has purposefully developed its distribution network. This has resulted in the better warehouse and inventory management. To reduce freight costs, the Company uses an ERP (Enterprise Resource Planning) system to manage its distribution strategy. These measures help CPIL to save money and time on transportation while also conserving the environment through reduced fuel consumption and lower carbon emissions. To lessen its dependency on fossil fuels, the Company deploys higher-tonnage capacity trucks/ containers for transportation.

As a step towards developing a sustainable supply chain, Company largely procures its machinery, spare parts, consumables, and packing materials from medium and small-scale manufacturers/suppliers preferably located nearby its manufacturing facilities. CPIL also procures raw materials from various self-help organizations and conducts awareness sessions for its suppliers on social and environmental issues. Managerial and technical support is provided to suppliers to educate them on the practises and processes that could enable improving their productivity, output quality, delivery time, costs etc. In addition, a large portion of the Company's production-line workforce comes from communities surrounding its factories.

- b. If yes, what percentage of inputs were sourced sustainably?**

~98% of input is sourced through agroforestry across all divisions, which indicates that the Company is actively prioritizing sustainable sourcing practices. At CPIL, sustainable sourcing practices include using certified products, reducing net deforestation, protecting the rights of indigenous people and local communities and promoting responsible land use.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for: (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.**

The Company's products are typically not packed or laminated with plastic materials and majorly use paper packaging, minimizing the need for plastic reclamation, including packaging. Furthermore, the Company primarily serves B2B partners, such as dealers, sub-dealers, architects, and interior designers, who process their products to create finished goods for end consumers. Consequently, the Company does not directly engage in sensitization activities for the safe reclamation of products with end consumers. This is handled by the Company's empanelled dealers and architects.

|                                     |  |
|-------------------------------------|--|
| <b>Plastics including packaging</b> | Plastic waste generated at the facilities is duly disposed of through authorized vendors. Packaging plastic waste generated is minimal as only a small volume of the products is packed using polythene and are disposed of in a responsible manner. |
| <b>E-waste</b>                      | The E-waste generated through use of electronics for office and facility operations is disposed of through authorized recyclers.   |
| <b>Hazardous waste</b>              | The Company has assigned pockets within the facilities to aggregate and segregate hazardous waste generated and it is disposed of through the authorized recyclers registered with relevant regulatory authorities.                                  |
| <b>Other Non- Hazardous waste</b>   | Most of the generated wood-based wastes as used as raw material for particleboard production. Any volume remaining, which cannot be used as raw material is consumed as fuel in the boilers for the generation of heat.                              |

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

CPIL generates very low volumes of plastic waste, as only a specific segment of the products manufactured (pre-laminates) use polythene as a part of packaging. Centuryply ensures minimal plastic consumption by mainly using paper packaging for majority of its product range. Further, the company uses pellets packing for its exported products. Any E-waste generated through the use of electronics used in the company's offices or facilities is disposed of through authorized recyclers. The Company is yet to initiate compliance to the EPR Regulations.

## LEADERSHIP INDICATORS

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product /Service | % Of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|----------|--------------------------|---------------------------------|---|---|--|
|----------|--------------------------|---------------------------------|---|---|--|

CPIL has not conducted Life Cycle Perspective/Assessments (LCA) for any of its product or services.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

| Name of Product / Service  | Description of the risk / concern | Action Taken |
|--|-----------------------------------|--------------|
| No, CPIL has not conducted Life Cycle Perspective/Assessments (LCA) for any of its product or services. However, wood being biodegradable in nature and CPIL's products having a long shelf life, there are no significant social or environmental concerns and/or risks arising from production or disposal of the products/services. |                                   |              |

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

The Company continuously drives effective waste management practices to recycle its products and reduce waste generation during production. The Company's goal is to cut down on waste and lower consumption of virgin raw materials in production. Incidental waste of one sort or another result from the conversion of logs into veneer and then to plywood. The Company works to reduce the development of process waste using process technology and operational control techniques. Waste wood veneers are being joined together using cutting-edge technology to make them useful as raw materials, reducing waste. The Company also uses most of its wood-based wastes as raw material in manufacturing process of its product range.

The majority of the process waste is either used as secondary input in the production process or sold to authorised vendors for recycling.

| Indicate input material   | Recycled or re-used input material to total material |
|---|--|
| The firewood waste generated during the production process, is either recycled into new products like particleboards and MDF or incinerated in the boilers for use as fuel for heat generation. The quantity of waste wood generated is provided under Principle 6. Other waste types (E.g., Plastic waste, E-waste etc.) generated are sold to authorized recyclers for end-disposal (reuse/recycle). However, the Company is yet to initiate tracking of the quantity of waste recycled or reused by the recyclers out of the total waste transferred to them for disposal. |  |

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

|                 | FY 2022-23 (in MT) |          |                 | FY 2021-22 (in MT) |          |                 |
|-----------------|--------------------|----------|-----------------|--------------------|----------|-----------------|
|                 | Reused             | Recycled | Safely disposed | Reused             | Recycled | Safely disposed |
| Plastic waste   | NA*                | NA       | NA              | NA                 | NA       | NA              |
| E-waste         | NA                 | NA       | NA              | NA                 | NA       | NA              |
| Hazardous waste | NA                 | NA       | NA              | NA                 | NA       | NA              |
| Wood waste      | NA                 | NA       | NA              | NA                 | NA       | NA              |

\*NA – Not Applicable

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Not Applicable. The Company's customer base comprises of mainly B2B partners (dealers, sub-dealers, architects, interior designers etc.) who further process CPIL's products to make finished goods for the use of end consumers. Hence, the Company does reclaim products or packaging material after end-of-life use.

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**ESSENTIAL INDICATORS**

**1. a. Details of measures for the well-being of employees\*-**

| Category                              | % Of employees covered by |                  |         |                    |         |           |         |                    |         |                     |         |
|---------------------------------------|---------------------------|------------------|---------|--------------------|---------|-----------|---------|--------------------|---------|---------------------|---------|
|                                       | Total (A)                 | Health insurance |         | Accident insurance |         | Maternity |         | Paternity benefits |         | Day care facilities |         |
|                                       |                           | No. (B)          | % (B/A) | No. (C)            | % (C/A) | No. (D)   | % (D/A) | No. (E)            | % (E/A) | No. (F)             | % (F/A) |
| <b>Permanent employees</b>            |                           |                  |         |                    |         |           |         |                    |         |                     |         |
| <b>Male</b>                           | 3082                      | 2489             | 81%     | 2795               | 91%     | -         | -       | -                  | -       | 421                 | 14%     |
| <b>Female</b>                         | 87                        | 80               | 92%     | 71                 | 82%     | 87        | 100%    | -                  | -       | 7                   | 8%      |
| <b>Total</b>                          | 3169                      | 2569             | 81%     | 2866               | 90%     | 87        | 100%    | -                  | -       | 428                 | 14%     |
| <b>Other than Permanent employees</b> |                           |                  |         |                    |         |           |         |                    |         |                     |         |
| <b>Male</b>                           | -                         | -                | -       | -                  | -       | -         | -       | -                  | -       | -                   | -       |
| <b>Female</b>                         | -                         | -                | -       | -                  | -       | -         | -       | -                  | -       | -                   | -       |
| <b>Total</b>                          | -                         | -                | -       | -                  | -       | -         | -       | -                  | -       | -                   | -       |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**b. Details of measures for the well-being of workers\*-**

| Category                            | % Of employees covered by |                  |            |                    |            |            |            |                    |            |                     |            |
|-------------------------------------|---------------------------|------------------|------------|--------------------|------------|------------|------------|--------------------|------------|---------------------|------------|
|                                     | Total<br>(A)              | Health insurance |            | Accident insurance |            | Maternity  |            | Paternity benefits |            | Day care facilities |            |
|                                     |                           | No.<br>(B)       | %<br>(B/A) | No.<br>(C)         | %<br>(C/A) | No.<br>(D) | %<br>(D/A) | No.<br>(E)         | %<br>(E/A) | No.<br>(F)          | %<br>(F/A) |
| <b>Permanent workers</b>            |                           |                  |            |                    |            |            |            |                    |            |                     |            |
| <b>Male</b>                         | 3545                      | 2586             | 73%        | 2752               | 78%        | -          | -          | -                  | -          | 1678                | 47%        |
| <b>Female</b>                       | 252                       | 222              | 88%        | 86                 | 34%        | 252        | 100%       | -                  | -          | 18                  | 7%         |
| <b>Total</b>                        | 3797                      | 2808             | 74%        | 2838               | 75%        | 252        | 100%       | -                  | -          | 1696                | 45%        |
| <b>Other than Permanent workers</b> |                           |                  |            |                    |            |            |            |                    |            |                     |            |
| <b>Male</b>                         | 4625                      | 1473             | 32%        | 2733               | 59%        | -          | -          | -                  | -          | 887                 | 19%        |
| <b>Female</b>                       | 178                       | 18               | 10%        | 176                | 99%        | -          | -          | -                  | -          | 18                  | 10%        |
| <b>Total</b>                        | 4803                      | 1491             | 31%        | 2909               | 61%        | -          | -          | -                  | -          | 905                 | 19%        |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**2. Details of retirement benefits for the current and previous financial year\*-**

| Benefits        | FY 23   |  |  | FY 22  |  |  |
|-----------------|---|--|--|--|--|--|
|                 | No. of employees covered as a % of total employee | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| <b>PF</b>       | 100%  | 89%  | Yes  | 96%  | 96%  | Yes  |
| <b>Gratuity</b> | 100%  | 84%  | Yes  | 97%  | 91%  | Yes  |
| <b>ESI</b>      | 31%   | 69%  | Yes  | 27%  | 96%  | Yes  |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**Accessibility of workplaces****3. Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, CPIL's facilities are accessible to differently abled people and the Company is continuously driving efforts to improve the infrastructure in this regard. CPIL's corporate office is a LEED-certified building as it provides accessible infrastructure which includes ramps, elevators, accessible restrooms, accessible parking spaces and other facilities that cater to the need of differently abled people.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

CPIL has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016 embedded within its BRSR policy and is committed to ensuring that equal opportunity is provided to all its people. The Company continuously promotes an inclusive workplace culture, free from all kinds of discrimination and believes that diversity and merit are the key enablers to ensure equality of opportunity at the workplace, throughout the lifecycle of the employee at the organization. Hence, the Company encourages engaging with talent from diverse age groups, genders, castes, domains, cultural backgrounds etc. The Company hones talents by providing them with learning opportunities and leadership roles in a secure and conducive workplace.

CPIL promotes a work culture that has zero tolerance for bias, discrimination and harassment. The Company has established a 'Centurion Buddy', a WhatsApp group for employees, which serves as a platform for addressing their concerns and queries in a timely and effective manner. The employees can also raise their concerns to the HR team for prompt solutions.

Further, the Company ensures to provide due recognition and reward to its best talents. It has specific modules to reward talent. Some of these include special celebration to accord due recognition to the retiring employee, long-service award to recognize the loyalty and commitment of employees, talent hunt initiatives in the form of 'Centurion Idol', performance recognition through initiatives like 'Sarvada Sarvottam Ambassadors' and 'Centurion Star'. The Company believes in fostering the overall growth of its employees and opportunities for career development through training programmes offered by Udemy and the Indian School of Business.

5. Return to work and retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees* |                | Permanent workers*  |                |
|--------|----------------------|----------------|---------------------|----------------|
|        | Return to work rate  | Retention rate | Return to work rate | Retention rate |
| Male   | NA                   | NA             | NA                  | NA             |
| Female | 100%                 | 100%           | NA                  | NA             |
| Total  | 100%                 | 100%           | NA                  | NA             |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

6. Is there a mechanism available to receive and redress grievances for the Permanent and Non-permanent employees' categories of employees? If yes, give details of the mechanism in brief.

| Gender                         | Yes/No (If yes, then give details of the mechanism in brief)   |
|--------------------------------|--|
| Permanent Workers              | <p>Yes, the Company has a robust process in place for handling permanent and non-permanent employees' grievances to promote transparency and fairness. Employees report their concerns directly to the Human Resources (HR) department of respective facilities or the head office HR, as the case may be, either in-writing or verbally. Each case is then thoroughly investigated by the HR department to provide a timely resolution for it. For example, the HR department in CPIL's Joka facility maintains grievance registers for permanent and non-permanent employees and aims to resolve the registered cases within 24 hours of it being recorded. In the case where an issue requires further escalation, it is reported to either the HR-Head of the unit or the HR Head office HR, as the need may be, for its resolution within 48 hours of recording the case in the grievance register.</p> |
| Other than Permanent Workers   |  |
| Permanent Employees            |  |
| Other than Permanent Employees |  |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity\*:

| Category                         | FY 23  |  |         | FY 22  |  |         |
|----------------------------------|--|--|---------|--|--|---------|
|                                  | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| <b>Total Permanent Employees</b> |  |  |         |  |  |         |
| Male                             | 3,082  | -  | -       | 2,902  | -  | -       |
| Female                           | 87   | -  | -       | 76   | -  | -       |
| <b>Total Permanent Workers</b>   |  |  |         |  |  |         |
| Male                             | 3,545  | 2,609  | 74%     | 3086   | 2,470  | 80%     |
| Female                           | 252  | 183  | 73%     | 275  | 138  | 50%     |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**8. Details of training given to employees and workers\*:**

| Category         | FY 23        |                                     |            |                         |            | FY 22        |                                     |            |                         |            |
|------------------|--------------|-------------------------------------|------------|-------------------------|------------|--------------|-------------------------------------|------------|-------------------------|------------|
|                  | Total<br>(A) | On Health<br>and safety<br>measures |            | On Skill<br>upgradation |            | Total<br>(D) | On Health<br>and safety<br>measures |            | On Skill<br>upgradation |            |
|                  |              | No.<br>(B)                          | %<br>(B/A) | No.<br>(C)              | %<br>(C/A) |              | No.<br>(E)                          | %<br>(E/D) | No.<br>(F)              | %<br>(F/D) |
| <b>Employees</b> |              |                                     |            |                         |            |              |                                     |            |                         |            |
| Male             | 3,082        | 2,480                               | 80%        | 1,757                   | 57%        | 2,902        | 1,004                               | 35%        | 634                     | 22%        |
| Female           | 87           | 79                                  | 91%        | 61                      | 70%        | 76           | 25                                  | 33%        | 34                      | 45%        |
| Total            | 3,169        | 2,559                               | 81%        | 1,818                   | 57%        | 2,978        | 1,029                               | 35%        | 668                     | 22%        |
| <b>Workers</b>   |              |                                     |            |                         |            |              |                                     |            |                         |            |
| Male             | 8,170        | 4,342                               | 53%        | 320                     | 4%         | 7,789        | 3,964                               | 51%        | 217                     | 3%         |
| Female           | 430          | 295                                 | 69%        | 1                       | 0%         | 430          | 254                                 | 59%        | 7                       | 2%         |
| Total            | 8,600        | 4,637                               | 54%        | 321                     | 4%         | 8,219        | 4,218                               | 51%        | 224                     | 3%         |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**9. Details of performance and career development reviews of employees and workers\*.**

| Category         | FY 23     |         |         | FY 22     |         |         |
|------------------|-----------|---------|---------|-----------|---------|---------|
|                  | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| <b>Employees</b> |           |         |         |           |         |         |
| Male             | 3,082     | 2,909   | 94%#    | 2,902     | 2,664   | 92%     |
| Female           | 87        | 80      | 92%     | 76        | 72      | 95%     |
| Total            | 3,169     | 2,989   | 94%     | 2,978     | 2,736   | 92%     |
| <b>Workers</b>   |           |         |         |           |         |         |
| Male             | 3,545     | NA      | NA      | 3,086     | NA      | NA      |
| Female           | 252       | NA      | NA      | 275       | NA      | NA      |
| Total            | 3,797     | NA      | NA      | 3,361     | NA      | NA      |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

\*Career development reviews do not apply to workers since their compensation is based on a fixed rate grading

#Performance evaluation yet to be conducted in CFS division of CPIL for FY 2022-23

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?**

CPIL's policy level guidelines on Occupational Health and Safety are incorporated within its BRSR Policy. The Company's flagship Kolkata facility complies with ISO 45001:2018 (Occupational Health and Safety Management Systems) certification. The Company recognizes that promoting a safe and healthy work environment is essential for the success of the organization and commits to maintaining the highest standards of health and safety measures across all its operations.

As part of the Company's commitment to safeguard employee and worker health and provide a safe working environment, all operations are conducted in a controlled environment, with support of trained medical practitioners available at all the manufacturing facilities.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has appointed Safety officers inside each manufacturing facility. These officers are responsible to conduct periodic safety trainings with employees and workers and review the work-related hazards and prevailing standards.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, the Company has a system in place to report work-related hazards.

**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

CPIIL provides medical insurance coverage to all employees and workers. To further support the employees and workers, the Company offers eye and health check-ups in ESIC hospitals. The Company also drives efforts towards creating a holistic health environment by promoting health and wellness even beyond workplace through various initiatives such as organizing marathons for participation of employees and their family members, organizing family picnics for their recreation etc.

**11. Details of safety-related incidents\*:**

| Safety Incident/Number   | Category  | FY 23 | FY 22 |
|--|-----------|-------|-------|
| <b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b> | Employees | 0.92  | 0.55  |
|  | Workers   | 3.8   | 4.1   |
| <b>Total recordable work-related injuries</b>  | Employees | 167   | 121   |
|  | Workers   | 240   | 269   |
| <b>No. of fatalities (safety incident)</b>   | Employees | -     | -     |
|  | Workers   | 1     | -     |
| <b>High consequence work-related injury or ill-health (excluding fatalities)</b>     | Employees | -     | -     |
|  | Workers   | 1     | -     |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

CPIIL prioritises employee health, safety and well-being. Some of the key health and safety measures undertaken include:

- First-aid training to all employees and conducting periodic health check-ups for the well-being of employees.
- Turbo air ventilators to maintain fresh air circulation inside plant sheds
- Installation of exhaust fans near chemical working areas
- Periodic employee health treatment in ESIC hospitals extending to eye and health checks
- 24X7 availability of medical assistance and ambulance inside each manufacturing facility
- Appointment of Environmental Officer for environment related activities.
- Provision of the canteen to provide hygienic food etc. (Joka unit is FSSAI certified).
- Appointment of Safety Officers inside each manufacturing facility
- Periodic safety meetings to review prevailing standards
- Emergency lighting at critical points within the factory area and assembly points inside manufacturing facilities in emergencies
- Various fire-fighting tools in each unit
- “Toolbox talk” shift to promote safety awareness among employees and ensure that they are equipped with the knowledge and skills to prevent workplace accidents and injuries.
- Medical and group insurance coverage to all employees in the event of illness or injury.
- Regular fitness and financial wellness sessions
- Sanitization arrangements at the workplace, distribution of preventive medicines and Covid health insurance to employees etc.

**13. Number of complaints on the following made by employees and workers:**

| Category           | FY 23                 |                                       |         | FY 22                 |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working conditions | 12                    | -                                     | None    | 2                     | -                                     | None    |
| Health and safety  | 5                     | -                                     | None    | 6                     | -                                     | None    |

**14 Assessments for the year:**

|                             | % Of your plants and offices that were assessed (by entity or statutory authorities or third parties)   |
|-----------------------------|---|
| Health and safety practices | CPIL does not conduct assessment by entity or statutory authorities or third party. However, the Company has dedicated safety officers across all its facilities, who internally assess the on-ground implementation of health and safety practices at the facilities in alignment with the organizational policy and safety manual. The safety officers regularly monitor the availability and maintenance of safety devices and equipment like fire extinguishers at the facilities and ensure safe working conditions for employees.<br><br>Further, they are also responsible for addressing any events related to health and safety breach that may occur in the facilities. In such a case, the safety officer along with his team examines the issue and takes the necessary measures for its resolution, for e.g., providing first-aid to an employee or taking them to the in- house medical Centre as the need may be in case of an injury. |
| Working Conditions          |   |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

CPIL has established a "Welfare Section" along with a dedicated register for employees to record any concerns they may have regarding their working conditions and safety. Once a complaint is registered, CPIL's plant authorities take prompt action and strive to resolve the issue within 48 hours. This ensures that employees feel heard, and their grievances are effectively addressed. In the event of an incident or accident, the Company follows a strict protocol. Within 24 hours, a preliminary report is prepared to provide an initial assessment of the situation. Subsequently, a detailed report is prepared, outlining details of the incident and including a comprehensive corrective action plan. The Company closely monitors the implementation of these corrective actions to ensure effective resolution and prevention of similar incidents in the future.

**LEADERSHIP INDICATORS****1. Does the entity extend any life insurance or any compensatory package in the event of death of?**

|           | (Y/N) |
|-----------|-------|
| Employees | Yes   |
| Workers   | Yes   |

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**

The procurement team of the Company ensures that statutory dues have been deducted and deposited by the value chain partners in a timely manner. This is ensured by periodic monitoring of the dues.

**3. Provide the number of employees/workers having suffered high-consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

|           | Total no. of affected employees/workers |       | No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |       |
|-----------|---|-------|---|-------|
|           | FY 23                                   | FY 22 | FY 23   | FY 22 |
| Employees | -                                       | -     | -   | -     |
| Workers   | 1                                       | -     | -   | -     |

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

No.

**5. Details on assessment of value chain partners.**

|                                    | <b>% Of value chain partners (by value of business done with such partners) that were assessed</b>   |
|------------------------------------|--|
| <b>Health and safety practices</b> | As a part of ensuring wellbeing of value chain partners, the company assesses the health and safety practices of suppliers during their screening and onboarding process in terms of their compliance to the Factory Act. These assessments specifically focus on evaluating the safety practices and overall working conditions of the suppliers. While the Company is yet to formally establish a mechanism to assess the same for other value chain partners, it encourages all its stakeholders to take proactive steps for ensuring the health & safety of their employees and creating a safe working environment. |
| <b>Working Conditions</b>          |  |

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**ESSENTIAL INDICATORS**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

CPIL values developing strong relationships with all its stakeholders. While identifying the major stakeholder groups, the Company’s engagement process takes immediacy, reliance, accountability, susceptibility, and impact into consideration. The Company has adopted both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations and integrate their feedback in our key business decision making.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| <b>Stakeholder Group</b>   | <b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b> | <b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others</b>                         | <b>Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify)</b> | <b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>  |
|----------------------------|---|---|--|---|
| Investors and shareholders | No  | <ul style="list-style-type: none"> <li>General meetings</li> <li>Annual report and Investor meet</li> </ul>   | Annually and as and when required  | The main purpose of engagement is to understand CPIL’s stakeholders’ feedback on the Company’s products and services. CPIL believes that the performance of business enterprises must be measured in terms of the value they create for the society. The Company values the support of its stakeholders and respects their expectations and concerns. CPIL endeavors to identify, prioritize and address the needs and concerns of its stakeholders in a continuous, systematic and transparent manner through effective dialogues and exchanges. |
| Employees                  | No  | <ul style="list-style-type: none"> <li>Meetings</li> <li>Newsletters</li> <li>Intranet portal.</li> <li>Employee satisfaction survey and trainings</li> </ul> | Regularly  |   |
| Suppliers and dealers      | No  | <ul style="list-style-type: none"> <li>Site visits</li> <li>Personal/ telephonic interactions</li> <li>Video conferencing</li> </ul>                          | Need-basis   |   |
| Retailers and Customer     | No  | <ul style="list-style-type: none"> <li>Customer meets</li> <li>Customer satisfaction survey</li> <li>Web-based interactive portals</li> </ul>                 | Annually and as and when required  |   |

| Stakeholder Group                     | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---------------------------------------|--|--|---|---|
| Government and regulatory authorities | No   | <ul style="list-style-type: none"> <li>Industry bodies/ forums</li> </ul>  | Annually and as and when required   |   |
| Trade unions                          | No   | <ul style="list-style-type: none"> <li>Union meetings</li> </ul>   | Need-basis  |   |
| Media                                 | No   | <ul style="list-style-type: none"> <li>Press releases</li> <li>Media events &amp; announcements</li> </ul>                     | Regularly   |   |
| Local communities                     | Yes  | <ul style="list-style-type: none"> <li>Personal visits</li> </ul>  | Need basis  |   |

## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

CPIL incorporates its stakeholders' feedback during development of the company policies, strategies and key business decision making. The Company regularly engages with its stakeholders to address their concerns and expectations around ESG related topics. The feedback received is communicated to the Board and integrated into the Company's business strategy and decision-making process.

Moreover, the Board, through its CSR Committee, provides strategic direction to the Company's CSR practices while reviewing and monitoring planned initiatives. Additionally, the Company ensures that economic aspects are discussed with investors and shareholders through investor meets, annual meetings as and when required.

Through such engagements, the Company strives to maintain a transparent and collaborative relationship with its stakeholders, which is crucial for the long-term sustainability of the business.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company regularly engages with internal and external stakeholders to understand their needs and concerns in all relevant business areas including environment and social topics. Their feedback is regularly incorporated by CPIL during its business decision making process. For example, CPIL recently engaged with its internal and external stakeholders to revisit the Company's key material issues around environmental, social and governance related topics. These material issues would become key focus areas for the Company while formulating its ESG policies, developing future strategies and roadmap.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

CPIL takes proactive steps to enhance the quality of life for the marginalised and vulnerable community members that live adjacent to its manufacturing facilities and regularly engages with them. Through its Corporate Social Responsibility (CSR) efforts, the Company puts a strong emphasis on implementing community-based projects that address community needs in the areas of health, education, skill development, sanitation, and livelihood, among others. The Company's vocational training centre imparts carpentry training to local youth, thereby making them self-dependent. Another way the Company generates a sustainable livelihood and capacity building is through direct engagement with small and marginal suppliers. CPIL gives precedence to MSME suppliers and local procurement.

## PRINCIPLE 5: Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

#### 1. Employees who have been provided training on human rights issues and policy(ies)\*:

| Category               | FY 2022-23 |                                      |         | FY 2021-22 |                                      |         |
|------------------------|------------|--------------------------------------|---------|------------|--------------------------------------|---------|
|                        | Total (A)  | No. of employees/workers covered (B) | % (B/A) | Total (C)  | No. of employees/workers covered (D) | % (D/C) |
| <b>Employees</b>       |            |                                      |         |            |                                      |         |
| Permanent              | 3,169      | 3,169                                | 100%    | 2,978      | 2,978                                | 100%    |
| Other than permanent   | -          | -                                    | -       | -          | -                                    | -       |
| <b>Total Employees</b> | 3,169      | 3,169                                | 100%    | 2,978      | 2,978                                | 100%    |
| <b>Workers</b>         |            |                                      |         |            |                                      |         |
| Permanent              | 3,797      | 3,797                                | 100%    | 3,361      | 3,361                                | 100%    |
| Other than permanent   | 4,803      | 4,803                                | 100%    | 4,858      | 4,858                                | 100%    |
| <b>Total Workers</b>   | 8,600      | 8,600                                | 100%    | 8,219      | 8,219                                | 100%    |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

#### 2. Details of minimum wages paid to employees and workers\*:

| Category                              | FY 22-23  |                       |         |                        |         | FY 21-22  |                       |         |                        |         |
|---------------------------------------|-----------|-----------------------|---------|------------------------|---------|-----------|-----------------------|---------|------------------------|---------|
|                                       | Total (A) | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (D) | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                                       |           | No. (B)               | % (B/A) | No. (C)                | % (C/A) |           | No. (E)               | % (E/D) | No. (F)                | % (F/D) |
| <b>Permanent Employees</b>            |           |                       |         |                        |         |           |                       |         |                        |         |
| Male                                  | 3,082     | -                     | -       | 3,082                  | 100%    | 2902      | 1,362                 | 47%     | 1,540                  | 53%     |
| Female                                | 87        | -                     | -       | 87                     | 100%    | 76        | 49                    | 64%     | 27                     | 36%     |
| <b>Other than Permanent Employees</b> |           |                       |         |                        |         |           |                       |         |                        |         |
| Male                                  | -         | -                     | -       | -                      | -       | -         | -                     | -       | -                      | -       |
| Female                                | -         | -                     | -       | -                      | -       | -         | -                     | -       | -                      | -       |
| <b>Permanent Workers</b>              |           |                       |         |                        |         |           |                       |         |                        |         |
| Male                                  | 3,545     | 94                    | 3%      | 3,451                  | 97%     | 3,086     | 306                   | 10%     | 2,780                  | 90%     |
| Female                                | 252       | -                     | -       | 252                    | 100%    | 275       | 35                    | 13%     | 240                    | 87%     |
| <b>Other than Permanent Workers</b>   |           |                       |         |                        |         |           |                       |         |                        |         |
| Female                                | 4,625     | 3,431                 | 74%     | 1,194                  | 26%     | 4,703     | 2,129                 | 45%     | 2,574                  | 55%     |
| <b>Total</b>                          | 178       | 160                   | 90%     | 18                     | 10%     | 155       | 137                   | 88%     | 18                     | 12%     |

\*Data for FY 2022-23 as on 31<sup>st</sup> March 2023

#### 3. Details of remuneration/salary/wages

| Gender                                  | Male   |  | Female |  |
|---|--------|--|--------|--|
|   | Number | Median remuneration/salary/wages of respective category in ₹ | Number | Median remuneration/salary/wages of respective category in ₹ |
| <b>Board of Directors (BoD)*</b>        | 7      | 6,50,000   | 1      | 6,50,000   |
| <b>Key Managerial Personnel (KMP)**</b> | 9      | 4,12,78,250  | 1      | 3,26,14,000  |
| <b>Employees other than BoD and KMP</b> | 3,073  | 4,83,771   | 86     | 6,00,000   |
| <b>Workers</b>                          | 3,545  | 2,42,202   | 252    | 3,09,720   |

\*Board of Directors includes Independent Directors only

\*\*KMP includes KMP on the board and non-board KMP

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impact or issues caused or contributed to by the business?**

The Human Resources (HR) department of respective CPIL facilities are responsible for addressing the human rights-related issues within the company. Grievances relating to breach of human rights is received by the HR department of the relevant facility, which investigates into the case to provide an appropriate resolution. In case where a grievance requires further intervention, the matter is reported to the top management to ensure its timely redressal and closure.

Furthermore, to address complaints related to sexual harassment, the Company has established an Internal Complaints Committee. This committee serves as a confidential platform to address and redress such complaints effectively. The Company remains committed to upholding human rights and fostering an inclusive work environment for all employees.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues**

The Company's Human Rights Policy, incorporated within the BRSR Policy, serves as a guiding framework for the actions and sets the expectations for behaviour and conduct within the organization. When a grievance related to human rights is reported, the Human Resource department of the respective facility investigates into the case and provides appropriate resolution. In case where the matter requires further intervention, it is reported to the top management of the company to ensure its timely redressal and closure.

Additionally, CPIL has a dedicated policy on prevention of sexual harassment. To redress complaints received on sexual harassment, an Internal Complaints Committee (ICC) has been established. The Internal Complaints Committee investigates a sexual harassment complaint within 7 days. Both parties are given an equal opportunity to be heard, and evidence is examined. The Complainant's statement is recorded, followed by the Respondent's. If the complaint does not involve sexual harassment or is found to be false, appropriate action is taken. However, in cases where sexual harassment is established, the company takes immediate and stringent measures to ensure the well-being and safety of the complainant, which may include disciplinary actions against the perpetrator.

**6. Number of Complaints on the following made by employees and workers:**

|  | FY 23                 |   |         | FY 22                 |   |         |
|--|-----------------------|---|---------|-----------------------|---|---------|
|  | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| <b>Sexual Harassment</b>                 | Nil                   | Nil                                       | None    | Nil                   | Nil                                       | None    |
| <b>Discrimination at workplace</b>       | Nil                   | Nil                                       | None    | Nil                   | Nil                                       | None    |
| <b>Child labour</b>                      | Nil                   | Nil                                       | None    | Nil                   | Nil                                       | None    |
| <b>Forced labour /Involuntary labour</b> | Nil                   | Nil                                       | None    | Nil                   | Nil                                       | None    |
| <b>Wages</b>                             | Nil                   | Nil                                       | None    | Nil                   | Nil                                       | None    |
| <b>Other human rights related issues</b> | Nil                   | Nil                                       | None    | Nil                   | Nil                                       | None    |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

CPIL is committed to creating an inclusive workplace and relevant guidelines to ensure equal treatment and dignity for all the employees is included in its BRSR policy. The Company also has an Internal Complaints Committee (ICC) to redress complaints received on sexual harassment while other issues related to the human rights are reported to the HR team for appropriate resolution.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, this is a part of the general terms and conditions in all business contracts and agreements.

**9. Assessments for the year**

|                                    | % Of offices that were assessed (by entity or statutory authorities or third parties)   |
|------------------------------------|---|
| <b>Child labour</b>                | The Company conducts internal assessments to identify any gaps in monitoring child labour, forced labour, sexual harassment and discrimination at all facilities across all divisions. CPIL is yet to initiate by entity or statutory authorities or third parties. |
| <b>Forced/involuntary labour</b>   |   |
| <b>Sexual harassment</b>           |   |
| <b>Discrimination at workplace</b> |   |
| <b>Wages</b>                       |   |
| <b>Others – please specify</b>     |   |

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable

## LEADERSHIP INDICATORS

**1. Details of a business process being modified / introduced because of addressing human rights grievances/ complaints.**

No human rights related grievances were reported during the period under review.

**2. Details of the scope and coverage of any human rights due diligence conducted.**

No, CPIL has not conducted any human rights due diligence.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

CPIL ensures accessible infrastructure to all including the visitors to its facilities. The Company has disabled-friendly infrastructure like ramps, elevators, accessible restrooms, accessible parking spaces, wheelchairs and other facilities that cater to the need of differently abled people.

**4. Details on assessment of value chain partners:**

|   | <b>% Of value chain partners (by value of business done with such partners) that were assessed</b>  |
|---|---|
| <b>Sexual harassment</b>                | CPIL assesses its suppliers for child labour during their onboarding process through verification of age in documents like the Aadhaar Card. Further, they have developed a comprehensive vendor assessment form that will include assessment of suppliers on the other parameters (forced labour, wages, discrimination at workplace, etc.) from the next financial year. The Company is yet to initiate an assessment process for its other value chain partners. |
| <b>Discrimination at workplace</b>      |   |
| <b>Child labour</b>                     |   |
| <b>Forced labour/Involuntary labour</b> |   |
| <b>Wages</b>                            |   |
| <b>Others – please specify</b>          |   |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

**1. Details of total energy consumption (in Joules or multiples) and energy intensity**

| <b>Parameter</b>   | <b>FY 23<br/>GJ</b>           | <b>FY 22<br/>GJ</b>             |
|--|-------------------------------|---------------------------------|
| <b>Total electricity consumption (A)</b>   | 3,54,552.17                   | 3,30,314.15                     |
| <b>Total fuel consumption (B)</b>  | 2,08,677.21                   | 2,16,835.19                     |
| <b>Energy consumption through other sources (C)</b>  | -                             | -                               |
| <b>Total energy consumption (A+B+C)</b>  | 5,63,229.38                   | 5,47,149.35                     |
| <b>Energy intensity per rupee of turnover (Total energy consumption/ (per rupee of turnover)</b> | 1.56x10 <sup>-5</sup> GJ/ INR | 1.82 x 10 <sup>-5</sup> GJ/ INR |

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not undertaken

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

None of the sites/facilities of CPIL have been identified as designated consumers (DCs) under the PAT Scheme of the Government of India, hence the question is not applicable for us.

### 3. Provide details of the following disclosures related to water.

| Parameter   | FY 23                                | FY 22                                |
|---|--------------------------------------|--------------------------------------|
| <b>Water withdrawal by source (in kiloliters)</b>                               |                                      |                                      |
| (i) Surface water   | 10,052                               | 7,739                                |
| (ii) Groundwater  | 3,88,121.23                          | 3,56,807.34                          |
| (iii) Third party water   | 26,457.50                            | 20,476.50                            |
| (iv) Seawater/ desalinated water  | NA                                   | NA                                   |
| (v) Others  | NA                                   | NA                                   |
| <b>Total volume of water withdrawal (in kiloliters) (I + ii + iii + iv + v)</b> | 4,24,630.73                          | 3,85,022.84                          |
| <b>Total volume of water consumption (in kiloliters)</b>                        | 4,24,630.73                          | 3,85,022.84                          |
| Water intensity per rupee of turnover (Water consumed / turnover)               | 1.1728 x 10 <sup>-5</sup> kl/<br>INR | 1.2834 x 10 <sup>-5</sup> kl/<br>INR |

### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

CPIL is committed towards reducing the negative environmental impacts from use of natural resources. For which, the Company undertakes various initiatives for natural resource optimization such as water conservation and wastewater recycling. The Company has implemented Zero Liquid Discharge at all its facilities in India. To reduce the total liquid effluent discharge from CPIL's operations, it uses a resin manufacturing technology to avoid vacuum distillation at the final stage of manufacturing. The wastewater generated is treated and used for various purposes such as filling of ponds for storing logs, gardening, flushing toilets, fire water storage, facility cleaning etc.

### 5. Please provide details of air emissions (other than GHG emissions) by the entity.

| Parameter                           | Please specify unit | FY 23 | FY 22 |
|-------------------------------------|---------------------|-------|-------|
| NOx                                 | mg/Nm <sup>3</sup>  | 60.53 | 71.65 |
| SOx                                 | mg/Nm <sup>3</sup>  | 56.26 | 36.04 |
| Particulate matter (PM)             | mg/Nm <sup>3</sup>  | 94.77 | 80.14 |
| Persistent organic pollutants (POP) | Not Applicable      |       |       |
| Volatile organic compounds (VOC)    |                     |       |       |
| Hazardous air pollutants (HAP)      |                     |       |       |
| Others – please specify             |                     |       |       |

### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

| Parameter   | FY 23   | FY 22   |
|---|---|---|
| Total Scope 1 emissions -Metric tonnes of CO <sub>2</sub> equivalent<br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF6, NF3, if available) | 19,060.88   | 19,883.90   |
| Total Scope 2 emissions -Metric tonnes of CO <sub>2</sub> equivalent<br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF6, NF3, if available) | 61,038.92   | 51,934.32   |
| <b>Total</b>  | 80,099.80   | 71,818.22   |
| Total Scope 1 and Scope 2 emissions (per rupee of turnover) tCO <sub>2</sub> e  | 2.21 x 10 <sup>-6</sup> tCO <sub>2</sub> -e/<br>INR | 2.39 x 10 <sup>-6</sup> tCO <sub>2</sub> -e/<br>INR |

### 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

CPIL is committed to climate action and to creating a positive impact on the environment and community around which it operates. To achieve its commitment, the Company has adopted multiple sustainable measures including increasing renewable energy consumption in operations, adopting energy-efficient technologies, minimisation and re-use of production waste etc. Such measures have in turn contributed to reducing the GHG emissions from the operations.

The Company makes conscious efforts to upgrade its facilities to positively contribute towards energy efficiency, reduce non-renewable energy consumption and optimize energy costs. Some of the initiatives undertaken by CPIL in this regard include:

#### Technological Interventions:

- Introduction of High-Capacity Veneer Dryer and Variable Frequency Drive (VFD) to replace manual glue spreaders, reducing heat loss from the process and improving energy efficiency.
- Installation of rail lines and assembly conveyor lines to reduce fuel consumption associated with forklift operations.
- Installation of closed loop pipelines to minimize wastage of chemicals during transportation.
- Implementation of chippers at the energy plant to increase fuel efficiency.

- Replacement of multiple Thermic Fluid Heaters (TFH) with a single high-capacity modern energy efficient TFH to save on fuel and reduce emission in multiple facilities. Example: Joka and Karnal, have replaced three of their conventional TFH of 15 Lac kcal capacity with a single highly efficient TFH of 60 Lac kcal capacity.
- Installation of DG synchronization panels to automate DG set operations and decrease diesel consumption.
- Optimization of power consumption using capacitors, achieving higher power factors and reducing energy waste. Example: Joka facility has achieved a power factor of 99% with the support of capacitors in its circuit system.
- Replacement of screw compressed starters with VFD compressors for improved energy efficiency.
- Installation of energy-saving fans on dryers to consume less energy compared to conventional fans.
- Installation of AC drives on boilers to regulate motor speed according to the boiler's load, resulting in reduced energy consumption.

**Alternate energy integration:**

- Installation of solar panels and concentrated solar thermal (CST) technologies for heating water and thermic fluids, integrating them with existing boilers and heating systems.
- Adoption of electric forklifts, replacing diesel forklifts, to enable less emission intensive logistics systems.
- Introduction of 4 Electric Vehicles (EVs) for logistic purposes.
- Reduction in consumption of coal by almost 6% (YoY) despite an increase of average 15% in production due to replacement of coal with biomass fuel.

**Process Optimization:**

- Redesign of buildings to maximize the utilization of natural light and minimize electricity usage during the daytime.
- Use of heat exchangers to improve the output of refiner and press machines, optimizing energy usage and reducing greenhouse gas emissions.
- Implementation of laser-guided lights at panel assembly tables for accurate dimensions, reducing wear and tear of edge trimming machines.
- Adoption of auto sensing pneumatic pressure control on glue spreaders to prevent fluctuations, reduce material loss, and increase machine service life.

**Facility upgradation:**

- CPIL's Head Office (HO) is a Platinum LEED certified building, being cognizant of the need to regulate the energy footprint of its buildings, the Company make conscious efforts to prioritize leasing buildings that are LEED certified.

CPIL believes that energy efficiency alone cannot support the Company's objective of lowering the GHG emissions. Hence the Company also adopts other initiatives such as reducing its dependency on fossil fuel by using cleaner fuel and implementing captive solar power plants. CPIL has also installed rooftop solar photo-voltaic panels across all its facilities in India for power generation and reduction of dependency on grid electricity and other non-renewable energy sources. Currently, 13% of the Company's total electricity is generated from renewable sources. To contribute towards the renewable mix in the country's grid, CPIL sells the excess renewable energy to the grid that would otherwise be lost.

Furthermore, CPIL is driving efforts to recycle its process waste into new products or re-use it as raw material in production activities. For example, the Company is currently generating waste wood which is recycled in-house to manufacture particle boards and MDF. Further, the waste wood that cannot be recycled is incinerated for use as fuel in boilers, replacing the use of conventional non-renewable fuels like coal. Reducing consumption of virgin raw materials like fossil fuels with secondary raw materials is positively impacting the GHG emission levels of the company. Currently in the reporting period, the Joka facility has replaced 40% of its fossil fuel usage through use of fire-wood waste.

**8. Provide details related to waste management by the entity, in the following format:**

| <b>Parameter</b>   | <b>FY 23 (In MT)</b>  | <b>FY 22 (In MT)</b>  |
|--|---|---|
| <b>Total Waste generated (in metric tonnes)</b>  |   |   |
| Plastic waste (A)  | 40.68   | 25.36   |
| E-waste (B)  | 0.60  | 0.16  |
| Bio-medical waste (C)  | -   | -   |
| Construction and demolition waste (D)  | -   | -   |
| Battery waste (E)  | -   | -   |
| Radioactive waste (F)  | -   | -   |
| Other Hazardous waste (G)  | <ul style="list-style-type: none"> <li>◆ Glue sludge – 11.25</li> <li>◆ ACC sludge – 2.00</li> <li>◆ Oily cotton waste – 0.05</li> <li>◆ Used oil – 8.07</li> <li>◆ ETP sludge – 2.00</li> <li>◆ Contaminated bags- 0.11</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Glue sludge – 7.70</li> <li>◆ ACC sludge – 1.40</li> <li>◆ Oily cotton waste – 0.04</li> <li>◆ Used oil – 7.13</li> <li>◆ ETP sludge – 12.94</li> </ul>              |
| Other Non-hazardous waste generated (H)  | <ul style="list-style-type: none"> <li>◆ Waste wood – 51,096.36</li> <li>◆ Paper waste – 1,230.70</li> <li>◆ Metal scrap – 502.89</li> <li>◆ Rubber scrap – 2.53</li> <li>◆ Wooden pallet – 308.40</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Waste wood – 46,338.60</li> <li>◆ Paper waste – 1,005.30</li> <li>◆ Metal scrap – 210.74</li> <li>◆ Rubber scrap – 1.96</li> <li>◆ Wooden pallet – 518.01</li> </ul> |
| <b>Total (A+B + C + D + E + F + G + H)</b>   | <b>53,205.63</b>  | <b>48,129.33</b>  |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)</b> |   |   |
| <b>Category of waste</b>   |   |   |
| (i) Recycle  |   |   |
| (ii) Re-used   |   |   |
| (iii) Other recovery operations  | <p>To ensure material circularity, the wood waste generated as a part of the Company's production process is recycled using in-house technology to MDF and Particle boards. Further, the waste wood that cannot be recycled is incinerated for use as fuel in boilers, replacing the use of conventional non-renewable fuels like coal. For its other generated waste types, the Company is currently disposing it off through authorized recyclers for reuse or recycling into products for use in different applications.</p> <p>CPIL is collecting the relevant disposal certificates from the recyclers for the quantity of waste transferred to them and is currently setting up the process to monitor the end disposal method.</p> |   |
| <b>Total</b>   |   |   |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>                              |   |   |
| (i) Incineration   | 51,096.36 (all wood waste)  | 46,338.60 (all wood waste)  |
| (ii) Landfilling   | -   | -   |
| (iii) Other disposal operations (Disposed through authorized vendor)   | 24.07 (hazardous waste and e- waste)  | 29.37 (hazardous waste and e- waste)  |
| <b>Total</b>   | <b>51,120.43</b>  | <b>46,367.97</b>  |

\* Other non-hazardous waste such as metal, rubber, plastic is channelized to local waste vendors. CPIL is in process to establish a mechanism to track the outflow of non-hazardous waste.

**Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)**  
**If yes, name of the external agency.**

Not undertaken

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

CPIL has established a robust waste management system to reduce, reuse and recycle its generated waste. The Company disposes its hazardous waste through government authorized vendor. CPIL produces very low quantity of non-hazardous waste material which is handled by authorized and local waste collectors. Furthermore, the Company is always at the look out of innovative methods to optimize the reuse of its generated waste. For example, waste wood veneers generated in CPIL's decorative division, which cannot be used due to dimensional incompatibility are joined together by using modern technology for reuse as raw materials. CPIL also ensures complete usage of chemicals and hence have zero landfill policy for chemicals used such as Urea-Formaldehyde.

As a market leader in the timber-based industry, the Company's biggest challenge is working with chemicals like Formaldehydes and phenols. CPIL is continually driving efforts to reduce the consumption of these hazardous chemicals to create a minimal negative impact on the environment and community at large. As a part of which, the Company reduces/controls formaldehyde emission from plywood and High-Pressure Laminate (HPL) by improved glue formulation. CPIL has also developed CARB Resin without affecting the existing mechanical properties of CARB Product and in compliance with the formaldehyde emission test standard JIS A 1460.

Further, the Company trains its personnel on chemical safe handling and spills. As research and technological advancements accelerate, it is continuously exploring alternatives to these chemicals for use in production.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

None of CPIL's operations/offices fall around ecologically sensitive areas. However, ~98% of the Company's raw materials are sourced through agro forestry, ensuring effective plantation management is critical for the Company. CPIL encourages plantation activities by providing farmers around its manufacturing facilities with subsidized saplings of plant varieties like eucalyptus and other trees around their field. The Company also undertakes large-scale plantations of fast growing and short-rotation plant species around its manufacturing facilities, particularly in Punjab and Tamil Nadu. While this turns out to be a major source of sustainable raw material supply for CPIL and also provides financial support to the farmers, the Company remains conscious of its environmental responsibilities and ensures soil conservation through initiatives including –

- training of farmers on soil health management,
- Afforestation in empty pockets of the Company's manufacturing facilities and periphery
- Plant sapling distribution to workmen, encouraging them to plant in their areas of influence

| S. No.   | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--|--------------------------------|--------------------|---|
| Not Applicable as all clearances are maintained and in place |                                |                    |   |

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project                  | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|----------------------|------|---|--|-------------------|
| No EIA has been performed in the last fiscal year. |                      |      |   |  |                   |

**12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.**

| S. No.   | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken if any |
|--|---|---------------------------------------|---|--------------------------------|
| The Company is compliant with all applicable Indian laws and regulations and have zero incidents related to the same in FY23 |   |                                       |   |                                |

## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in GJ) from renewable and non-renewable sources, in the following format:

| Parameter  | FY 23<br>GJ | FY 22<br>GJ |
|--|-------------|-------------|
| <b>From renewable sources</b>                            |             |             |
| Total electricity consumption (A)                        | 45,059.05   | 66,985.21   |
| Total fuel consumption (B)                               | -           | -           |
| Energy consumption through other sources (C)             | -           | -           |
| Total energy consumed from renewable sources (A+B+C)     | 45,059.05   | 66,985.21   |
| <b>From non-renewable sources</b>                        |             |             |
| Total electricity consumption (D)                        | 3,09,493.12 | 2,63,328.95 |
| Total fuel consumption (E)                               | 2,08,677.21 | 2,16,835.19 |
| Energy consumption through other sources (F)             | -           | -           |
| Total energy consumed from non-renewable sources (D+E+F) | 5,18,170.33 | 4,80,164.14 |

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Not undertaken

2. Provide the following details related to water discharged:

| Parameter  | FY 23   | FY 22 |
|--|---|-------|
| <b>Water discharge by destination and level of treatment (in kiloliters)</b> |   |       |
| (i) To Surface water   | Not Applicable. The Company has successfully implemented Zero Liquid Discharge across all its facilities in India. It essentially means, the wastewater generated during the operational processes undergoes treatment in in-house Effluent Treatment Plants (ETPs) present at each facility. This treated wastewater is then recycled and reintroduced back into the system for a variety of purposes including filling ponds to store logs, irrigation for gardening purposes, flushing toilets, fire water storage, facility cleaning etc. |       |
| • No treatment   |   |       |
| • With treatment – please specify level of treatment                         |   |       |
| (ii) To Groundwater  |   |       |
| • No treatment   |   |       |
| • With treatment – please specify level of treatment                         |   |       |
| (iii) To Seawater  |   |       |
| • No treatment   |   |       |
| • With treatment – please specify level of treatment                         |   |       |
| (IV) Sent to third parties   |   |       |
| • No treatment   |   |       |
| • With treatment – please specify level of treatment                         |   |       |
| (v) Others   |   |       |
| • No treatment   |   |       |
| • With treatment – please specify level of treatment                         |   |       |
| Total water discharged (in kiloliters)                                       |   |       |

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not undertaken

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

The Company is yet to conduct water stress analysis in areas around its facilities

4. Please provide details of total Scope 3 emissions & its intensity :

While the Company has estimated its Scope 1 and Scope 2 emission, it is yet to develop the scope 3 inventory covering relevant parts of its value chain.

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not undertaken

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

Not Applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

CPIIL's journey towards resource efficiency and environmental impact reduction began about a decade ago. Some of the notable initiatives are as follows:

| S. No | Initiative undertaken   | Outcome of the initiative   |
|-------|---|---|
| 1.    | Increased production of MDF and particle board using hard wood and soft wood residues Resource efficiency                   | Reduced use of raw materials (wooden logs)                            |
| 2.    | Laser-guided light installation at panel assembly table   | Reduced maintenance and increased operational efficiency.             |
| 3.    | Auto sensing pneumatic pressure control for 8' glue spreaders   | Reduced material wastage and enhanced overall productivity.           |
| 4.    | Veneer feeding through auto loader at newly installed 10x4 dryers   | Increased efficiency, reduced downtime, and improved product quality. |
| 5.    | Utilization of cheaper locally available wood species in MDF manufacturing  | Improved cost-efficiency without compromising on quality.             |
| 6.    | Heat Exchanger Installation to improve refiner and press output in winters  | Improved productivity during cold weather conditions                  |
| 7.    | High jet smart wax unit installation  | Achieved a 20% reduction in wax consumption.                          |
| 8.    | Recycling of rejected fibre with the help of an external blower   | Reduced wastage of rejected fibre and overall material waste.         |
| 9.    | Introduction of online grading of final products to save cost on manual grading .   | Improved efficiency in the grading process                            |
| 10.   | Use of heat generated from waste bio-based boiler feed to dry the raw wood  | Reduced use of fossil fuel  |
| 11.   | Replacement of three legacy thermic fluid heaters of 15 Lac kcal with a single thermic fluid heater of 60 Lac kcal capacity | Increased energy efficiency   |
| 12.   | High-Capacity Veneer Dryer and VFD (Variable Frequency Drive) to replace manual glue Spreaders                              | Reduced heat loss   |
| 13.   | Chipper installation at energy plant  | To increase fuel efficiency.  |
| 14.   | Electric saving fan installed on dryers   | Increased energy efficiency   |
| 15.   | AC drives in boilers  | Increased energy efficiency   |
| 16.   | DG set synchronization panel to automate DG set operations  | Decrease in fossil fuel consumption                                   |
| 17.   | Screw compressed starter changed to VFD compressors   | Increased energy efficiency   |
| 18.   | Concentrated Solar Thermal (CST) technologies for heating water or other thermic fluids                                     | Reduced use of fossil fuel  |

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.**

The Company has a Risk Management Policy which also acts as business continuity and disaster management plan.

The Company's Risk Management Policy aims to minimize the negative effects of risks on the Company's business objectives. The policy was recently amended to conform with the amendments in Listing Regulations. It comprehensively addresses key risks such as strategic/business, information technology, financial, cyber security, and operational risks. The Risk Management Committee is responsible for implementing and monitoring the risk management plan. The Board and Audit Committee are kept informed about risk assessment and minimization procedures, with additional oversight by the Audit Committee on financial risks and controls. The major risks are systematically addressed through mitigating actions on a continuing basis, and the development and implementation of the Risk Management Policy is discussed in the Management Discussion and Analysis.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

CPIL is a timber-based Company. ~98% of the Company's wood-based raw materials are sourced from sustainable agro-forests and plantations that are studied to not cause adverse impact on the environment. The Company has begun sourcing its timber-based raw material veneer from Gabon, the veneers are made from FSC certified forests housing "Okoume" trees. These trees grow as part of the plantation forests in Gabon are short-rotation timber species, which enables it to harvest timber in a safe and sustainable manner without depleting resources. These forests are carefully maintained with conscious care towards soil health, weed control and pest control. Thus, ensuring environmental sustainability in addition to good quality raw material that contributes to the continued economic sustainability of CPIL.

However, for wood sourced from local India farmers, understanding the repercussions of modern agriculture on soil health and water table, the Company takes pro-active steps to train its vendors and their farmers on sustainable plantation practices and requirements. CPIL also has initiated electrification of its logistics and transport assets, not only by introducing electric vehicles for transportation but also in its warehouses in the form of electric forklifts. To conclude, CPIL has not observed any significant adverse impact caused to the environment due to activities across the Company's value chain. Going forward, Company also aims to extend these expectations for sustainable operations to its franchisees.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

While CPIL currently does not undertake environmental assessments for its value chain partners, the Company looks forward to developing a formal system soon to assess its potential and existing suppliers (Tier 1), on both, environmental and social parameters.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

**1. a. Number of affiliations with trade and industry chambers/associations.**

CPIL has affiliations with 9 industry chambers/associations.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.**

| S. No. | Name of the trade and industry chambers/ associations   | Reach of trade and industry chambers/ associations (State/ National) |
|--------|---|--|
| 1      | MCC Chamber of Commerce and Industry                    | National   |
| 2      | Bharat Chamber of Commerce                              | National   |
| 3      | Indian Chamber of Commerce                              | National   |
| 4      | Federation of Indian Chambers of Commerce and Industry  | National   |
| 5      | Indian Plywood Industries Research & Training Institute | National   |
| 6      | The Bengal Chamber of Commerce and Industry             | State  |
| 7      | Federation of Indian Plywood and Panel Industry         | National   |
| 8      | Association of Indian Panel board Manufacturer          | National   |
| 9      | Indian Laminate Manufacturers Association               | National   |

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority  | Brief of the case | Corrective action taken |
|--|-------------------|-------------------------|
| The Company has not engaged in any anti-competitive conduct during the reporting year. |                   |                         |

## LEADERSHIP INDICATORS

### 1. Details of public policy positions advocated by the entity:

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|--------|-------------------------|-----------------------------------|--|---|------------------------|
|--------|-------------------------|-----------------------------------|--|---|------------------------|

Through several industry associations, CPIL takes part in advocacy efforts to enhance the industry and public welfare. The Company takes an active role in these forums when it comes to concerns and policy matters that impact the interest of the stakeholders. CPIL's goal is to be a part of the larger policy-development process and not focus only on one subject area.

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### ESSENTIAL INDICATORS

### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
|-----------------------------------|----------------------|----------------------|---|--|-------------------|

The Company's average CSR obligation in the three immediately preceding financial years remained below ₹10 crores. Hence, it is not mandated to undertake impact assessment, through an independent agency, if a Company's CSR projects have an outlay of INR. 1 crore or more.

While impact assessment is not mandatory for CPIL's projects, the company acknowledges the importance of evaluating the social impact of its initiatives and internally assesses the effectiveness of its CSR programs. This includes assessment of the extent to which the CSR programs positively impact the targeted beneficiaries and their alignment to the Company's social responsibility goals to contribute to the well-being of the community they serve.

### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % Of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--------|--|-------|----------|---|--------------------------|---|
|--------|--|-------|----------|---|--------------------------|---|

Not Applicable

### 3. Describe the mechanisms to receive and redress grievances of the community.

CPIL engages with the local communities through its CSR programmes and activities. The Company aims to uplift the lives of marginal and vulnerable stakeholders. The Company has a CSR committee in place that is responsible for identifying the implementing CSR programmes and activities at the ground level. The implementing agencies regularly communicate at the ground level to identify and address the needs of the communities through the CSR activities.

The CSR committee continuously engages with the communities through surveys and focus group discussions to ensure that the community needs are addressed, and their expectations are met. Through these continuous reviews, CPIL ensures that community grievances are promptly addressed.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

|   | FY 23 | FY 22 |
|---|-------|-------|
| Directly sourced from MSMEs/ small producers                        | 9%*   | 4%*   |
| Sourced directly from within the district and neighboring districts | 74%   | 76%   |

\*The above percentage includes raw material categories chemicals and timber procured by CPIL 's corporate office, Chennai and Karnal facility only. Other CPIL facilities are currently in the process of tracking direct procurement from MSMEs/ small producers.

## LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| Not Applicable                               |                         |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

| S. No.         | State | Aspirational District | Amount spent (In INR) |
|----------------|-------|-----------------------|-----------------------|
| Not Applicable |       |                       |                       |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

While the Company encourages practices to procure its raw material requirements from suppliers comprising marginalised/vulnerable groups like those from poor economic backgrounds, it is yet to develop a preferential procurement policy for the same.

- (b) From which marginalised / vulnerable groups do you procure?

CPIL encourages farmers around its manufacturing locations to plant eucalyptus and other trees around their field. The Company is also promoting large-scale plantations of fast growing and short-rotation plant species in the vicinity of the Company's manufacturing facilities, particularly in Punjab and Tamil Nadu. Through such agro-forestry measures, the Company is procuring nearly ~98% of its timber requirements. This is also great source of income for the farmers who come from poor economic backgrounds.

- (c) What percentage of total procurement (by value) does it constitute?

CPIL presently has a well-established system to track their sustainable procurement and are currently meeting ~98% of its timber requirements through agro-forestry, However CPIL is yet to track the percentage of total procurement from marginalized and vulnerable groups.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

| S. No.         | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|----------------|--|--------------------------|---------------------------|------------------------------------|
| Not Applicable |  |                          |                           |                                    |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Brief of the Case |
|-------------------|-------------------|-------------------|
| Not Applicable    |                   |                   |

6. Details of beneficiaries of CSR Projects

| S. No | CSR Project               | No. of persons benefited from CSR projects  | % Of beneficiaries from vulnerable |
|-------|---------------------------|---|------------------------------------|
| 1.    | Tree plantation           | 20,49,600 samplings were given to 2,808 farmers   | 100%                               |
| 2.    | Vanvasi Kalyan Ashram     | 135 tribal students   | 100%                               |
| 3.    | Udayan Care               | 1200 Girls (10 students supported by CPIL)  | 100%                               |
| 4.    | Friends of Tribal Society | 83,371 Nos of Ekal Vidyalaya providing support to 22,14,729 students in remote villages as on Jan'2023. | 100%                               |
| 5.    | Morning Glory School      | 78 differently abled children were benefitted   | 100%                               |
| 6.    | Future hope India         | 680 slum students were supported  | 100%                               |

| S. No | CSR Project                                      | No. of persons benefited from CSR projects                              | % Of beneficiaries from vulnerable |
|-------|--|---|------------------------------------|
| 7.    | Vidyarthi Vikash                                 | Self Defence training was given to 1600 students                        | 100%                               |
| 8.    | Vidya Bharti Vikash parishad                     | 322 schools with 8500 students and 3850 teachers in WB.                 | 100%                               |
| 9.    | Tagore Foundation School Kolkata                 | 110 students out of which 50% students were differently abled children. | 100%                               |
| 10.   | Gaudiya mission vidya mandir                     | 1200 student  | 100%                               |
| 11.   | Debanjan sen foundation                          | 35 Girls  | 100%                               |
| 12.   | Katakali swapnopuron welfare society             | 803 students were benefitted  | 100%                               |
| 13.   | Can Kids – Cancer patients                       | 687 cancer kids were benefitted   | 100%                               |
| 14.   | Shree Ram Seva Samity Trust                      | 100 students  | 100%                               |
| 15.   | Help Us Help Them                                | Free Residential learning centre for 100 girls                          | 100%                               |
| 16.   | Kurpai Unnayani Society                          | 303 students  | 100%                               |
| 17.   | Marwari Relief Society                           | 220 beds were provided along with other medical support                 | 100%                               |
| 18.   | Nagarik Swasthya Sangha                          | Free eye treatment was provided to 160 patients per month               | 100%                               |
| 19.   | Calcutta Centre Mahavir Seva Sadan               | Infra support for new MSS Rehabilitation & Research Centre              | 100%                               |
| 20.   | Shree Vishudhanand Hospital & Research Institute | 700 patients for outdoor service daily                                  | 100%                               |
| 21.   | Bhukailash welfare centre-gangasagar             | Provided treatment to 30000 patients                                    | 100%                               |
| 22.   | Vision mission foundation                        | 500 beneficiaries   | 100%                               |
| 23.   | Help care society                                | 20 Wheelchairs were provided to the handicapped people                  | 100%                               |

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

### ESSENTIAL INDICATORS

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumer satisfaction is an important indicator of business growth and sustainability and CPIL is committed to continuously meet customer expectations. The Company connects with its customers through multiple mediums. As the business is primarily B2B in nature, the Company regularly interacts with its empanelled dealers and architects to learn about any concerns they may have related to the product quality or business arrangements. Feedback of the end-consumers on the product quality is also obtained from the Company's B2B partners. CPIL's CFS division also carries out shipping lines' surveys. The Company has implemented a formal grievance redressal mechanism to record all consumer grievances and provide appropriate resolutions. The Company receives consumer complaints and feedbacks from numerous empanelled dealers and architects on all relevant issues related to product quality. All complaints are resolved by the marketing and sales team, however any complaint that requires escalation is raised to the zonal in-charge appointed for each product line (Laminates, Plywood, Particle board, MDF, decorative veneer, New Age Products).

#### 2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

|   | As a percentage to total turnover  |
|---|--|
| Environmental and social parameters relevant to the product | The Company majorly operates as a B2B business, wherein its products are sold through dealers to architects and civil contractors as well as to other industries to be converted into finished products. The Company makes all essential information available to the buyer upon purchase. |
| Safe and responsible usage                                  |  |
| Recycling and/or safe disposal                              |  |
|   | Considering that NAP (New Age Products) is a special variety of products, 100% of all products carry information on the product itself.  |

CPIL adheres to all norms of product labelling and display of information as required under relevant regulations. The Company also provides the requisite information and safety guidance which are specific to products. Last year, CPIL also started bar-coding of its products, enabling customers to verify product genuineness. A substantial part of its products is Greenguard certified, which certifies the products to have low levels of air emissions during the usage phase than a conventional product.

Some of the other significant certificates are as follows:

- Laminates: BIS, FSC, Greenguard, GreePro, Indian Green Building Council (IGBC), ISO 9001: 2015, ISO 14001:2015, ISO 45001:2018
- Plywood: BIS, FSC, GreenPro, E0/E1 grade, Indian Green Building Council (IGBC), ISO 9001: 2015, ISO 14001:2015, ISO 45001:2018
- MDF: BIS, CARB Certification Grade, CPIL has also introduced E0, E1 & E2 grade products with low lifetime air emission capabilities

### 3. Number of consumer complaints in respect of the following:

|                                | FY 23                    |                                   |         | FY 22                    |                                   |         |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy                   | -                        | -                                 | -       | -                        | -                                 | -       |
| Advertising                    | -                        | -                                 | -       | -                        | -                                 | -       |
| Cyber-security                 | -                        | -                                 | -       | -                        | -                                 | -       |
| Delivery of essential services | -                        | -                                 | -       | -                        | -                                 | -       |
| Restrictive Trade Practices    | -                        | -                                 | -       | -                        | -                                 | -       |
| Unfair Trade Practices         | -                        | -                                 | -       | -                        | -                                 | -       |
| Others                         | 3,002                    | 61                                | -       | 2057*                    | 55                                | -       |

\* Including complaints pending as on the close of the previous year

### 4. Details of instances of product recalls on account of safety issues:

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | -      | None               |
| Forced recalls    | -      | None               |

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has an IT policy in place and has put in mechanisms for tackling and mitigation of cyber risks and privacy breaches. The framework is crucial in safeguarding the business processes against potential security breaches and preventing any misuse of confidential information and customer data. To ensure the commitment, CPIL follows a structured process that is enabled in the guidelines under the policy. However, it is an internal document and not available in public domain.

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No complaints relating to the above-mentioned areas were received in the FY 2022-23.

## LEADERSHIP INDICATORS

### 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Annual report : <https://www.centuryply.com/annual-report/annual-report>

Company website: Catalogue: <https://www.centuryply.com/catalogues>

### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

CPIL makes all essential information about safe and responsible usage of its products available to the buyer upon purchase. Considering that NAP (New Age Products) is a special variety of products, 100% of all products carry information on the product itself. CPIL adheres to all norms of product labelling and display of information as required under relevant regulations. The Company also provides the requisite information and safety guidance which are specific to products. It must be noted that most of the Company's products are used as intermediate products which is then further processed to make the finished products for use of end-consumers. Hence, the Company does not directly engage in any sensitization activities on safe and responsible usage of products with end-consumers. This is taken care of by the Company's empanelled dealers and architects.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company is in continual dialogue with its customers through social media and news publications and all notable changes deemed necessary for communication are reported through press conferences and social media pages.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

The Company communicates product-related information to its B2B partners upon purchase, as the Company produces mostly intermediate products which are then processed into finished products and the company does not directly interact with end-consumers. Hence the above question regarding the display of product information is not relevant for the company.

As a part of understanding the changing needs of the customers and collecting feedback on the existing products and services, the Company ensures constant communication with the dealers, retailers as well as architects and builders through its well-established marketing and sales teams for all product lines of the Company. In addition, CPIL also conducts an annual consumer satisfaction survey for its product lines along with its CFS division carrying out surveys with the shipping lines, to whom they cater. The CFS division also has a portal for feedback registration on its website.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact:** Nil

**b. Percentage of data breaches involving personally identifiable information of customers:** Nil

## Annexure 9

# Disclosure of the particulars with respect 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.

### A. Conservation of Energy

#### (i) The Company adopted the following measures towards conservation of energy:

- Ultrasonic sensor installed at 8' glue spreader which saves energy by auto run of pump (precise time) from earlier manual operation.
- Delivery of glue lifting pump branched to two channels (upper and lower rollers. This saves double running of machine as was in earlier set up.
- Ageing machines replaced with energy efficient one at Decorative section (Wide Belt Sander) and Plywood section (10 section 4 chamber dryer with 4 section 3 chamber and 6 section 3 chamber dryers)
- Human machine interface (HMI) introduced at newly installed 10x4 dryers; efficient control of parameters thus optimized use of energy (heat and electricity).
- Pneumatic temperature controlled valves have replaced hydraulic valves at plywood hot presses; this has led to instant controls compared to earlier system that would take time and consume energy.
- Air cooled pumps for thermic fluid circulation pumps are now installed at plywood hot presses from earlier water cooling method; this has led to conservation of energy and reduced consumption of water.
- Scarf jointing presses now have password protected temperature controllers for effective utilisation and control of energy.
- The generation of compressed air is now consolidated at one place in plywood division from earlier system of mobile reciprocating compressors, thus centralising the air generation and saving of energy which was otherwise being consumed at scattered locations.
- Cooling tower for resin plant operation is installed at plywood division which has improved the cooling time from earlier system; this has led to reduction in machine operation time at resin kettles and energy.
- Similar achievements have been made at laminate division in reducing the cooling time by use of condenser.
- Plate cooling system at decorative hot press is now improved with replacement of 15 HP motor with 3 numbers of 1 HP motor.
- 2 numbers of QT 30 hot water generators have been

replaced with a single energy efficient QT 50 at laminate division.

- Use of VFD in Laminate hot press leading to less electricity consumption.
- Changing stoker design in laminate TFH leading to better utilization of heat (flu gas-reuse) and saving electricity.
- Implementation of a higher capacity vacuum pump along with a pressure switch which will reduce the running hour of the machine thus reducing the electricity consumption at laminate division.
- Web-liners at impregnators have been changed to pneumatic controlled from earlier hydraulic systems.
- Manual roller adjustments at peel coating machines in laminate division changed to pneumatic controls, thus optimising energy consumption by reduced machine operation hours.
- There is a reduction in consumption of coal by almost 6% (YoY) even with an average 15% increase in production due to replacement of coal with biomass fuel.
- The power factor achieved at plant is 0.99 plus thus enabling energy conservation in the system.

#### (ii) The steps taken by the Company for utilizing alternate sources of energy:

- Increased the turbo vents for better air circulation without electrical energy.
- Diesel Forklift have been substituted with Electric Forklifts thereby reducing consumption of fossil fuel. Electric Forklift are also more environmentally friendly as they are less noisy in operation and do not generate harmful emissions.
- Continued usage of solar power at all factories, has substantially reduced dependence on fossil fuels and emission of carbon dioxide. Wind power energy is also being.

#### (iii) The capital investment on energy conservation equipment:

Investments, wherever required, for conservation of energy are proactively made by the Company. The Company has a continuous process to monitor and explore ways and means for conservation of energy.

## B. Technology Absorption

### (i) Efforts made towards technology absorption:

- Laser guided light installed at panel assembly table which leads to assembly of panels in accurate dimensions, thereby reducing wear and tear of edge trimming machine resulting out of frequent change of settings.
- 8' glue spreaders are fitted with auto sensing pneumatic pressure control; this stops the machine in case of fluctuations; reduces material loss and increases service life of machine.
- Veneer feeding through auto loader introduced at newly installed 10x4 dryers; this leads to gapless feeding of veneer, thereby improving efficiency and quality.
- Fire Retardant MDF board successfully introduced by the plant under R&D initiative and added to the inventory.
- Experimented with other cheaper species of wood easily available locally and introduced in the process for MDF manufacturing to save cost without compromising quality.
- Heat Exchanger Installed to improve refiner and press output in winters.
- High jet smart wax unit installed to reduce wax consumption cost by 20%.
- Rejected fiber being recirculated with the help of external blower to be taken back in production thus reducing wastages.
- CTS dust usage directly in energy plant furnace implemented with modification of systems thus reducing manual labour and environment contamination.
- Online grading of final product introduced to save cost on manual grading by contractual workers.
- QR Code introduced for laminated boards to counter duplicity of Company's product.
- In-house research being carried out on continuously to develop new and better products and also to improve the quality of existing products.
- Continuous efforts being made to increase usage of environmentally safe ingredients in its products.
- Manufacturing process/parameters are continuously monitored and modified wherever required to ensure better productivity both in terms of quantity and quality.
- Participating in national and international conferences, seminars and exhibitions.

- Analysing feedback from users to improve products and services.

### (ii) Benefits derived:

- Improved product quantity and quality with value-added features
- Cost reduction, technology up-gradation
- Reduction in manufacturing time
- Customer satisfaction by delivery of diversified range of products
- Better utilization of resources through improved processes
- Reduction in rejection and higher recovery of prime grade

### (iii) Details of Imported Technology:

- Introduction of auto-feeding system of veneers in dryers

### (iv) Expenditure on R&D:

During the year under review, the Company has not incurred any specific and material capital/recurring expenditure on research and development. Research and Development is carried out in-house using the existing manufacturing setup. The Company is a member of Indian Plywood Industries Research and Training Institute (IPRTI) and has contributed ₹2,19,211 to it. The technologies used by the Company are indigenous.

## C. Foreign Exchange earnings and outgo

|                                | ₹ in crore     |                |
|--------------------------------|----------------|----------------|
| <b>Earnings on account of:</b> | <b>2022-23</b> | <b>2021-22</b> |
| FOB value of exports           | 157.91         | 137.65         |
| <b>Total</b>                   | <b>157.91</b>  | <b>137.65</b>  |
| <b>Outgo on account of:</b>    |                |                |
| a) Raw materials               | 327.14         | 311.66         |
| b) Capital goods               | 34.32          | 98.28          |
| c) Traded goods                | 16.43          | 27.55          |
| d) Stores and spare parts      | 6.42           | 4.52           |
| e) Transit Stock               | 8.9            | 18.23          |
| f) Services                    | 0.72           | 0.42           |
| g) Travelling expenses         | 0.12           | 0.06           |
| h) Interest                    | 1.34           | 1.00           |
| i) Others                      | 0.68           | 0.13           |
| <b>Total</b>                   | <b>396.07</b>  | <b>461.85</b>  |

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

(DIN: 00246043)

Kolkata, 4<sup>th</sup> August, 2023

*Chairman and Managing Director*

# Management discussion and analysis

## Global economy

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

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

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

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

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

| Regional growth (%)               | 2022 | 2021 |
|-----------------------------------|------|------|
| World output                      | 3.4  | 6.3  |
| Advanced economies                | 2.7  | 5.4  |
| Emerging and developing economies | 4.0  | 6.9  |

**Outlook:** The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 6.6%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major

financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession and significant developments, including China's progressive departure from its strict zero-covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.3% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

## Indian economy

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

### Growth of the Indian economy

|                    | FY 20 | FY 21 | FY 22 | FY23 |
|--------------------|-------|-------|-------|------|
| Real GDP growth(%) | 3.7   | -6.6% | 9.1   | 7.2  |

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

|                     | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 |
|---------------------|--------|--------|--------|--------|
| Real GDP growth (%) | 13.1   | 6.2    | 4.5    | 6.1    |

The real estate industry witnessed a significant growth in housing sales, which grew by 48% y-o-y and reached ₹3.47 lakh crore. After two years of muted growth during the pandemic, the Indian real estate sector recovered remarkably in spite of visible headwinds such as rising construction costs and 225 bps repo rate increase in 2022. The growth sentiment was visible across tier -I, II and III cities. The housing sales in major cities such as Delhi-NCR region grew to ₹50,620 crore at 42% y-o-y growth, Mumbai Metropolitan Region (MMR) increased to ₹1,67,210 crore at 46% y-o-y growth, Bengaluru increased to ₹38,870 crore at 49% y-o-y growth, Pune increased to ₹33,730 crore at 77% y-o-y growth and Kolkata increased to ₹10,660 crore at 38% y-o-y growth.

Commercial real estate also witnessed a growth owing to the demand boost in the e-commerce industry and India's evolution as the fastest-growing business and IT hub. Moreover, policy

initiatives like Smart Cities Mission and AMRUT (Atal Mission for Rejuvenation and Urban Transformation) and greater accessibility towards housing finance is expected to further drive the demand for real estate.

After a steep decline during the pandemic, the hospitality industry is set to witness a significant demand surge in the next two-three years. The revenue per available room (RevPAR) increased by 94% in 2022, indicating a complete recovery from the decline of the pandemic years.

India's takeover of the G20 presidency will play a significant role in driving the demand in the hospitality sector with guest list comprising more than 30 Heads of States across G20 nations and over 200 meetings will be organised in India across 50 cities.

The hospitality sector expects an addition of ~12,000 hotel rooms in 2023 and would likely attract over USD 2.3 billion in investments in the next five years, anticipating demand to overtake supply, leading to an optimistic outlook in the near future.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY23 was estimated at 16.5% to \$714 billion as against \$613 billion in FY22. India's merchandise exports were up 6% to \$447 billion. India's total exports (merchandise and services) grew 14% to a record of \$775 billion and is expected to touch \$900 billion in FY2023-24. India's current account deficit, a crucial indicator of the country's balance of payments position, was US\$67 billion or 2% of GDP. India's fiscal deficit was in nominal terms at ~ Rs 17.55 lakh crore, which is 6.4% of the country's GDP for the year ending March 31, 2023.

India's headline foreign direct investment (FDI) numbers rose to a record \$84.8 billion in FY2021-22. However, during the fiscal year 2022-23, the country experienced a 16% decrease in foreign direct investment (FDI) inflows, amounting to \$71 billion on a gross basis. This decline can be attributed to the unfavourable global economic conditions and stands as the first contraction in FDI in the past ten years.

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately \$70 billion in FY 2022-23, primarily influenced by rising inflation and interest rates. Starting from \$606.47 billion on April 1, 2022, reserves decreased to \$578.44 billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by March 31, 2023, driven by a stronger dollar and an increasing current account deficit. Despite these factors, India continued to attract investable capital.

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

India's total industrial output for FY23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4% in FY2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100<sup>th</sup> in 2017 to 63<sup>rd</sup> in FY23. As of March 2023, India's unemployment rate was 7.8%.

In FY 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in RE 2022-23. The government is also estimated to have addressed 77% of its disinvestment target in FY23 (Rs 50,000 crore against a target of Rs 65,000 crore).

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

Per capita income almost doubled in nine years to Rs 172,000 during the year under review, a rise of 15.8% over the previous year. India's GDP per capita was 2,320 USD (March 2023), close to the magic figure of \$2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3% in 2022-23.

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

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP growth of 7.2% and America and Europe is experiencing its highest inflation in 40 years.

India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in various sectors and emerge as a suitable industrial supplement to China. India is poised to

outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions and slowing external demand. (Source: IMF data, RBI data, Union budget 2023-24 data, CRISIL report, Ministry of Trade & Commerce, NSO data)

### Union Budget FY 2023-24 provisions

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

## Industry structure and developments

### Indian furniture industry overview

The Indian furniture industry revenue is estimated to have reached a value of US\$ 23.12 billion in 2022. The market is projected to grow at a rate of 10.09 CAGR from 2023-2028. This growth is attributed to factors such as growing disposable incomes and rise and living standards. There is a growing demand from customers for renovation activities with customers prioritizing comfort and aesthetics over price sensitivity.

The e-retail sector in India is experiencing significant growth due to widespread high-speed internet networks and increased adoption of smart devices. These developments are expected to make it easier for customers to purchase furniture through online channels. Moreover, the growing number of smartphone users in the country and the surge in online shopping activities have encouraged furniture industry players to introduce their products through online platforms.

*The government has recognized the furniture industry as a significant contributor to the promotion of 'Make in India' products worldwide, considering India's projected position as the world's third-largest economy in the near future. Apart from this, the Indian furniture industry is expected to witness indirect growth from the boost in the real estate and hospitality sectors as well. (Source: Expertmarketresearch)*

### Revenues by segment

The Indian furniture industry is renowned for its exceptional and unique designs, stemming from its rich tradition of handcraft and appealing artistic style. Over time, the industry has evolved beyond just chairs and tables to include bespoke interior design options like wardrobes and sofas, reflecting the growing urban population, rising disposable incomes, and expanding middle-class demographic. Despite being dominated by small, local unorganised firms, the industry has experienced growth with organised players gradually increasing their contribution in recent years. With the emergence of several multinational companies, the share of organised players is expected to further expand in the Indian furniture market.

The Indian furniture market is being driven by a variety of factors, including the rising demand for state-of-the-art and customisable furniture among urban residents, the growth of urbanization and the emergence of hybrid furniture.

The Indian furniture industry is expected to experience robust growth in the coming years due to various factors. The rising population and urbanization are driving the demand for home furniture, leading to increased investments in infrastructure renovation activities. Consumers are increasingly seeking aesthetic furniture solutions to enhance the look and feel of their homes. Moreover, the growing disposable incomes and improving living standards are also encouraging consumers to invest in household décor enhancement solutions, further bolstering market growth in the near future.

### Indian plywood sector overview

This plywood business accounted for 55.5% of the revenues of Century Plyboards in during the year under review. The Indian plywood industry is estimated to have reached ₹208.5 billion in 2022 and is expected to reach ₹306.5 Billion by 2028-29, growing at a CAGR 6.74% during 2022-23 to 2027-28.

In recent times, there has been much traction for plywood due to a number of factors such as growing demand for houses and home environment, higher longevity, strength, flexibility, chemical resistance, fire resistance and sound and heat insulation, making it ideal for a variety of applications such as doors, stairs, cladding, flooring, framing, balustrades, panels, and timber joinery.

The Indian plywood market is being boosted by several government initiatives, such as Pradhan Mantri Awas Yojana, NTR and DDA Housing Scheme, aimed at promoting housing development. Rising consumer expenditure is driving an increase in renovation and refurbishment activities, further boosting market growth. The growing demand for premium plywood and the expanding furniture industry, along with the demand for environmentally friendly plywood with improved appearance in various industrial applications, are contributing to the market growth in India.

*(Source: Imarcgroup, einnews)*

## Indian laminate sector overview

The Indian decorative laminates sector is expected to reach a value of US\$ 1.7 Billion in 2021 and is expected to reach a value of US\$ 2.4 Billion by 2027, indicating a CAGR of 5.8% during 2022-2028.

Decorative laminates are durable materials made by coating phenolic resin and applying desired designs and melamine resin. Its resistance to stain, scratch and heat enhances its saleability, making it an ideal choice for home and industrial furnishings.

By application, the Indian laminate sector is segregated into furniture, building interior and construction, packaging and others.; with the building interior and construction segment acting as a major growth driver. Laminates are often used for kitchen counters, tabletops and cabinets. They are widely used in various settings, including hotels, hospitals, shopping malls, airports, educational institutions and commercial buildings.

Rising urbanization and industrialization have spurred growth in the construction sector and laminates have emerged as a popular eco-friendly alternative to timber with advancements in technology. This is expected to further boost the laminate market.

The laminate business accounted for 18.1% of the revenues of Century Plyboards in during the year under review.

(Source: *Imarcgroup*)

## India medium density fibre (MDF) board overview

The MDF segment of the Company accounted for 17.6% of the revenues of Century Plyboards in during the financial year under review.

The growth in the MDF sector is largely driven by rise in discretionary spends and urbanization, as a greater number of people are moving towards ready-made and easy-to-install furniture, strengthening the demand for MDF.

The global MDF market was valued at \$53.9 billion in 2021, with Asia-Pacific region accounting for three-fourths of the market share. The global MDF market is projected to reach \$96.5 billion by 2031, growing at a CAGR of 6.0% from 2022 to 2031. This growth is expected to be driven by factors such as population growth, urbanization, improving living standards, greater spending on home improvement and tourism, effectively driving the demand for the greater use of MDF in flooring, doors and windows and interior design.

There is a great demand for MDF in the Indian market, as companies are returning to their offices and hybrid work model is on the rise, fostering a demand for office desks for both work-in-office and work-from-home. The growing emphasis on sustainability globally has also driven modern offices, aspiring for LEED certification, to use MDF – which is a more sustainable option.

(Source: *sawdustonline, prnewswire*)

## Indian particle board market overview

The particle board market of India was estimated to be around US\$ 380 million in 2021. It is further predicted to grow at a CAGR of more than 12% till 2027. The Particle Board segment of the Company accounted for 4.8% of the revenues of Century Plyboards in during the financial year under review.

Particle boards are widely used in making furniture for offices, hotels, restaurants, cafes, and lodgings. The growing traction for particle board is directly linked to macro-economic factors such as population growth and India's rising hospitality and tourism sector, the return of the workforce to offices. During 2022, the office sector in India witnessed its second-largest leasing activity with gross absorption of 56.6 mn sq ft growing by 40% (Y-o-Y).

(Source: *Imarcgroup*)

## Indian logistics industry overview

This business accounted for 2.3% of the revenues of Century Plyboards in FY2022-23.

The estimated size of the Indian logistics market is valued at US\$ 250 billion in 2021, growing at a CAGR of 10-12% and reach US\$ 380 billion by 2025.

The domestic logistics industry in India is highly fragmented with over 1,000 players, including domestic leaders, global players, government postal service express arm, and e-commerce focused startups.

The Indian logistics market is largely driven by the growing demand for imports, especially in the emerging economies. This demand is supported by an integrated supply chain network that links producers and consumers through multiple transportation modes like freight rail, ocean carrier, air and express delivery services, truck conveyance, etc.

Moreover, the advancements in logistics like automated material handling equipment, biometrics, high-speed network connectivity and GPS has induced organizations and businesses to work proficiently, catalyzing market growth across India.

The growth of online selling businesses in India is driven by digital payments, local logistics and customer engagement. The thriving e-commerce industry, C2C and B2C websites, tech-driven warehouses, geotagging and IoT have contributed to the growth of the logistics market. The government's National Logistics Policy campaign and focus on IT infrastructure is also expected to boost the market, along with improved connectivity through better roads and dedicated freight corridors.

(Source: *Openpr*)

## Indian real estate sector overview

The Indian real estate market is poised to touch Rs 65,000 crore by 2025 and is expected to contribute to 13 per cent of the country's GDP

India is projected to deliver 82 million square feet by 2023. Indian firms are anticipated to raise almost ₹6500 crore through infrastructure investment trust (InvIT) and real estate investment trusts (REIT) in 2022.

In FY23, the construction development sector in India saw a foreign direct investment equity inflow of approximately 125 million U.S. dollars.

According to the Union Budget 2023-24, the budget for PM Awaas Yojana was boosted by 66% to more than 79,000 crores. Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) to aid the construction of 2.95 crore pucca houses with basic amenities by March 2024.

SEBI approved the REIT platform to allow investments in this sector to create an opportunity worth ₹1.5 lakh crores in the Indian market in the years ahead.

## Growth drivers

**Population growth:** India has overtaken China as world's most populous nation, fostering demand for homes and in turn, drive demand for plywood.

**Growing middle class:** By 2030, around 80% of Indian population will be classified middle class as against 30%.

**Urbanisation:** By 2025, 38% of the Indian population will be living in cities compared to the current estimate of 33%.

**Demographic dividend:** The Indian consumer market is expected to be driven by its young population, who are showing a growing preference for ready-made products like wood panel compared to traditional carpentry.

**Growing replacement demand:** The growth in discretionary spending will contribute to the rising living standards, which will catalyse the demand for wood panels.

**Rise in demand for houses:** The Indian real estate market is expected to reach a value of US\$ 30 trillion by 2030. This will, in turn, drive the demand for Indian furniture.

**Online retail sector:** With the reopening of offices and hybrid work culture being the new normal, there has been an increasing demand of tables, laptop tables and office chairs, among others. The Indian e-commerce sector was estimated to be USD 75 billion in 2022 and is expected to reach 200 billion by 2026.

(Source: Economic Times, Business World)

## Strengths, weaknesses, opportunities and threats (SWOT)

### Strengths

- The Company has a vast network pan-India with a robust distribution channel to ensure consistent product availability.
- It offers a range of products to meet diverse customer needs.
- The Company's profitability is based on its brand reputation and market dominance.
- The strategic placement of its manufacturing facilities speeds up product delivery.
- The Company operates in industries with high barriers to entry for new players.

### Weaknesses

- The Company encounters intense competition, primarily from unorganized players, except in the MDF segment.
- It relies on the opinions and referrals of professionals such as carpenters and architects.
- Imbalances between supply and demand in various product categories can affect the Company's profits.

### Opportunities

- The per capita income at the national level grew by nearly 100% from FY15 to FY23.
- The demand for structured wood products has risen.
- India has a larger millennial population compared to the worldwide average.

(Source: India Briefing)

### Threats

- Informal players may offer their goods at a discounted price.
- Lack of raw materials.
- Timber-producing nations are reluctant to allow exports without further processing.
- A sharp rise in raw material prices.

## Segment overview, 2022-23

### Plywood

- The Company maintained its leadership position in this segment.
- Revenue of the segment increased/decreased by 27% during the year under review, valued at ₹2011.93 crore in comparison to ₹1583.81 crore during FY 2021-22.
- EBITDA margin stood at 13.3% without impairment loss as against 14.1% in FY 2021-22.
- Average realisations per unit of the end product strengthened 4.8% over the last year.
- Total volume witnessed an increase of 10.3% during the year under review, with the current level standing at 256693 CBM.
- Capacity utilisation was 86%.

### Laminates

- Revenue of the segment increased from ₹574.66 crore in FY 2021-22 to ₹657.60 crore.
- EBITDA margin of the segment decreased from 15.7% in FY 2021-22 to 14.8%.
- Average realisations per unit of the end product increased 7.6% compared to last year.
- Total volume witnessed an increase of 1.8 % during the year under review, with the current level standing at 74,80,414 sheets.
- Capacity utilization was 85%.

### Medium Density Fibre board

- Revenue from the segment increased by 14.1% to ₹640.14 crore in comparison to ₹560.89 crore in FY 2021-22.
- EBITDA margin stood at 27.3% as against 31.7% in FY 2021-22.
- Total volume witnessed an increase of 4.2% during the year under review, with the current level standing at 185319 cbm.
- Average realisations per unit of the end product increased to 10.2% compared to last year.
- Capacity utilization was 94%.

### Particle board

- Revenue from the segment increased 15.5% to ₹174.17 crore as against ₹150.81 crore in FY 2021-22.
- EBITDA margin was 26.7% as against 27% in FY 2021-22.
- Total volume increased by 0.1% to 73,022 cbm.
- Capacity utilization was 101%.

### Logistics

- Revenues increased from ₹77.62 crore in FY 2021-22 to ₹80.99 crore in FY 2022-23.
- EBITDA margin was 26.5 in FY 2022-23 as against 24% in FY 2021-22.

## Discussion on performance, FY 2022-23

### Balance Sheet

- Total borrowings including buyers' credit for FY 2022-23 stood at ₹264.67 crore compared to ₹196.37 crore during FY 2021-22.
- Total net fixed assets for FY 2022-23 stood at ₹1000.20 crore compared to ₹695.98 crore in FY 2021-22.
- Net worth stood at ₹1897.97 crore as on 31<sup>st</sup> March, 2023 compared to ₹1,564.87 crore as on 31<sup>st</sup> March, 2022, an increase of 21.3%.
- Inventories increased by 2.8% from ₹489.53 crore as on 31<sup>st</sup> March, 2022 to ₹503.25 crore as on 31<sup>st</sup> March 2023.

### Profit and loss statement

- Revenues from operations increased by 20.7% from ₹3,000.88 crore in FY 2021-22 to ₹3,620.65 crore in FY 2022-23.
- EBITDA increased to ₹581.84 crore in FY 2022-23 compared to ₹557.33 crore in FY 2021-22.
- Profit after tax was witnessed at ₹366.84 crore in FY 2022-23, with an increase of 12.8%.
- Depreciation and amortisation stood at ₹72.38 crore in FY 2022-23 compared to ₹67.53 crore in FY 2021-22.

### Outlook

The company aims to capitalize on the increasing demand catalyzed by the favourable macroeconomic conditions and conducive government policies and achieve a revenue target of ₹12,000 crore by 2031.

## Key financial ratio - Significant changes and explanations

| Ratio                                      | FY 2022-23   | FY 2021-22   |
|--|--|--|
| Debtors Turnover (Days)                    | 39   | 42   |
| Inventory Turnover                         | 51 (31 days for raw material and 20 days for finished goods) | 60 (31 days for raw material and 29 days for finished goods) |
| Interest Coverage Ratio                    | 33.16 times  | 50.96 times  |
| Current Ratio (with short term borrowings) | 1.95   | 1.92   |
| Debt Equity Ratio                          | 0.14   | 0.13   |
| Operating Profit Margin (%) (EBIT Margin)  | 14.07%   | 16.32%   |
| Net Profit Margin (%) / PAT                | 10.13%   | 10.84%   |
| Return on Net Worth/ Average Equity        | 21.19%   | 22.99%   |
| EBITDA Margin                              | 16.07%   | 18.57%   |
| Earnings per share (Rs)                    | 16.51  | 14.64  |
| Fixed Asset Turnover Ratio                 | 3.51   | 3.49   |
| Return on Average capital employed         | 25.97%   | 31.09%   |

## Details of significant changes in the key financial ratios:

Interest Coverage Ratio has fallen significantly due to substantial increase in interest rates. Apart from this, there has not been a change of 25% or more in any of the aforesaid key financial ratios.

## Risk management

Business risks are an essential aspect of any company, but managing those risks effectively is crucial for successful business operations. Effective risk management involves eliminating shocks, improving services, proactively managing change, efficiently sourcing resources, optimizing utilization, preventing leaks and reducing wastage. Our company is committed to increasing shareholder value by developing and growing our business within the risk parameters set by the Board, but we also prioritize the interests of all stakeholders in achieving this objective.

## How Century Plyboards has formed a proactive de-risking model

### Overview

A comprehensive risk management framework, detailing the scope of risk and its extent of mitigation is essential for the sustainability of any business. The efficiency of a risk sound management strategy marked by its efficiency to protect its business during periods of economic uncertainty and initiating a rebound within a period of time.

The risk management framework is built on the experience of the Century Plyboards management, centred on the following priorities:

- Grow at optimum cost, while widening competitive edge across economic cycles
- Grow while maintaining checks and balances
- Engage in interior infrastructure products
- Be present in product spaces with a large operating headroom
- Understand that growth results in potent de-risking
- Ensure sustainable growth even during economic slowdown

### *Speed and security*

Our focus at Century Plyboards is not solely on the speed of our growth, but on maintaining our security and stability while growing. We firmly believe that sustainable growth is achieved through the implementation of robust processes and systems. Our credit rating, which helps to moderate our debt costs and ensures long-term profitability, is a reliable indicator of our governance standards.

## Managing risks in our business

At Century Plyboards, we prioritize sustainability by proactively identifying potential business risks and taking steps to mitigate them. In today's world, where uncertainties abound, effective risk management is critical to weathering market cycles and unforeseen events. Our risk management practices are particularly important in the interior infrastructure sector, where technology and process consistency are essential.

To achieve this consistency, we have established a stable corporate strategy that prioritizes long-term business sustainability over short-term profitability. We ensure all stakeholders have a clear understanding of our operating matrix, which helps us maintain a predictable and stable process with improved outcomes and strengthened corporate sustainability.

Our risk management practices are guided by our principles, which we apply across all risk categories. The Risk Management Committee is responsible for implementing a risk management framework that includes policies, procedures, and assessment methodologies to effectively monitor and manage organizational risks.

We believe that risk management is not just a short-term priority but an integral part of our long-term strategy for sustainable growth.

## Blueprint

At Century Plyboards, we consider a documented framework to be the cornerstone of our governance commitment. This framework serves as a statement of our values and how we intend to conduct our business. We have developed various policies over the years that address all our stakeholders, providing overarching guidance on how we engage with them. We have also implemented an extensive documentation process

that has improved traceability and strengthened our review process. This has enabled us to quickly correct deviations, reduce our learning curve, improve process predictability, and identify benchmarks for sustainable improvement. As a result, we are now a systems-driven organization, focused on enhancing our business sustainability.

## Strategic implementation and the risk management cycle

The Company risk management framework encompasses everything from high-level strategy to day-to-day operations, including identifying, measuring, analyzing, and assessing risks. Our risk reporting and monitoring protocols allow us to closely track all significant risks and take steps to limit or reduce them to an acceptable level.

**Risk identification:** We identify risks with the help of prevalent systems and indicators (quantitative component). Besides, our comprehensive reporting protocol enables executives to report risks as and when they recognize.

**Risk measurement:** We regularly evaluate our risk measurement tools for each business function. Our approach to risk measurement involves assessing risks at both the organizational and functional levels, taking into account the risk perception of each functional team.

**Analysis and assessment:** We view risk management as a critical component of our overall financial performance. By implementing efficient risk management practices, we believe that we can enhance our financial performance and achieve long-term success. Our financial performance is a testament to the efficacy of our risk management and operating model.

**Risk reporting:** We periodically assess and report on the effectiveness of our risk management practices to the Risk Management and other Committees, providing a category-wise and overall evaluation of potential risks. This approach generates early alerts that enable us to proactively engage in initiatives to counter risks and protect our business.

## Risk management system

In FY23, Century Plyboards remained committed to strengthening its comprehensive risk management system, which included prompt identification of potential risks, assessment of their significance, and implementation of measures to reduce the likelihood and potential losses associated with these risks. Our approach to risk management was applied across all levels of management and functional areas, ensuring that all potential risks were identified and addressed in a timely and effective manner.

## Risk management framework objectives

At Century Plyboards, our risk management framework is designed to establish clear protocols for business conduct that help ensure all risks that may impact our business are identified and competently addressed to achieve our objectives. Our framework aims to achieve the following:

Catalyze executive management in decision-making by providing a comprehensive understanding of the risks that may

impact our business and their potential consequences. This allows us to make informed decisions that balance risk and reward.

Mitigate the impact of threats and adverse impacts on the business by implementing measures to minimize the likelihood and potential losses associated with potential risks. This includes developing contingency plans and taking proactive steps to mitigate risk.

Capitalize on opportunities with speed by identifying potential opportunities and taking prompt action to capitalize on them. This enables us to stay agile and responsive to market conditions, creating a competitive advantage for our business.

### Implementation

During the period under review, the Risk Management Committee held two meetings.

The Board-approved Risk Management Policy at Century Plyboards encompassed all material risks faced by the Company, which were identified and assessed to ensure effective management. Additionally, we established a policy framework that placed emphasis on the prudent management of project profiles, from conceptualization to implementation and sustenance, incorporating suitable risk mitigation measures.

Our risk management framework was designed to minimize the adverse impact of risks on key business objectives while also enabling the Company to leverage opportunities. We recognized the importance of implementing best practices in project management and put in place measures to ensure the effective management of risks associated with our projects. By doing so, we were able to manage risks proactively and effectively, ensuring the success of our projects and the Company as a whole.

### The mitigation of our prominent risks, 2022-23

| Risks   | Potential consequences  | Likelihood of sustained risk occurrence | External stimulus and our strategic response   |
|---|---|---|--|
| <p><b>Macro-economic risk:</b> The plywood business and businesses of the Company are largely effected by economic factors – national and regional, which are beyond our control.</p> | <ul style="list-style-type: none"> <li>The company’s growth may face stagnation.</li> <li>This risk can lower the Company’s competitiveness.</li> <li>This risk can impact the Company’s brand relevance in the region and the sector.</li> </ul> | Low                                     | <ul style="list-style-type: none"> <li>The Indian economy is the fifth largest economy in the world.</li> <li>The consumption-driven Indian economy is largely underpenetrated in the interior infrastructure segment.</li> <li>The Company has progressively outperformed carving the largest share of the organised market in India.</li> </ul>  |
| <p><b>Political risk:</b> A change in government could result in change in the existing policies.</p>   | <ul style="list-style-type: none"> <li>A revision of the prevalent government policies could affect the future growth.</li> <li>This could lead to downgrading of the credit rating of the Company, impacting its credibility.</li> </ul>         | Low                                     | <ul style="list-style-type: none"> <li>Long-term government policies have boosted growth in the housing and interior infrastructure sector in the country, ensuring that the company’s growth is sustained.</li> </ul>   |
| <p><b>Regulatory risk:</b> The business is subject to permissions and restrictions for procurement of raw material.</p>   | <ul style="list-style-type: none"> <li>This could result in temporary suspension or closing of the operations, affecting the credit-rating of the Company.</li> </ul>   | Low                                     | <ul style="list-style-type: none"> <li>The Company is brand positioning across products, customers and markets make it indispensable for the growth in living standards.</li> <li>Regulation may help in enhancing the efficiency of a largely unorganised sector, resulting in an enhanced market size and opportunity.</li> <li>The Company’s strategies aligns with the national policies when it comes to infrastructure investments.</li> </ul> |

| Risks   | Potential consequences   | Likelihood of sustained risk occurrence | External stimulus and our strategic response  |
|---|--|---|---|
| <p><b>Locational risk:</b> The company may invest in the wrong manufacturing location, which poses a significant risk for the company, as it can be challenging to rectify once the investment has been made.</p> | <ul style="list-style-type: none"> <li>The company is susceptible to the risk of decreased payback on its investments, which can impact overall margins and profitability.</li> <li>Such a risk could also have a negative impact on the company's brand and organizational morale, potentially leading to reputational damage and decreased employee morale.</li> </ul> | Low                                     | <ul style="list-style-type: none"> <li>To mitigate the risk of investing in the wrong manufacturing location, the company conducts extensive studies that include evaluating port proximity, land costs, and hinterland demand. These efforts help the company arrive at an informed decision that reduces the likelihood of investing in a suboptimal location.</li> <li>The success of the company's decision-making process is reflected in the profitability and year-on-year growth of each of its plants. This indicates the robustness of the company's decision-making capability and highlights its ability to make sound investments in manufacturing locations.</li> </ul> |
| <p><b>Demand risk:</b> A significant risk for the company is the potential that the demand for emerging products may not materialize as anticipated in the initial forecast.</p>                                  | <p>Another risk that the company faces is the potential for irregular patterns in demand, which can adversely affect plant utilization and revenue predictability.</p>   | Low                                     | <ul style="list-style-type: none"> <li>The company chooses each of its product segments based on underserved demand pattern, which has only strengthened over time. This approach has helped the company establish a strong presence in niche markets and capitalize on emerging trends.</li> <li>Furthermore, the company's chosen product mix is expected to remain relevant and experience continued growth as India's economy expands, mitigating the risk of reduced demand for its products.</li> </ul>   |
| <p><b>Competition risk:</b> Increased competition from other ports for cargo shipments could potentially impact the company's revenue and market share.</p>   | <p>Increased competition in the market could indeed have a negative impact on the company's growth and margins, as it may result in reduced demand for the company's services and increased pressure to lower prices.</p>  | Low                                     | <ul style="list-style-type: none"> <li>Century Plyboards holds the largest market share in the Indian interior infrastructure market, due to its significant capacity and competitive operating costs.</li> <li>The company is renowned for its focus on improving the aesthetics and durability of customers' interiors.</li> </ul>  |

| Risks  | Potential consequences  | Likelihood of sustained risk occurrence | External stimulus and our strategic response  |
|--|---|---|---|
| <p><b>Geographic risk:</b> The Company's concentration on certain regions may leave it vulnerable to the impact of weather fluctuations, which could affect its access to resources.</p> | <ul style="list-style-type: none"> <li>The Company has a robust risk management framework that identifies and assesses risks associated with weather patterns in the select geographies where it operates.</li> <li>The Company also has contingency plans and risk mitigation measures in place to manage any adverse impact on its operations and logistics.</li> <li>The Company's commitment to sustainability and responsible resource management ensures that it is well-prepared to tackle any challenges arising from weather pattern changes, while maintaining stakeholder confidence.</li> </ul> | <p>Low</p>                              | <ul style="list-style-type: none"> <li>The Company conducts extensive data-driven research before selecting its manufacturing locations and resource access points, mitigating the risk of weather pattern changes affecting its operations and logistics.</li> <li>To date, the Company has not experienced any decline in productivity due to irregular weather patterns.</li> </ul>  |
| <p><b>Project management risk:</b> There is a risk that the Company may not be able to complete its projects on schedule, which could harm its reputation and market position.</p>       | <ul style="list-style-type: none"> <li>The potential risk of project delays could lead to a decrease in the Company's revenue stream.</li> <li>It may also result in increased project costs, thereby impacting the long-term viability of the project.</li> </ul>  | <p>Low</p>                              | <ul style="list-style-type: none"> <li>The Company's practice of coordinating across various functions of resource assessment, land acquisition, construction readiness, technical studies, and supply chain management has resulted in faster project implementation compared to sector benchmarks.</li> <li>The Company's experienced management has drawn on their experience from long-standing projects to ensure on-time and within-budget project commissioning, mitigating the risk of delays and cost overruns.</li> </ul> |
| <p><b>Receivables risk:</b> Difficulty in selling products to reputable customers may result in a negative impact on the company's receivables and revenues.</p>                         | <ul style="list-style-type: none"> <li>The risk of low-quality sales could lead to delayed payment or default, requiring provisions and write-offs.</li> <li>Limited revenue visibility could increase the risk of sales.</li> </ul>  | <p>Low</p>                              | <ul style="list-style-type: none"> <li>The Company has a track record of working with credible customers, ensuring timely cash flows and minimal default in payments.</li> <li>The Company worked with a receivables cycle of 39 days in 2022-23 compared with 42 days in 2021-22.</li> </ul>   |
| <p><b>Debt repayment risk:</b> The Company's reputation and growth prospects could be negatively impacted in the event of failure to repay or service debts.</p>                         | <ul style="list-style-type: none"> <li>Failure to repay or service debt obligations can have a negative impact on the Company's creditworthiness and its ability to raise additional debt at favorable terms for future growth. This, in turn, can affect the Company's reputation and prospects.</li> </ul>  | <p>Low</p>                              | <ul style="list-style-type: none"> <li>The Company has maintained a debt-free Balance Sheet and has not defaulted on any payments to lenders in its nearly thirty years of operation.</li> <li>The interest cover of the Company was high at 33.16 in 2022-23, indicating very low level of debt.</li> </ul>  |

| Risks   | Potential consequences   | Likelihood of sustained risk occurrence | External stimulus and our strategic response  |
|---|--|---|---|
| <b>People risk:</b> The company may face challenges in retaining or attracting skilled professionals.                 | It could lead to a negative impact on the company's ability to leverage expertise, which in turn could affect its brand value and reduce productivity and profitability.   | Low                                     | <ul style="list-style-type: none"> <li>The Company has a strong track record of attracting and retaining competent professionals.</li> <li>The Company's reputation as a preferred employer in the industry and its focus on providing unmatched professional and personal growth opportunities could help it continue to attract and retain top talent.</li> </ul>   |
| <b>Environment risk:</b> The Company may find it difficult to match the rigid global ESG standards                    | The company's inability could draw censure and criticism, and may lead environmentally-conscious OEM customers to switch to competitors.   | Low                                     | <ul style="list-style-type: none"> <li>The Company has made significant investments in reducing its carbon footprint and has gone beyond regulatory requirements to ensure environmental sustainability.</li> <li>The Company derived 13% of its electricity requirements from renewable energy by FY 2022-23</li> </ul>  |
| <b>Safety risk:</b> Low safety standards could impact the manufacturing and transportation business.                  | <ul style="list-style-type: none"> <li>Low safety standards could lead to accidents and incidents that may damage the Company's reputation and brand image, which could negatively impact customer confidence and market share.</li> <li>In addition, accidents or incidents resulting in human injury could lead to employee demotivation and reduced productivity, which could impact the Company's operations and financial performance.</li> </ul> | Low                                     | <ul style="list-style-type: none"> <li>The Company has made significant investments in mechanization to enhance physical safety in its manufacturing and transportation processes.</li> <li>The Company has also implemented a safety-oriented culture, training programs, and standard operating procedures to ensure that all employees are aware of and adhere to safety protocols.</li> </ul>                   |
| <b>Liquidity risk:</b> The Company's Balance Sheet may become strained due to increased investment needs.             | <ul style="list-style-type: none"> <li>An increase in investment requirements may stretch the balance sheet of the Company, potentially affecting its liquidity and leverage ratio.</li> <li>This could lead to a downgrade in the company's credit rating, making it more difficult and expensive to raise funds for future investments.</li> </ul>   | Low                                     | <ul style="list-style-type: none"> <li>The Company has enough liquidity to meet its current growth requirements without compromising the integrity of its Balance Sheet or resorting to debt.</li> <li>The Company's virtually debt-free position is fiscally sound and secure, which could help maintain or improve its credit rating and enable low-cost resource mobilization for future investments.</li> </ul> |
| <b>Innovation risk:</b> If the Company fails to introduce new products, it could experience a decline in brand value. | <ul style="list-style-type: none"> <li>If the Company does not introduce new products regularly, it may become less appealing to its trade partners, which could lead to decreased engagement and negatively impact the Company's brand.</li> </ul>  | Low                                     | <ul style="list-style-type: none"> <li>The Company's R&amp;D team continually develops and introduces new products to maintain the engagement of trade channels and end consumers, ensuring the company's brand remains strong.</li> </ul>  |

| Risks   | Potential consequences  | Likelihood of sustained risk occurrence | External stimulus and our strategic response   |
|---|---|---|--|
| <b>Distribution risk:</b> The Company's growth prospects could be limited if it relies heavily on a single geographic region for its revenue, as any slowdown in demand in that region could negatively impact the Company's performance. | <ul style="list-style-type: none"> <li>Over-reliance on a single geographic region may hinder the Company's growth if there is a slowdown in demand in that region. This could impact the Company's pan-India presence and, in the long run, limit its ability to take advantage of rising demand.</li> </ul> | Low                                     | <ul style="list-style-type: none"> <li>Century's products benefit from availability throughout the nation through 26 marketing offices, covering almost all the cities and townships in the country. The Company enjoys a presence in over 14 countries.</li> </ul>                        |
| <b>Forex fluctuation risk:</b> This is linked to the volatility of foreign currency exchange rates.   | <ul style="list-style-type: none"> <li>Fluctuations in currency exchange rates may result in an adverse impact on the Company's profitability.</li> </ul>   | Medium                                  | <ul style="list-style-type: none"> <li>The Company manages the currency risk by monitoring exposures and then hedging the forex exposure. It helps the overseas buyers' credit, on a case-to-case basis to enjoy extended credit periods while managing long-term fluctuations.</li> </ul> |

### Human resources and industrial relations

The Company has established a conducive work environment that entails selective recruitment, comprehensive training, and ample opportunities for career advancement. In the reviewed period, the Company conducted several training programs aimed at improving employees' functional and behavioral skills. Additionally, the Company maintains a cordial relationship with its factory workers, who comprise a diverse mix of millennial and experienced staff. The Company's employee strength stood at 6966 as on 31<sup>st</sup> March 2023.

### Internal control systems and their adequacy

The Company has put in place an effective internal control system which undergoes continuous review. Additionally, corrective measures are taken to enhance efficiency levels, if and when required. The Company has been accredited with ISO 9001 and ISO 14001 certifications, indicating the keen emphasis it has laid on quality management and eco-friendly processes. During the year, the Company's supply chain management implemented a logistics planning solution for efficient logistics service procurement, planning, allocation, dispatch and delivery confirmation. Our ERP SAP S/4

upgradation is in advanced stage of implementation and this will provide additional benefit in terms real time analytics, mobility solutions and costing & profitability for various products/divisions.

Further extending digital solutions, we have enabled dealers to interact over whatsapp, place orders through mobile app, visibility on dispatches, billing, Receipts and outstanding.

### Cautionary statement

The statements in the 'management discussion and analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

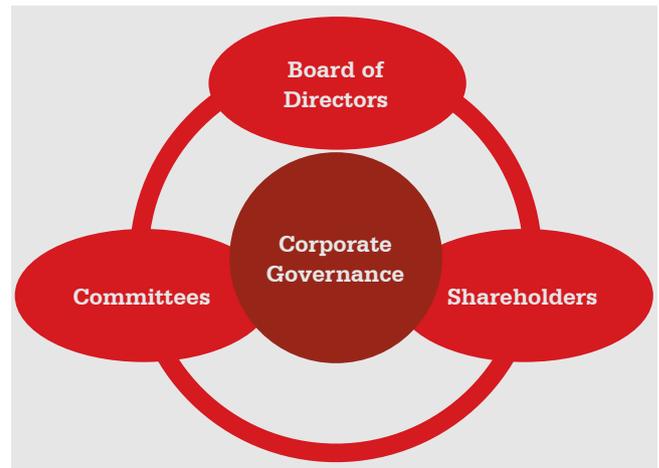
# Report on Corporate Governance

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance philosophy of Century Plyboards (India) Limited (hereinafter referred to as 'Centuryply' or 'Company') rests on the six core values of 'Accountability', 'Transparency', 'Integrity', 'Passion', 'Ownership Mindset' and 'Respect'. The dedication of Centuryply in its core values while dealing with all stakeholders of the Company remains unchanged in its 41 years of existence. You have our unequivocal commitment to uphold the highest standards of transparency and governance in Centuryply. Over the years, we have delivered on our commitments to all internal and external stakeholders by demonstrating these core values through our actions, processes and interactions.

Centuryply has come a long way in adopting some of the key principles of Corporate Governance like Frugality, Integrity, Excellence, Teamwork, Empowerment, Speed & Energy, Change friendly, Caring and Sharing. Our undeterred adherence to the ideals of trust, respect, integrity and openness is what holds us steady amid challenging business contexts and landscapes. Our culture exemplifies our core values and nurtures innovation, creativity and diversity. At Centuryply, we are committed to doing things the right way and not what is convenient. Your Company continue to maintain top-notch standards of corporate governance by treating its values as an ethical requisite rather than a regulatory necessity. We understand that good corporate governance is a pre-requisite for developing a cutting edge, future ready organization delivering extra-ordinary and sustainable growth. It is your Company's unending mission to regularly nurture and develop steadfast professionalism, astute accountability and increased disclosures by taking all steps necessary towards superior growth in its value for its stakeholders.

We recognize that governance and ethics represent the cornerstone of a stable and sustainable organization. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and the stock markets. To this end, we review our systems and processes to achieve the highest level of corporate governance while fulfilling the role of a responsible corporate representative committed to sound corporate practices. A larger and all pervasive governance perspective is at the forefront to ensure progressive growth through innovative strategies, steadfastly addressing opportunities and use of resources for a visionary conceptualised deliverance for the greater good. Our governance structure is multi-tiered with defined roles and responsibilities of every constituent of the governance system.



Your Company rests on the values of 'People development', 'quality', 'trust', 'integrity' and 'customer focus'. Imbibing these values in the business conduct of the organisation enhances the long term shareholder value, while keeping the interests of all stakeholders in view. The Company endeavors to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its vision of "Sarvada Sarvottam, - The Best Always."

## BOARD OF DIRECTORS

The Board of Directors shoulders the ultimate responsibility of the management, direction and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures. Centuryply's senior leadership comprises of a 16-member Board (including two eminent women directors) which is responsible for direction and oversight of the Company. Our Board represents a confluence of complementary skills, attributes, perspectives, expertise in critical areas and diverse backgrounds.

Your Directors are cognizant of the fact that our role as stewards of your investment in Centuryply means we need to deliver sustainable and superior financial performance. Our Board of Directors ('Board') is keenly aware of the need for a strong corporate governance framework against the backdrop of the changing nature of our businesses and the environment in which we operate. The Board of Directors believe that sound

corporate governance is essential to achieve the Company's strategy to create a world class diversified resources company and generate strong financial returns. Our Board of Directors review and approve strategic directions and initiatives, and take cognizance of issues, forces, and risks that define and drive the Company's long-term performance.

## COMPOSITION

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 31<sup>st</sup> March, 2023 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The composition of the Board represents an optimal mix of professionalism, knowledge and experience. This enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board of Directors consists

of an optimum combination of Executive and Non-Executive Directors with half of the Board comprising of Independent Directors. Inclusion of two women Directors (including one Independent) further imparts a balance to the Board Processes.

As on 31<sup>st</sup> March, 2023 and on the date of this report, the Board consists of sixteen Directors headed by an Executive Chairman. There are eight Executive Directors (including four Managing Directors) and eight Non-Executive Independent Directors, all of whom are persons of eminence, bringing in a wide range of expertise and experience to the Board functioning. Detailed profile of our Directors is available on our website, www.centuryply.com.

The Company has a Policy on Board Diversity which sets out the approach to diversity on the Board of the Company. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as its business requirements. A Succession Plan is also in place and the same is being reviewed periodically by the Board to ensure leadership continuity.

## DIRECTORSHIPS, COMMITTEE MEMBERSHIPS/ CHAIRMANSHIPS AND ATTENDANCE AT MEETINGS

The key information of Directors along with their attendance at the Board Meetings (either physically or through video conference) held during the year 2022-23 and at the last Annual General Meeting held through audio-visual means is detailed below:

### DETAILS OF DIRECTORS

| Sl.                                | Name                              | Age (in years) | DIN      | Designation                  | No. of Board Meetings attended (Attended/ Entitled) | Attendance at the last AGM held on 21 <sup>st</sup> September, 2022 |
|------------------------------------|-----------------------------------|----------------|----------|------------------------------|---|---|
| <b>Promoter – Executive</b>        |                                   |                |          |                              |   |   |
| 1                                  | Sri Sajjan Bhajanka               | 71             | 00246043 | Chairman & Managing Director | 4/4   | Yes   |
| 2                                  | Sri Sanjay Agarwal                | 62             | 00246132 | CEO & Managing Director      | 4/4   | Yes   |
| 3                                  | Sri Prem Kumar Bhajanka           | 65             | 00591512 | Managing Director            | 4/4   | Yes   |
| 4                                  | Sri Vishnu Khemani                | 71             | 01006268 | Managing Director            | 3/4   | Yes   |
| 5                                  | Sri Keshav Bhajanka               | 34             | 03109701 | Executive Director           | 3/4   | Yes   |
| 6                                  | Ms. Nikita Bansal                 | 34             | 03109710 | Executive Director           | 4/4   | Yes   |
| 7                                  | Sri Rajesh Kumar Agarwal          | 53             | 00223718 | Executive Director           | 4/4   | Yes   |
| <b>Executive–Non-Independent</b>   |                                   |                |          |                              |   |   |
| 8                                  | Sri Ajay Baldawa                  | 66             | 00472128 | Executive Director           | 2/4   | Yes   |
| <b>Independent- Non- Executive</b> |                                   |                |          |                              |   |   |
| 9                                  | Sri J. P. Dua                     | 71             | 02374358 | Director                     | 4/4   | Yes   |
| 10                                 | Sri Vijay Chhibber                | 67             | 00396838 | Director                     | 3/4   | Yes   |
| 11                                 | Sri Debanjan Mandal               | 49             | 00469622 | Director                     | 3/4   | Yes   |
| 12                                 | Sri Sunil Mitra                   | 72             | 00113473 | Director                     | 3/4   | Yes   |
| 13                                 | Sri Probir Roy                    | 79             | 00033045 | Director                     | 4/4   | Yes   |
| 14                                 | Sri Amit Kiran Deb                | 74             | 02107792 | Director                     | 4/4   | Yes   |
| 15                                 | Sri Naresh Pachisia               | 60             | 00233768 | Director                     | 4/4   | Yes   |
| 16                                 | Ms. Ratnabali Kakkar <sup>®</sup> | 66             | 09167547 | Director                     | 4/4   | Yes   |

<sup>®</sup> Ms. Ratnabali Kakkar was appointed as an Additional Director in the Independent category with effect from 1<sup>st</sup> April, 2022. Subsequently, her appointment as Independent Director was approved by the shareholders through Postal Ballot on 24<sup>th</sup> May, 2022.

| Sl. | Name                                 | No. of Directorship in  |  |          | Membership(s)<br>[including<br>Chairmanship(s)] of<br>Board Committees <sup>5</sup> |
|-----|--------------------------------------|---|--|----------|---|
|     |                                      | Listed Indian Companies (other than<br>Century Plyboards (India) Ltd.) and<br>category of Directorships   | Unlisted<br>Indian Public<br>Limited<br>Companies* | Others** |   |
| 1   | Sri Sajjan Bhajanka                  | 1. Star Cement Ltd. (Exec.)   | 5  | 8        | 4   |
| 2   | Sri Sanjay Agarwal                   | 1. Star Cement Ltd. (Exec.)   | 6  | 8        | 1   |
| 3   | Sri Prem Kumar<br>Bhajanka           | 1. Star Cement Ltd. (Exec.)   | 6  | 2        | -   |
| 4   | Sri Vishnu Khemani                   | --  | 1  | 1        | -   |
| 5   | Sri Keshav<br>Bhajanka               | --  | 8  | 5        | -   |
| 6   | Ms. Nikita Bansal                    | --  | 9  | -        | 1   |
| 7   | Sri Rajesh Kumar<br>Agarwal          | 1. Shyam Century Ferrous Ltd. (Non-<br>Exec.)   | 8  | 8        | 3<br>(including 1 as<br>Chairman)   |
| 8   | Sri Ajay Baldawa                     | --  | 8  | 1        | -   |
| 9   | Sri J. P. Dua                        | --  | 1  | -        | 2<br>(including 1 as<br>Chairman)   |
| 10  | Sri Vijay Chhibber                   | 1. Dilip Buildcon Ltd.(Indp.)   | 2  | 1        | -   |
| 11  | Sri Debanjan<br>Mandal               | 1. CESC Ltd. (Indp.)<br>2. Industrial and Prudential Investment<br>Company Ltd. (Indp.)<br>3. Spencer's Retail Ltd.(Indp.)                                      | 6  | 2        | 6<br>(including 1 as<br>Chairman)   |
| 12  | Sri Sunil Mitra                      | 1. CESC Ltd. (Indp.)<br>2. Firstsource Solutions Ltd. (Indp.)   | 4  | -        | 5<br>(including 3 as<br>Chairman)   |
| 13  | Sri Probir Roy                       | 1. Duroply Industries Ltd. (Indp.)<br>2. Industrial and Prudential Investment<br>Company Ltd. (Indp.)   | 3  | -        | 7<br>(including 3 as<br>Chairman)   |
| 14  | Sri Amit Kiran Deb                   | 1. B & A Ltd. (Indp.)<br>2. Emami Paper Mills Ltd. (Indp.)<br>3. India Power Corporation Ltd. (Indp.)<br>4. Skipper Ltd. (Indp.)<br>5. Star Cement Ltd. (Indp.) | 2  | -        | 8<br>(including 5 as<br>Chairman)   |
| 15  | Sri Naresh Pachisia                  | 1. Linc Ltd. (Indp.)<br>2. Gillanders Arbuthnot & Co Ltd (Indp.)<br>3. SKP Securities Ltd. (Exec.)  | 1  | 4        | 5   |
| 16  | Ms. Ratnabali<br>Kakkar <sup>@</sup> | 1. Lux Industries Ltd. (Indp.)  | 1  | -        | 1   |

(Indp.- Independent; Exec.- Executive, Non-exec.-Non-Executive)

\* Includes Directorships in government companies, private companies that are either holding or subsidiary company of a public company.

\*\* Includes Directorships in private limited companies (other than private companies that are either holding or subsidiary company of a public company), companies under Section 8 of the Companies Act, 2013, Alternate Directorships, Directorship/Memberships of Managing Committees of various Chambers/Institutions/Universities and excludes Directorships in foreign companies, companies under liquidation and dormant companies.

<sup>5</sup> includes membership and chairmanship of Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not and excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

As required under the Listing Regulations and the Companies Act, 2013, your Company has received from all the Directors necessary disclosures regarding directorships/ committee memberships occupied by them in other listed entities and unlisted public limited companies. Based on such disclosure, it is hereby confirmed that none of the Directors:

- (a) Hold office of a Director in more than twenty Companies including ten Public Companies and Private Companies that are either Holding or Subsidiary of a Public Company;
- (b) Serves as a Member of more than ten Committees or Chairperson of more than five committees (as specified in Regulation 26 of the Listing Regulations), across all the domestic public limited companies in which he/ she is a Director;
- (c) Hold Directorship in more than seven listed entities during the financial year 2022-23, as per Regulation 17A of the Listing Regulations;
- (d) Serves as an Independent Director in more than three listed entities in case they are Managing Director/ Whole-time Director of a Listed Company;
- (e) Serves as a Non-Executive Director even after attaining the age of seventy-five years unless approved by the Members by passing a Special Resolution.
- (f) None of the Independent Directors of the Company serve as non-independent director of any other company on the Board of which any of our Non-Independent Director is an Independent Director;

Further, as required in Section 167 of the Companies Act, 2013, none of the Director of the Company was absent from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence from the Board.

## **DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

None of the Directors of the Company are related inter-se, except for Sri Keshav Bhajanka, Executive Director who is the son of Sri Sajjan Bhajanka, Chairman and Managing Director and Ms. Nikita Bansal, Executive Director who is the daughter of Sri Sanjay Agarwal, CEO & Managing Director.

## **BOARD MEETINGS & PROCEDURE**

The Board of Directors ('the Board') is entrusted with the key responsibility to ensure the Company's prosperity by collectively directing the Company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders responsibility. Your Company's diversified and cohesive Board oversees the overall functioning of the Company. It is vested with the ultimate responsibility of protecting and enhancing shareholder value through strategic direction to the Company. The primary role of the Board of Directors is that of trusteeship and oversees and ensures that the Management serves and protects the long-term interest of all stakeholders. The Board of Directors has an oversight on the company's overall growth strategy and future direction.

The roles and responsibilities of the individual Directors are clearly divided to enable the Board to perform effectively. Your Directors function in accordance with the powers delegated under the Companies Act, 2013, Listing Regulations, Memorandum & Articles of Association and other guidelines issued by the Government of India from time to time, as may be applicable to the Company. While discharging their responsibilities, your Directors ensure that the management adheres to ethics, transparency and disclosures.

Your Company understands that Board meetings are an essential aspect for the overall functioning of the Company and as such the Company's Board has open channels of communication with executive management which allows free flow of communication amongst Directors in terms of raising query and seeking clarifications. Board Meetings serve as forum for Board decision making by enabling discussions on matters placed before the Directors and facilitating decision making based on their collective judgment. The Board meets at regular intervals to discuss and decide on strategies, policies and reviews the financial performance of the Company. The Board generally meets once in every quarter to review the financial results of the Company, apart from other Board business matters. Additional Board Meetings, if required, are convened by giving appropriate notice, to address the specific needs of the Company. In case of business exigencies, the Board's approval are either taken by holding meetings at shorter notice or through circular resolutions, if permitted under the statute, which is noted and confirmed at the subsequent Board meeting. Various Board Committees meet as per the legal requirement or otherwise to transact the business delegated by Board of Directors. The Company adheres to the provisions of the Companies Act, 2013, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees. The Meetings of the Board are generally convened at the Company's registered office in Kolkata. Where it was not possible for the Directors to attend physically, the Company encouraged their participation at the meetings of the Board and its Committees through video conferencing mode in accordance with the provisions of law.

In order to promote cohesiveness and better participation of Directors, meetings are usually convened by giving advance Notice for the Board and Committee Meetings, in compliance with Secretarial Standard on Meeting of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. This allows the Directors to plan their schedules and to ensure meaningful participation at the meetings. The Independent Directors of the Company strive to attend all the Board meetings and Committee meetings in which they act as a Member.

Your Company believes that a carefully planned agenda note is pivotal for effective Board Meetings. The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board meetings. Every Board Member is free to suggest items for inclusion in the Agenda in consultation with Chairman. The Board has no restriction to access any information of the Company. Board Meetings are governed by well-designed and a structured agenda. All major agenda items are backed by comprehensive background information (except for the critical

price sensitive information, which is circulated at the meeting) facilitating meaningful, focused and informed Board decisions. All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. As required under Regulation 17(3) of Listing Regulations, the Board periodically reviews compliance reports of all laws applicable to the Company and ensures compliance thereof, in letter and spirit. In order to facilitate effective discussions at the meetings, the agenda of the meetings of the Board is bifurcated into items requiring approval and items which are to be taken note of by the Board. Clarification(s)/ queries, if any, on the items which are to be noted/taken on record by the Board are sought in advance and resolved before the meeting, to ensure focused and effective discussions at the meetings. The Agenda papers other than in the nature of Unpublished Price Sensitive Information (UPSI) are circulated well in advance as per statutory requirements. With the unanimous consent of the Board, all information which is in the nature of UPSI, is circulated to the Board and its Committees at a shorter notice before the commencement of the respective meetings. Detailed presentations, wherever required, are also made at the Board meetings by the respective executives on the matters related to them. The Board is free to take up any item not included in the Agenda with the permission of the Chairman and with the consent of majority of Directors present in the meeting. The Board is apprised of all major events/items and decisions together with the overall performance of the Company. As and when required, senior executives are invited to provide additional inputs at the Board meeting for the items being discussed by the Board of Directors.

The Company Secretary attends all meetings of the Board and its Committees, tracks and monitors proceedings of such meetings to ensure that the Terms of Reference are adhered to, ensures that decisions taken in such meetings are properly recorded in the minutes. All the discussions and decisions taken at meetings of the Board are entered in the Minute Book. As prescribed under SS-1, draft minutes are circulated to the Directors within fifteen days from the date of the meeting and suggestions or comments, if any, received from them are suitably incorporated therein, in consultation with the Chairman. The

In terms of Para C(2) of Schedule V of the Listing Regulations read with SEBI Circular dated 9<sup>th</sup> May, 2018, a chart/ matrix setting out the core skills/expertise/competencies as identified by the Board of Directors in context of the Company's businesses and sectors as required for it to function effectively and those actually available with them, are given below:

#### Key attributes/ areas of expertise and their description

|  |   |
|--|---|
| Industry knowledge & experience                | Experience in and knowledge of the industry in which the Company operates and competitive landscape.  |
| Leadership & Management                        | Extended leadership resulting in a practical understanding of the Company's processes, strategic planning, developing talent, succession planning and driving change and long-term growth.  |
| Financial & Accounting                         | Proficiency in financial management, capital allocation, and financial reporting processes together with the ability to read and comprehend the financial statements.   |
| Technical, Operations & Information Technology | Technical/ professional skills, specialised knowledge to assist with ongoing aspects of the Board's role and acceptance for digitisation, backed by thorough understanding of the operations of the Company.  |
| Behaviour & Equanimity                         | Effectiveness to use their knowledge and skills to function as team members; ability to remain calm, composed and collected, even under stressful or difficult circumstances; ability to work through disagreements in a productive manner thereby fostering positive working environment within the boardroom. |

minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting and are usually signed by the Chairman of the succeeding meeting. The process specified for the Board meeting above are followed for the meetings of all the mandatory Committees constituted by the Board, to the extent possible. The minutes of the meetings of the Committees of the Board are placed before the Board for noting. The Subsidiaries of the Company have their independent Board and Management in place. The Board of the Company has oversight of the Subsidiaries of the Company and on quarterly basis the minutes of the subsidiary Companies are also placed before the Board.

#### BOARD MEETINGS HELD DURING THE YEAR

Four Board Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2023. These were held on 16<sup>th</sup> May, 2022, 20<sup>th</sup> July, 2022, 10<sup>th</sup> November, 2022 and 7<sup>th</sup> February, 2023. One meeting of the Board was held in every quarter. The intervening gap between any two meetings held during the financial year ended 31<sup>st</sup> March, 2023 was not more than one hundred and twenty days. During the year, the Board also passed resolution by circulation on 3<sup>rd</sup> April, 2022, 8<sup>th</sup> April, 2022, 16<sup>th</sup> April, 2022, 24<sup>th</sup> May, 2022 and 6<sup>th</sup> July, 2022.

#### KEY BOARD QUALIFICATIONS, SKILLS, EXPERTISE AND ATTRIBUTES

The Board of your Company is composed of a judicious mix of Executive and Non-Executive Directors. Our Board represents a tapestry of complementary skills, attributes, perspectives and includes individuals with financial experience and a diverse background. Centuryply believes that the collective effectiveness of the Board is the key to success in growing businesses. Each member of the Board of your Company brings to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. A diverse and skilled workforce, an able leadership and right culture are crucial ingredients for business success. We seek to bring together people with such skills, knowledge, experience, expertise and competencies that will serve best to the governance and strategic needs of the Company.

**Key attributes/ areas of expertise and their description**

|                                   |  |
|-----------------------------------|--|
| Global business                   | Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.  |
| Risk Management & Legal           | Experience in managing areas of major risk to the organisation; understanding of significant issues faced by the industry and the organisation, changing technology and emerging risk areas; overseeing compliance with applicable laws as well as understanding an individual Director's legal duties and responsibilities. |
| Corporate Strategy & Arrangements | Focus on strategic planning, experience in acquisitions and other business combinations, with the ability to assess 'build' or 'buy' decisions and assessing operational integration.  |
| Board Governance & Ethics         | Insights on Board and management accountability, protecting shareholder interests, observing appropriate governance practices and upholding moral values.  |
| Sales & Marketing                 | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.  |

The Board is responsible for shaping the future of the organisation within its fiduciary responsibility. Therefore, an effective board skills matrix essentially provides a map of the skills and competencies possessed by each Director and to identify any potential skill gap required for effective functioning of the Company. The identification of core skills of Directors is a key means by which endeavours are made to convert good Boards into great Boards. With this assessment, the Board is able to analyse whether proper balance of skills at the Board level is maintained or not. Based on identified shortcomings, need based training can be provided to the Directors to ensure that they remain abreast of all developments, which otherwise may adversely impact their performance.

The specific areas of focus or expertise of individual Board members have been highlighted in the table below. Absence of a tick mark (✓) against a Director's name only indicate that he/ she may not be having an expertise in the stated attribute or skill. It is important to acknowledge that not all Directors would possess each necessary skill, but the Board as a whole must possess them. It is also to be acknowledged that competencies are not static and need to be continually updated.

| Name of Director         | Key attributes/ areas of expertise |                         |                        |  |                        |                 |                           |                                   |                           |                   |  |
|--------------------------|------------------------------------|-------------------------|------------------------|--|------------------------|-----------------|---------------------------|-----------------------------------|---------------------------|-------------------|--|
|                          | Industry knowledge & experience    | Leadership & Management | Financial & Accounting | Technical, Operations & Information Technology | Behaviour & Equanimity | Global Business | Risk Management and Legal | Corporate Strategy & Arrangements | Board Governance & Ethics | Sales & Marketing |  |
| Sri Sajjan Bhajanka      | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | ✓                 |  |
| Sri Sanjay Agarwal       | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | ✓                 |  |
| Sri Prem Kumar Bhajanka  | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | ✓                 |  |
| Sri Vishnu Khemani       | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | ✓                 |  |
| Sri Keshav Bhajanka      | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | ✓                 |  |
| Ms. Nikita Bansal        | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | ✓                 |  |
| Sri Ajay Baldawa         | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | -                                 | ✓                         | -                 |  |
| Sri Rajesh Kumar Agarwal | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | -               | ✓                         | -                                 | ✓                         | -                 |  |
| Sri J. P. Dua            | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | -               | ✓                         | ✓                                 | ✓                         | -                 |  |
| Sri Vijay Chhibber       | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | -               | ✓                         | -                                 | ✓                         | ✓                 |  |
| Sri Debanjan Mandal      | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | -               | ✓                         | ✓                                 | ✓                         | -                 |  |
| Sri Sunil Mitra          | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | -                 |  |
| Sri Probir Roy           | ✓                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | -                 |  |
| Sri Amit Kiran Deb       | -                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | -                         | ✓                                 | ✓                         | -                 |  |
| Sri Naresh Pachisia      | -                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | -                 |  |
| Ms. Ratnabali Kakkar @   | -                                  | ✓                       | ✓                      | ✓  | ✓                      | ✓               | ✓                         | ✓                                 | ✓                         | -                 |  |

@ Ms. Ratnabali Kakkar has been appointed as an Additional Director in the Independent category with effect from 1<sup>st</sup> April, 2022. Subsequently, her appointment as Independent Director was approved by the shareholders through Postal Ballot on 24<sup>th</sup> May, 2022.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

Regulation 25(4) of the Listing Regulations and Section 149 read with Schedule IV of Companies Act, 2013 mandates that the Independent directors of the Company shall hold at least one meeting in a financial year without the attendance of non-independent directors and members of management. Separate meetings of the Independent Directors without the presence of Executive Directors or management representatives provide an opportunity to Independent Directors for exchanging valuable views and to raise issues to the Chairman through the Lead Independent Director. During the Financial Year 2022-23, the Independent Directors held one separate meeting on 7<sup>th</sup> February, 2023.

At the said Meeting, the Independent Directors inter-alia, reviewed the performance of the Non-independent Directors, the Board as a whole and that of its Committees. They also reviewed the performance of the Chairman of the Company, after taking into account the views of Executive Directors and Non-executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees that is necessary to effectively and reasonably perform and discharge their duties.

The Board of Directors through a Resolution passed by Circulation on 6<sup>th</sup> July, 2022 had constituted a Committee of Independent Directors to consider the Scheme of Arrangement between Century Plyboards (India) Limited and Century Infra Limited and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules thereunder. The said Committee discussed and approved the Scheme of Arrangement at its meeting held on 20<sup>th</sup> July, 2022 and recommended the same to the Board.

## DIRECTORS' INDUCTION AND FAMILIARISATION

Your Company has in place a comprehensive Familiarisation Programme for the new Board members which enables the new Directors to familiarize themselves with the business and operations of the Company, nature of the industry in which the Company operates and their roles, rights, responsibilities in the Company. This orientation and training of the Independent Directors at the time of their joining aims to provide them an introduction to the organisation and enable new directors to contribute to the Board's deliberations from the outset. Your Company has an elaborate and a well-structured Familiarisation Programme in adherence to Regulation 25(7) of the Listing Regulations and Schedule IV of the Companies Act, 2013. Through the familiarisation programme, the Company apprises the independent directors about the business model, corporate strategy, business plans and operations of the Company. Due to the social disruption caused by the COVID-19 pandemic and lockdown restrictions, the Company was not in a position to enable plant visits for the newly joined directors of the Company. The programme is designed to encourage active participation from the Independent Directors and also to enable them to play a meaningful role in the overall governance

processes of the Company. The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. Company's profile, brief profile of all Directors, Investor Presentation and relevant Board Policies are also shared with them.

Details of familiarisation programme imparted to Independent Directors and the terms and conditions of appointment of Independent Directors have also been disclosed on the website of the Company at [https://www.centuryply.com/investor-information/familiarisation-program/Familiarisation-Programme-Details\\_2022-23.pdf](https://www.centuryply.com/investor-information/familiarisation-program/Familiarisation-Programme-Details_2022-23.pdf) and <https://www.centuryply.com/investor-information/others/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf> respectively.

## SUCCESSION PLANNING

Essentially, succession planning is a conscious decision by an organisation to foster and promote the continual development of employees and ensure that key positions maintain some measure of stability, thus enabling the organisation to achieve business objectives. Succession Planning is a win-win solution for both, employers and employees. At Centuryply, we help the employees to grow their potential through job shadowing and creating a future-ready workforce for the Company. In terms of Regulation 17(4) of the Listing Regulations, the Nomination and Remuneration Committee works with the Board on the leadership succession plan for orderly succession in the appointments of the Board of Directors and Senior Management. By integrating workforce planning with strategic business planning, the Company deploys necessary financial and human resources to meet its objectives. Succession planning and elevation within the organization, fuel the ambitions of its talent force, to earn future leadership roles. A well-defined succession planning ensures that attrition does not impact operations. Your Company believes that an orderly succession plan is a means to pave way for the young talent to learn, implement and grow on an accelerated basis.

As the Company move through various stages of life cycle and build growth strategies to deal with changing business environments, the issue of leadership becomes critical and with it, the related issue of succession. The succession strategy of your Company essentially look ahead and plan appropriately to ensure that there is continuity and the right kind of leadership in the business, both at executive and Board level through a process of proper identification and nurturing of individuals for taking over senior management positions.

## PERFORMANCE EVALUATION AND CRITERIA

In accordance with the 'Board Evaluation Policy', the Independent Directors at their separate Meeting held on 7<sup>th</sup> February, 2023 collectively reviewed the performance of the non-independent Directors, the Board as a whole and that of its Committees. At the said Meeting, they also reviewed the performance of the Chairman of the Company, after taking

into account the views of Executive Directors and Non-executive Directors. Further, the Nomination and Remuneration Committee at its Meeting held on 7<sup>th</sup> February, 2023 carried out evaluation of performance of all the Independent Directors of the Company.

Thereafter, the Board, taking into consideration the evaluation exercise carried out by the Nomination and Remuneration Committee and Independent Directors, carried out an evaluation of the Board of Directors as a whole, Committees of the Board and all directors individually, including the Independent Directors. All evaluations were carried out through structured questionnaires designed specifically for evaluation of the Board/ Committees/ Individual Directors covering inter-alia the following parameters and criteria-

**a. Board Evaluation-**

- Size, structure and expertise of the Board;
- Development of suitable strategies and business plans at appropriate time and its effectiveness;
- Implementation of robust policies and procedures;
- Oversight of the Financial Reporting Process, including Internal Controls;
- Willingness to spend time and effort to learn about the Company and its business; and
- Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

**b. Board Committee Evaluation-**

- Committee composition, culture and dynamics;
- Independence of working;
- Collective judgment and contribution to Board decisions;
- Fulfillment of key responsibilities.

**c. Individual Director's Evaluation (including Independent Directors)-**

- Leadership & stewardship abilities;
- Participation and constructive contribution at Board / Committee meetings;
- Communication of expectations and concerns;
- Contributing to clearly define corporate objectives & plans;
- Identification, monitoring and mitigation of significant corporate risks;
- Assessment of policies, structures and procedures;
- Adherence to ethical standards and code of conduct of Company.

Besides this, the Independent Directors were additionally evaluated on the basis of effective deployment of their knowledge and expertise and independence of behaviour and judgment.

The Board expressed its satisfaction with respect to the process of evaluation and outcome thereof. It unanimously opined that the Board and its Committees were functioning properly under the guidance of the Chairperson of the Board/ respective Committees.

## **INFORMATION REGARDING THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT**

Brief resume and other information as required under Regulation 36 of the Listing Regulations and Para 1.2.5 of Secretarial Standard on General Meetings (SS-2), in respect of Directors retiring by rotation and seeking appointment /re-appointment forms a part of Notice convening the ensuing Annual General Meeting.

## **CHANGES IN DIRECTORSHIPS DURING THE FINANCIAL YEAR 2022-23 AND THEREAFTER**

Ms. Ratnabali Kakkar (DIN: 09167547) was appointed as an Additional Director on the Board of the Company, not liable to retire by rotation, in Independent category for a term of 5 (five) years from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2027. Her appointment as Independent Director together with that of Ms. Nikita Bansal (DIN: 03109710) as an Executive Director were both subsequently approved by the shareholders through Postal Ballot on 24<sup>th</sup> May, 2022.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 7<sup>th</sup> February, 2023 approved re-appointment of Sri Prem Kumar Bhajanka and Sri Vishnu Khemani as Managing Directors of the Company for a further period of five years with effect from 1<sup>st</sup> August, 2023, subject to the approval of the shareholders.

Subject to approval of the shareholders of the Company, the Board of Directors, after considering the recommendations of the Nomination and Remuneration Committee and on the basis of the report of performance evaluation of Independent Directors and consent received, recommended re-appointment of Sri Amit Kiran Deb for a second term from 1<sup>st</sup> October, 2023 to 30<sup>th</sup> September, 2028.

## **DIRECTORS' RESPONSIBILITIES**

The Board of Directors of a Company play a key role in providing directions to the management in the areas of strategy and governance and also in ensuring that the Company conducts its business in the best interest of all stakeholders. The Board of Directors is the primary interface between the Company and its various stakeholders. The Company being an artificial person, functions through the instrumentality of the Board of Directors who is guided by the wishes of the majority, subject, of course, to the well-being of the Company as a whole. The Directors of the Company are collectively accountable towards the Company, its various stakeholders, towards the management and the Government. The Directors and shareholders are influenced by each other and for quality governance there must be an interface between them. The Board as a whole is entrusted with the management of the Company's business and is responsible for making strategic and operational decisions for the Company which determines its long term future prosperity and protect

its assets and reputation. Directors play an important role in imbuing values and ethics in the Company. As Directors, they are responsible for ensuring that the Company meets its statutory obligations. Your Company is headed by an effective Board to lead and steer the Company to attain desired goals. The role and responsibility of Directors in a company are quite onerous and multifarious. Your Directors abide by the duties, roles and responsibilities as laid down in the Companies Act, 2013, Listing Regulations and other applicable statutes.

## ROLE OF COMPANY SECRETARY IN GOVERNANCE AND COMPLIANCE PROCESS

In today's dynamic governance environment, the role of Company Secretary has no one meaning and it covers multifarious tasks and responsibilities. The Company Secretary as a governance professional spearheads the law enforcement framework within the organisation that safeguards its integrity and also promotes high standards of ethical behavior. Company Secretary, in modern business environment, has been entrusted with a much broader role of acting as "Board advisor" and having responsibility for the organisation's corporate governance. Our Company believes that governance is beyond mere compliance with laws, rules and regulations. To us, governance mean upholding its own ethical values and standards in all its actions. The Institute of Company Secretaries of India projects Company Secretary as 'Corporate Saviour' - a person who can be relied upon by stakeholders i.e., Corporates, Promoters, Shareholders, Government and Regulators. The Company Secretary advises on good governance practices and compliance of Corporate Governance norms as prescribed under various laws, regulations and guidelines made thereunder. He also assists in developing a corporate and social sustainability framework. The Company Secretary is an important member of the corporate management team and acts as conscience keeper of the Company. He is a close confidante of the Board and commands confidence of individual directors so as to ensure that the culture of independence is promoted at the Board and Committee meetings and at the level of individual directors. The Company Secretary acts as a vital link between the Company and its Board of Directors, shareholders, government and regulatory authorities. He ensures that the Board procedures are followed and regularly reviewed and provides guidance to Chairman and the Directors on their responsibilities under various laws. He has a high administrative position in the company and ensures that decisions of the board are implemented effectively. Providing support goes beyond scheduling meetings to proactively managing the agenda and ensuring the presentation of high quality up-to-date information in advance of meetings. Even the Board understands that the Company Secretary is a "go-to" person to respond to any queries. He acts as the shareholders' first point of contact with the Company for resolving their grievances and complaints, thereby maintaining healthy investor relations. He also acts as the first point of contact for the non-executive directors by providing them induction, ongoing support and guidance.

Developing and implementing processes to promote good corporate governance has fallen largely within the ambits of the Company Secretary. The Company Secretary is responsible

for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary attends all the meetings of the Board and its Committees and ensures appropriate recording of minutes of the meetings.

## COMPLIANCE

At Centuryply, regulatory compliance is of utmost importance. It has been built on strong foundation of governance where the Board, Key Executives and Compliance Officer have been vigilant and committed to ensure that the organisation conforms to stringent, complex legal mandates. With an ever-changing and evolving regulatory environment, the margin for error is very thin. The Company approaches compliance from a proactive standpoint and believes in responsive intervention and a well-formulated approach is followed to move beyond the regulatory compliance. The Company Secretary deals with all matters affecting corporate governance, from board and committee processes, management and structure, disclosure, stakeholder engagement, legal and corporate compliance, as well as issues crucial to boards, their accountability and oversight. Your Company is agile and adaptive to all the dynamic regulatory changes under the abled guidance of the Company Secretary of the Company. The Company Secretary is the nodal point for the Board to get feedback on the status of compliance by the organisation in regard to provisions of the Company Law, listing agreements, SEBI regulations, shareholder grievances, etc. The Company Secretary of the Company, as a governance professional, has a significant role in enforcing a compliance framework to safeguard the integrity of the organisation and to promote high standards of ethical behavior. The Company Secretary has a legal obligation to guide the board in meeting their regulatory obligations in every aspect of the business while following best practices at all times. Using a proactive approach to compliance, with advance planning on important compliance matters, can help the board respond and act on these matters in a timely manner. In terms of Regulation 6 of the Listing Regulations, the Company Secretary of the Company also acts as the Compliance Officer. Apart from ensuring compliances, he also acts as an in-house legal counsel to advise the Board and the functional departments of the company on various corporate, business, economic and tax laws.

The Company Secretary is responsible for ensuring compliance with applicable statutory requirements and regulations, primarily the Companies Act, 2013, Rules thereunder and the Listing Regulations. The Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations. In accordance with Section 205 of the Companies Act, 2013, the Company Secretary reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. The Company Secretary also coordinates with Stock Exchanges and Depositories to ensure compliance with their Rules, Regulations and other directives. All Directors of the Company have access to the advice and services of the Company Secretary. A certificate of statutory compliances duly signed by the Managing Director & CEO and CFO is also placed

before the Board at its meetings held during the year under review. The Board of Directors reviews the compliance reports of the laws applicable to the Company as well as instances of non – compliances, if any, together with their possible impact on the Company’s business.

## COMMITTEES OF THE BOARD

The Board Committees are set up under the formal approval of Board to carry out the specific activities as specified in its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. These committees prepare the groundwork for decision-making and report at the subsequent board meeting. Committees enable better management of Board’s time and allow in-depth scrutiny and focused attention.

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas of concern for the Company that need a closer review. They take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters in their areas or purview. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committee’s report to the Board about the deliberations and decisions taken by the Committees. To enable better management of the Board’s time and to allow

in-depth scrutiny and focused attention, the Board constitutes various Committees, statutory as well as non-statutory, as a means of improving board effectiveness and efficiency where more focused, specialized and technically oriented discussions are required. Accordingly, the Board through its following Committees closely monitors various areas of business viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. All these Committees are mandated under law and operate within the terms of reference laid down by the Board. Apart from the above, the Board has also set up and laid down terms of reference for the Finance Committee and the Share Transfer Committee.

Each sub-committee of the Board is guided by its primary objective of maintaining strong business fundamentals and delivering high performance through relentless focus on significant the affairs of the Company across all its geographies. These Committees undertake a detailed review of items within the framework of delegated authority before it is placed before the Board for its consideration. All decisions and recommendations of the Committees are placed before the Board for information or approval, as required. The minutes of the meetings of all committees of the Board are placed before the Board for noting.

All the Committees have optimum composition as required under to the Listing Regulations. A bird eye view of the composition of the various mandatory Committees of the Board as on 31<sup>st</sup> March, 2023 is reproduced as under:

| <b>Audit Committee</b> |                 |
|------------------------|-----------------|
| 4 members              | 4 Meetings      |
| 75% Independent        | 100% Attendance |

| <b>Stakeholders Relationship Committee</b> |                 |
|--|-----------------|
| 3 Members                                  | 1 Meeting       |
| 33.33% Independent                         | 100% Attendance |

| <b>Risk Management Committee</b> |                 |
|----------------------------------|-----------------|
| 4 Members                        | 2 Meetings      |
| 25% Independent                  | 100% Attendance |

| <b>Nomination and Remuneration Committee</b> |                 |
|--|-----------------|
| 3 Members                                    | 2 Meetings      |
| 100% Independent                             | 100% Attendance |

| <b>Corporate Social Responsibility Committee</b> |                 |
|--|-----------------|
| 3 Members  | 1 Meeting       |
| 33.33% Independent                               | 100% Attendance |

## MANDATORY COMMITTEES

### Audit Committee

The Audit Committee is one of the major operating committees of the Board. The Committee is responsible for the oversight of the quality and integrity of the Company's accounting and reporting practices; controls and financial statements; legal and regulatory compliances; the auditors' qualifications and independence and the performance of Company's internal audit function. The Internal Auditor attend the Meetings of the Audit Committee on a regular basis and submit his recommendations.

It acts as a liaison between the Board of Directors and the auditors- both external and internal. The Committee oversees the Management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. It assists the Board in fulfilling its responsibilities of reviewing the Company's established systems and processes for internal financial controls and internal audit processes.

The Audit Committee plays a pivotal role in reviewing the Company's financial information, audit and accounting matters, internal controls measures, related party transactions, functioning of whistle blower mechanism, evaluation of internal financial controls and risk management systems and policies.

### Terms of reference

Terms of reference of the Audit Committee are in line with the guidelines set out in Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 read with Rules framed thereunder and as on the date of this report, includes the following:

- i. Oversight of 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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses/ 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 utilisation 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 and 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 thereon;
- 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, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. 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. Reviewing the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate.
- xx. Reviewing 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.

xxi. Reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

#### Composition and attendance at Committee Meetings:

The composition of the Audit Committee, meetings held during the Financial Year 2022-23 and attendance of Members thereat are as under:

| Name of Members          | Category                   | Position | Attendance at the Audit Committee Meeting held on                                 |  |   |   |
|--------------------------|----------------------------|----------|---|--|---|---|
|                          |                            |          | 16.05.2022  | 20.07.2022   | 10.11.2022  | 07.02.2023  |
| Sri J. P. Dua            | Non –executive Independent | Chairman |  |  |  |  |
| Sri Naresh Pachisia      | Non –executive Independent | Member   |  |  |  |  |
| Sri Probir Roy           | Non –executive Independent | Member   |  |  |  |  |
| Sri Rajesh Kumar Agarwal | Executive non-Independent  | Member   |  |  |  |  |

 Physically Present  Present through video conferencing  Absent

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of Listing Regulations. All Members of the Audit Committee are financially literate and have accounting or related financial management expertise. Sri J. P. Dua is a seasoned banker with over 38 years of experience in the field of Finance and Sri Probir Roy, Sri Naresh Pachisia and Sri Rajesh Kumar Agarwal have extensive and rich experience in the fields of finance, operations, strategy and risk- management.

The meetings of Audit Committee are also attended by the Chief Financial Officer and Internal Auditor. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all Audit Committee Meetings held during the year at which the financial statements have been placed for review. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee. Sri J. P. Dua, Chairman of the Audit Committee was also present at the last Annual General Meeting.

#### Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee which is responsible for addressing competency requirements for the Board and senior management, based on the segment and operations of the Company.

The Committee oversees the Company's nomination process including succession planning for the senior management and the Board and assists the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Remuneration Policy.

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as for its individual members with the objective of having a Board with diverse backgrounds and experience and expertise.

The Committee periodically identifies competency gaps in the Board and senior managerial levels, evaluates potential candidates and makes suitable recommendations to the Board. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programme for Executive Directors and the Senior Management. The Committee reviews and recommends, as and when required, amendments to policies relating to human resource, succession planning, board diversity and criteria for payment of remuneration. The Nomination and Remuneration Committee also formulates criteria and specifies the manner for effective evaluation of performance of Board, its Committees and individual Directors. It also conducts the evaluation process as per the Board Evaluation policy.

#### Terms of reference

The terms of reference of the Nomination and Remuneration Committee is in line with the provisions of Regulation 19 read with Para A of Part D of Schedule II of Listing Regulations and Section 178 of the Companies Act, 2013 and includes the following:

- Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board, a Policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

- ii. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- iii. Formulating the criteria and specifying the manner for effective evaluation of performance of Board, its Committees and individual Directors, reviewing its implementation and compliance and also carrying out of such evaluation.
- iv. Devising a policy on Board diversity.
- v. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommending to the Board their appointment/ removal.
- vi. Recommending/ reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- vii. Recommending to the Board, all remuneration, in whatever form, payable to Senior Management.
- viii. Recommending whether or not to extend or continue the term of appointment of the Independent Directors on the basis of the report on their performance evaluation.

#### Composition and attendance at Committee Meetings:

The composition of the Nomination and Remuneration Committee, meetings held during the Financial Year 2022-23 and attendance of Members thereat are as under:

| Name of Members    | Category                    | Position              | Attendance at the Nomination and Remuneration Committee Meeting held on |            |
|--------------------|-----------------------------|-----------------------|---|------------|
|                    |                             |                       | 16.05.2022  | 07.02.2023 |
| Sri J. P. Dua      | Non – Executive Independent | Chairman <sup>#</sup> | NA  |            |
| Sri Sunil Mitra    | Non – Executive Independent | Chairman <sup>#</sup> |   | NA         |
| Sri Vijay Chhibber | Non – Executive Independent | Member                |   |            |
| Sri Probir Roy     | Non – Executive Independent | Member                |   |            |

Physically Present Present through video conferencing Absent

<sup>#</sup> Sri J. P. Dua was appointed as Chairman of Nomination and Remuneration Committee with effect from 16<sup>th</sup> May, 2022 in place of Sri Sunil Mitra

The composition of Nomination and Remuneration Committee conforms to the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee. Sri Sunil Mitra, the then Chairman of the Committee was also present at the last Annual General Meeting.

#### Remuneration policy and its salient features

The Company's Remuneration Policy is based on the premise of "pay-for-performance" principle. The objective of the remuneration policy is to provide a framework for payment of remuneration to the members of the Board of Directors, Key Managerial Personnel and the Senior Management Personnel of the Company in alignment with the business strategy and risk tolerance, objectives, values and long-term interests of the Company. The Company's remuneration strategy is

market-driven and aims at attracting and retaining high caliber talent by rewarding performance, based on review of achievements, on a periodical basis. Focus on productivity and pay for performance has been the centerpiece of the Company's remuneration policy and this enables the Company to attract, motivate, improve productivity and retain talents within the organisation. The Policy is tailored to the regulations, practices and benchmarks prevalent in the industry. The remuneration policy is focused on promoting talent and ensuring long term sustainability of talented managerial persons by creating competitive advantage. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration. One of the key features of the Company's Remuneration Policy is that it is based on principles which supports and reinforces the achievement of the Company's vision and strategy, promotes transparency, internal as well as external equity and at the same time ensures affordability and

sustainability. The Company's remuneration policy is based on the industry standards and is periodically reviewed to ensure that the pay structures are aligned with the prevalent market conditions and industry standards. The Policy lays down the guiding framework and procedure which the Committee ought to follow while recommending appointment of Board Members and Senior Management Personnel.

Remuneration of Executive and Non-executive Directors is determined by the Board, on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the Shareholders, where required. All remuneration, in whatever form, payable to Senior Management are also recommended by this Committee. The remuneration of Directors, Key Managerial Personnel and all other employees is based on competency, contribution and commitment demonstrated by them towards the Company.

Centuryply follows a compensation mix of fixed pay, benefits and performance based variable pay, which is paid based on the business performance and goals of the different business units and of the Company as a whole. The remuneration payable to Executive Directors involves a balance of fixed pay and a variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The remuneration payable to Executive Directors are commensurate with industry standard and are determined after taking into consideration the individual responsibilities shouldered by them, time and effort devoted and the relative performance of the Company to the industry performance. The remuneration paid to Executive Directors is proposed by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required. Annual increments/subsequent variation in their remuneration are approved by the Committee/ Board of Directors, within the overall limits approved by the shareholders of the Company.

In addition to salary, the Executive Directors are also entitled to a variable pay in the form of commission on net profit. The commission payable to them is ascertained by the Nomination and Remuneration Committee and approved by the Board each year after taking into account the performance and reasonable ascertainment of profitability of the units/ divisions being looked after by the respective Executive Directors, besides the Company's overall performance and profitability.

In terms of Section 197 of the Companies Act, 2013 read with Rules made thereunder and Regulation 17 of the Listing Regulations, the Independent Non-Executive Directors of the Company are paid such Sitting Fees for attending the meeting of the Board of Directors and of the Committee thereof, as determined by the Board of Directors from time to time. They are also entitled to receive commission as may be recommended by Nomination and Remuneration Committee and subsequently approved by the Board of Directors within the limits prescribed in Section 197 of the Companies Act, 2013 or approved by the Members of the Company. The Independent Directors of the Company are not entitled to participate in Stock Option Scheme, if any, introduced by the Company.

The Remuneration Policy is available on our website and can be accessed at <https://www.centuryply.com/codes-policies/Remuneration-policy.pdf> During the year under review, there was no change in the Company's Remuneration Policy. The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

#### **Criteria for making payments to Non-executive Directors**

The Independent Directors play a crucial role in the independent functioning of the Board. The responsibilities and obligations of the Non-Executive Directors have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the Company and the rapid evolution arising out of legal and regulatory provisions and requirements. The Non- executive Directors bring in a wider perspective to the deliberations and decision making of the Board which adds value to the Company. The Company is being hugely benefited from their expertise, advice and inputs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company from time to time.

The Company believes that the remuneration paid to its Non- executive Independent Directors should be reflective of the size of the Company and complexity of the sector/ industry/ Company's operations and should be consistent with recognised best practices. Overall remuneration (sitting fees and commission) should be commensurate with the responsibilities and also reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperative. Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, timely guidance to the Board on important policy matters of the Company, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non-Executive Directors. Criteria for making payments to Non-executive Directors is also available on the website of the Company and can be accessed at: <https://www.centuryply.com/codes-policies/Criteria-for-making-payment-to-the-Non-Executive-Directors.pdf>.

#### **Pecuniary relationship of Non-Executive Directors**

During the year under review, an amount of ₹6.31 Lac was paid to M/s. Fox and Mandal LLP, wherein Sri Debanjan Mandal, Independent Director and his relatives are Partners. Fox & Mandal LLP renders professional services to the Company. The quantum of fees paid to M/s. Fox & Mandal LLP is an insignificant portion of their total revenue. Thus, they are not to be construed to have any material association with the Company. Apart from this, no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company was undertaken, other than payment of sitting fees and commission to them and reimbursement of their travelling expenses for the purpose of attending Board/ Committee meeting.

° **Sitting fees**

Non-Executive Directors are entitled to a Sitting fee of ₹50,000/- for each meeting of Board and ₹25,000/- for each meeting of Committees thereof attended by them together with reimbursement of reasonable actual expenses for such participation.

Committee and approval of the Board in accordance with Remuneration Policy and within the approved statutory limit. Presently a sum of ₹4,00,000/- is paid to each Non-Executive Directors as commission.

° **Commission**

The Non-Executive Directors of the Company are entitled to a profit-based commission on an annual basis based on the recommendation of Nomination and Remuneration

**Directors' & Officers' Liability Insurance**

In line with the requirements of Regulation 24(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

**Details of remuneration paid to Directors during the Financial Year 2022-23**

| Sl. No.                         | Name of the Director                 | Designation & Service contract                              | Salary (₹ in lacs) |                    | Sitting Fee (₹ in lacs) | Commission (₹ in lac) | No. of shares held along with % as on 31 <sup>st</sup> March, 2023 <sup>a</sup> |
|---------------------------------|--------------------------------------|---|--------------------|--------------------|-------------------------|-----------------------|---|
|                                 |                                      |   | CTC                | Paid in FY 2022-23 |                         |                       |   |
| <b>Executive Directors:</b>     |                                      |   |                    |                    |                         |                       |   |
| 1.                              | Sri Sajjan Bhajanka                  | Chairman & Managing Director up to 31.03.2026               | 200.00             | 200.00             | Nil                     | 226.14                | 24164037 (10.88%)   |
| 2.                              | Sri Sanjay Agarwal                   | CEO & Managing Director up to 30.06.2026                    | 200.00             | 200.00             | Nil                     | 226.14                | 24880460 (11.20%)   |
| 3.                              | Sri Prem Kumar Bhajanka <sup>b</sup> | Managing Director up to 31.07.2023                          | 200.00             | 200.00             | Nil                     | 286.23                | 4672561 (2.10%)   |
| 4.                              | Sri Vishnu Khemani <sup>c</sup>      | Managing Director up to 31.07.2023                          | 200.00             | 200.00             | Nil                     | 212.78                | 18786900 (8.46%)  |
| 5.                              | Sri Keshav Bhajanka                  | Executive Director up to 27.01.2026                         | 100.00             | 100.00             | Nil                     | 226.14                | 2500000 (1.12%)   |
| 6.                              | Sri Ajay Baldawa                     | Executive Director (Technical) up to 30.06.2026             | 600.00             | 485.75             | Nil                     | Nil                   | 75000 (0.03%)   |
| 7.                              | Ms. Nikita Bansal                    | Executive Director up to 31.01.2027                         | 100.00             | 100.00             | Nil                     | 226.14                | 69200 (0.03%)   |
| 8.                              | Sri Rajesh Kumar Agarwal             | Executive Director up to 08.02.2024                         | 90.00              | 90.00              | Nil                     | Nil                   | 4053882 (1.82%)   |
| <b>Non-Executive Directors:</b> |                                      |   |                    |                    |                         |                       |   |
| 1.                              | Sri J. P. Dua                        | Independent Director- 2 <sup>nd</sup> term up to 31.03.2024 | --                 | --                 | 3.75                    | 4.00                  | Nil   |
| 2.                              | Sri Vijay Chhibber                   | Independent Director- 2 <sup>nd</sup> term up to 31.01.2025 | --                 | --                 | 2.50                    | 4.00                  | Nil   |
| 3.                              | Sri Debanjan Mandal                  | Independent Director- 2 <sup>nd</sup> term up to 31.07.2025 | --                 | --                 | 2.00                    | 4.00                  | Nil   |
| 4.                              | Sri Sunil Mitra                      | Independent Director- 2 <sup>nd</sup> term up to 31.07.2025 | --                 | --                 | 2.50                    | 4.00                  | Nil   |
| 5.                              | Sri Probir Roy                       | Independent Director- 1 <sup>st</sup> term up to 30.09.2025 | --                 | --                 | 4.00                    | 4.00                  | Nil   |
| 6.                              | Sri Amit Kiran Deb <sup>d</sup>      | Independent Director- 1 <sup>st</sup> term up to 30.09.2023 | --                 | --                 | 2.50                    | 4.00                  | Nil   |
| 7.                              | Sri Naresh Pachisia                  | Independent Director- 1 <sup>st</sup> term up to 31.03.2024 | --                 | --                 | 3.50                    | 4.00                  | Nil   |
| 8.                              | Ms. Ratnabali Kakkar                 | Independent Director- 1 <sup>st</sup> term up to 31.03.2027 | --                 | --                 | 2.50                    | 4.00                  | Nil   |

**Notes:**

- The Company has not issued any convertible instruments.
  - Sri Prem Kumar Bhajanka was re-appointed as Managing Director of the Company for a further period of five years w.e.f. 1<sup>st</sup> August, 2023.
  - Sri Vishnu Khemani was re-appointed as Managing Director of the Company for a further period of five years w.e.f. 1<sup>st</sup> August, 2023.
  - Sri Amit Kiran Deb has been re-appointed as Independent Director for a second term w.e.f. 1<sup>st</sup> October, 2023 till 30<sup>th</sup> September, 2028.
- \* All the aforesaid re-appointments are subject to approval of the Shareholders at the ensuing Annual General Meeting.

### Service Contracts, Severance Fee, Notice Period and Stock Options

The appointment of the Executive Directors is governed by resolutions passed by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company, the Service Contracts entered into with them and the Remuneration Policy of the Company, all of which covers the terms and conditions of such appointment. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors. A notice of three months is required to be given by an Executive Director seeking to vacate office and the resignation takes effect upon the expiration of the notice or its earlier acceptance by the Board.

The terms of disengagement of Independent Directors are governed by the formal appointment letters issued to them at the time of their appointment. As required by Regulation 46 of the Listing Regulations, the terms and conditions of appointment of Independent Directors is available on the Company's website and can be accessed at <https://www.centuryply.com/investor-information/others/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>.

During the year under review, none of the Directors were paid any bonus, pension or performance-linked incentive or any other benefits. The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any Executive and/or Non-Executive Director. Further, there was no expenditure debited in the books of accounts, which represent personal expenditure of the Directors and/ or the Top Management.

### Performance evaluation criteria for independent directors

This has been discussed elsewhere in this Report.

### Composition and attendance at Committee Meetings:

The composition of the Stakeholders Relationship Committee, meetings held during the Financial Year 2022-23 and attendance of Members thereat are as under:

| Name of Members          | Category                   | Position | Attendance at the Stakeholders Relationship Committee Meeting held on                 |
|--------------------------|----------------------------|----------|---|
|                          |                            |          | 16.05.2022  |
| Sri Probir Roy           | Non –executive Independent | Chairman |  |
| Ms. Nikita Bansal        | Executive non-independent  | Member   |  |
| Sri Rajesh Kumar Agarwal | Executive non-independent  | Member   |  |

 Physically Present  Present through video conferencing  Absent

The composition of the Stakeholders Relationship Committee conforms to the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board has been constituted to oversee various aspects of interest of stakeholders including redressal of shareholders/ investors grievances and complaints, reviews the service standards of the Registrar and Share Transfer Agent of the Company and suggests measures for improving the same.

### Terms of reference

The terms of reference of the Stakeholders Relationship Committee is in line with Regulation 20 read with Para B of Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013 and includes the following:

- i. Investor relations and resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. Reviewing measures taken for effective exercise of voting rights by shareholders;
- iii. Reviewing adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- iv. Reviewing measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company;
- vi. Providing guidance and making recommendations to improve service levels for the investors.

### Compliance Officer and status of pending complaints

Sri Sundeeep Jhunjunwala, Company Secretary is the Compliance Officer of the Company for attending to Complaints/Grievances of the members. During the Financial Year ended 31<sup>st</sup> March, 2023, the Company did not received any complaints from shareholders. There was no complaint pending at the beginning and at the close of the financial year. No complaint was received through SCORES, the web based complaint redressal system of SEBI.

### Corporate Social Responsibility Committee

Your Company has been involved with social initiatives for more than two decades. Your Company believes success and progress lies beyond balance sheets or conventional economic indices. It is best mirrored in the impact it has on economic, environmental and social factors. As a part of its initiative under the "Corporate Social Responsibility" drive, the Company has undertaken projects primarily focusing on the broad thematic areas namely 'Gyanoday' (Education), 'Swasthya aur Swachhata' (Healthcare and Sanitation), 'Vatavaran Sanrakshan' (Environmental sustainability), 'Sanskritik Sanrakshan' (Protection of national heritage, art and culture), 'Manavta Sahyog' (Disaster Relief) and 'Samajik Kalyan' (Reducing inequalities faced by socially and economically backward groups).

The Corporate Social Responsibility (CSR) Committee formulates, monitors and recommends to the Board, a CSR policy indicating the activities to be undertaken by the Company within the ambit of Schedule VII of the Companies Act, 2013. The Committee has the overall responsibility for identifying the areas of CSR activities, ascertaining and recommending the amount of expenditure to be incurred on the identified CSR activities and overseeing implementation of the CSR programs of the Company. The Committee also recommends to the Board an annual action plan for implementation of its CSR programs. The Committee provides guidance to the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods.

### Composition and attendance at Committee Meetings:

The composition of the CSR Committee, meetings held during the Financial Year 2022-23 and attendance of Members thereat are as under:

| Name of Members              | Category                  | Position | Attendance at the CSR Committee Meeting held on                                       |
|------------------------------|---------------------------|----------|---|
|                              |                           |          | 16.05.2022  |
| Sri Sajjan Bhajanka          | Executive non-independent | Chairman |  |
| Sri Sunil Mitra <sup>#</sup> | Non-executive independent | Member   |  |
| Sri Rajesh Kumar Agarwal     | Executive non-independent | Member   |  |

 Physically Present  Present through video conferencing  Absent

<sup>#</sup> Sri Probir Roy was appointed as Member of the CSR Committee with effect from 16<sup>th</sup> May, 2022 in place of Sri Sunil Mitra

The composition of the CSR Committee conforms to the regulatory requirements mandated by Section 135 of the Companies Act, 2013. The Company Secretary acts as Secretary to the Committee.

### Terms of reference

The terms of reference of the Corporate Social Responsibility Committee is in line with the provisions of Section 135 of the Companies Act, 2013 read with Rules framed thereunder and includes the following:

- i. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy and any amendments thereto, indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and Rules made there under;
- ii. To recommend the amount of expenditure to be incurred on the CSR activities as per CSR Policy;
- iii. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
  - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
  - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (d) monitoring and reporting mechanism for the projects or programmes; and
  - (e) details of need and impact assessment, if any, for the projects undertaken by the company;
- iv. To monitor the CSR Policy of the Company from time to time;
- v. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable with respect to Corporate Social Responsibility or as may be necessary or appropriate for implementing the Company's policies thereunder.

### Risk Management Committee

Centuryply follows a systematic and proactive approach in dealing with its risks by adopting techniques which provide early warning signals so that the same may be addressed in time. Your Company understands Risk management is not a one day task rather it's a continuous process. Risk management is a critical component of the Company's operations, wherein, the Risk Management Policy facilitates the identification and analysis of various internal and external risks. The Company closely monitors the impact of various factors on its business and the efficiency of its risk checking protocols. All risks are reviewed on a regular basis, and a focused mitigation approach is taken to limit their impact on the Company's operations. The systematic and proactive identification of risks, and mitigation thereof, enables the Company to boost performance with effective and timely decision-making.

In line with the provisions of Regulation 21 of the Listing Regulations, your Company has a dedicated Risk Management Committee consisting of Board members (including one Independent Director) and a senior executive. The Risk Management Committee has an important role in supporting the Board and Audit Committee in the oversight and management of risk. This Committee also has the responsibility of monitoring and approving the risk policies and associated practices of the Company. The Committee periodically reviews the risk environment and risk profile relative to risk appetite of the Company, focusing on current and emerging financial and non-financial risks.

Your Company follows a well-defined and comprehensive Risk Management Policy formulated in accordance with the requirements of the Companies Act, 2013 and the Listing Regulations, articulating the strategies to minimise the adverse consequence of risks on business objectives of the Company. The Policy is periodically updated to align with the changing industry dynamics and evolving complexity. Your Company understands that risks need to be treated for their adverse effects and it also endeavours to harness the key risks in a proactive manner in order to capitalize on potential opportunities.

### Terms of reference

The terms of reference of the Risk Management Committee is in line with the provisions of Regulation 21 of the Listing Regulations and as on the date of this report, includes the following:

- i. Formulating a detailed risk management policy, inter-alia, covering a framework for identification of internal

and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, measures for risk mitigation including systems and processes for internal control of identified risks and Business continuity plan;

- ii. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. Monitoring and overseeing implementation of the risk management policy, including evaluation of the adequacy of risk management systems;
- iv. Periodically reviewing the risk management policy, at least once in two years, by considering inter-alia the changing industry dynamics and evolving complexity;
- v. Framing, implementing, monitoring and reviewing the risk management plan, systems and framework including cyber security for the Company and ensuring its effectiveness;
- vi. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vii. Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- viii. Coordinating its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- ix. Seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;
- x. Reviewing and recommending Risk Assessment and Risk Management Report for approval of the Board;
- xi. Overseeing recent development in the Company and periodically updating Company's Enterprise Risk Management Program for assessing, monitoring and mitigating the risks;
- xii. Periodically reviewing the adequacy of the Company's resources to perform its risk management responsibilities and achieve objectives;
- xiii. Carry out responsibilities as assigned by the Board.

**Composition and attendance at Committee Meetings:**

The composition of the Risk Management Committee, meetings held during the Financial Year 2022-23 and attendance of Members thereat are as under:

| Name of Members          | Category                   | Position | Attendance at the Risk Management Committee Meeting held on                         |   |
|--------------------------|----------------------------|----------|---|---|
|                          |                            |          | 16.07.2022  | 11.01.2023  |
| Sri Sanjay Agarwal       | Executive non-Independent  | Chairman |  |  |
| Sri Keshav Bhajanka      | Executive non-independent  | Member   |  |  |
| Sri Debanjan Mandal      | Non –executive Independent | Member   |  |  |
| Sri Arun Kumar Julasaria | Chief Financial Officer    | Member   |  |  |

 Physically Present  Present through video conferencing  Absent

The composition of the Risk Management Committee conforms to the regulatory requirements mandated under Regulation 21 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

**Committee of Independent Directors**

In terms of the requirement of SEBI's Circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March 2017 as amended vide circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated 3<sup>rd</sup> November 2020, a Committee of Independent Directors was constituted by the Board of Directors on 6<sup>th</sup> July, 2022 in connection with a Scheme of Arrangement between the Company and Century Infra Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder ("Scheme of Arrangement" or "Scheme"). All the Independent Directors of the Company were appointed as members of this Committee. The Committee met once on 20<sup>th</sup> July 2022, attended by six out of eight Independent Directors, to review the Scheme of Arrangement and give its recommendation to the Board of Directors.

**NON-MANDATORY COMMITTEES****Share Transfer Committee**

The Share Transfer Committee carries out procedural matters and inter alia, approves transmission of shares, sub-division /

consolidation / renewal / issue of duplicate share certificates/ letter of confirmations and other allied matters. The Committee also oversees compliance with the procedure specified under Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto.

**Terms of reference**

The terms of reference of the Share Transfer 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 share certificates on rematerialisation;
- Issue of new share certificates consequent upon split/ consolidation of existing ones;
- Cancellation of share certificates in compliance with the applicable provisions.

### Composition and attendance at Committee Meetings:

The composition of the Share Transfer Committee, meetings held during the Financial Year 2022-23 and attendance of Members thereat are as under:

| Name of Members          | Category                  | Position | Attendance at the Share Transfer Committee Meeting held on                        |   |   |   |   |   |   |   |
|--------------------------|---------------------------|----------|---|---|---|---|---|---|---|---|
|                          |                           |          | 03.05.2022  | 30.08.2022  | 15.10.2022  | 11.11.2022  | 23.11.2022  | 16.12.2022  | 31.01.2023  | 14.03.2023  |
| Sri Rajesh Kumar Agarwal | Executive non-independent | Chairman |  |  |  |  |  |  |  |  |
| Sri Keshav Bhajanka      | Executive non-independent | Member   |  |  |  |  |  |  |  |  |
| Sri Ajay Baldawa         | Executive non-independent | Member   |  |  |  |  |  |  |  |  |

 Physically Present  Present through video conferencing  Absent

### Finance Committee

The Finance Committee deals with the day to day matters within the terms of reference defined by the Board and ensures their expeditious implementation.

### Terms of reference

Terms of reference of the Finance Committee includes the following:

- i. To approve the opening of and modification in operation of bank accounts, including closure thereof.
- ii. Borrow money by way of loan (including foreign currency loans) in or outside India for the purpose of financing new projects, refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments and take necessary actions connected therewith.
- iii. Provide corporate guarantee/performance guarantee from the Company for credit facilities availed by its subsidiaries or by any other entity.
- iv. Approve establishment and operation of representative/sales / branch offices in or outside India.
- v. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
- vi. Review and consideration of periodical budgets of the Company and approval of capital expenditures.
- vii. Authorise and empower executives and/or authorised representatives in all matters relating to business operations, direct and indirect taxes, commercial taxes, municipal taxes, import and export, customs, port trust, provident fund, ESI, electricity and other utilities and all legal matters of the Company and approve execution of Power of Attorney, as may be required, for this purpose.
- viii. Opening, modification and closure of trading and demat accounts required for securities, derivatives and all other

Options.

- ix. Consideration of matters relating to participation in bids/tenders/ expression of interest and all other business alliances and joint ventures, among others, if any.
- x. Monitoring of loans and advances granted by the Company as approved by the Board of Directors from time to time.
- xi. Undertake and enter into Foreign Exchange Transactions and to transact in Derivative Products including Currency Options, buy and sell Spot and Forward, convert Rupee Liabilities into Foreign Currency Liabilities to hedge Currency and Interest Rate Risks/Fluctuations in respect of the Company's Export and Import Contracts, Foreign Currency Loans and other Foreign Currency related matters as permitted by Reserve Bank of India from time to time.
- xii. Approve availing of online banking facilities in all forms including but not limited to viewing rights, transaction rights, application for Letters of Credit, Bank Guarantees, Buyers Credit and carry out all trade related transactions through internet.
- xiii. Avail Bill Collection, Bill Payment, Cash Management Services and Financial Intermediary services in all forms and from any Bank.
- xiv. Take decisions in connection with any arrangement, document or matter necessary, ancillary, incidental or desirable to give effect to all its powers and authority.
- xv. Any other financial issues or other matters, whether out of and incidental to these functions or not, as may be assigned by the Board.
- xvi. Delegate authorities from time to time to the executives, officers and other authorised persons to implement the Committee's decisions.
- xvii. Authorise Directors, Officers and other Authorised Persons for execution of necessary documents and affixing Common Seal of the Company, as may be required for implementing decisions taken by the Board or any Committee thereof.

## Composition

The Finance Committee comprises of the following members:

| S. No. | Name                     | Category                  | Position |
|--------|--------------------------|---------------------------|----------|
| 1      | Sri Sajjan Bhajanka      | Executive non-Independent | Chairman |
| 2      | Sri Sanjay Agarwal       | Executive non-independent | Member   |
| 3      | Sri Rajesh Kumar Agarwal | Executive non-Independent | Member   |

The Company Secretary acts as Secretary to the Committee.

## Meetings and Attendance

The Finance Committee met nine times during the Financial Year ended 31<sup>st</sup> March, 2023. These meetings were held on 16<sup>th</sup> May, 2022, 29<sup>th</sup> June, 2022, 20<sup>th</sup> July, 2022, 6<sup>th</sup> September, 2022, 12<sup>th</sup> October, 2022, 10<sup>th</sup> November, 2022, 16<sup>th</sup> January, 2023, 7<sup>th</sup> February, 2023 and 6<sup>th</sup> March, 2023. Sri Sajjan Bhajanka, Sri Sanjay Agarwal and Sri Rajesh Kumar Agarwal were physically present in all the Finance Committee Meetings held during the year.

## Particulars of senior management including the changes therein since the close of the previous year

| S. No. | Name                       | Designation                                    |
|--------|----------------------------|--|
| 1      | Sri Arun Kumar Julasaria   | Chief Financial Officer (KMP)                  |
| 2      | Sri Sundeep Jhunjhunwala   | Company Secretary (KMP)                        |
| 3      | Sri Ashutosh Jaiswal       | President- International Business & Logistics  |
| 4      | Sri Shankho Chowdhury      | President - Decoratives                        |
| 5      | Sri Navarun Sen            | President - Panels                             |
| 6      | Sri Surender Kumar Gupta   | Vice-president- Veneers                        |
| 7      | Sri Avtar Singh Bhullar    | Senior Vice-president- MDF                     |
| 8      | Sri B. S. Sabherwal        | Unit Head – MDF                                |
| 9      | Sri Ratan Rajkhowah        | Senior President (Mfg.) & Unit Head- Joka      |
| 10     | Sri Y. K. Choudhary        | Unit Head- Cent Ply & Purbanchal               |
| 11     | Sri Rajendra Prasad Sharma | Unit Head- Sharon                              |
| 12     | Sri Vivek Agarwal          | Vice-president- Operations & Unit Head- Kandla |
| 13     | Sri Nehal Shah ^           | Chief Strategy Officer                         |
| 14     | Sri Rakesh Tiga            | Chief Human Resources Officer                  |
| 15     | Sri Sukhbir Singh *        | Vice-president- Accounts                       |
| 16     | Sri Naveen Kumar Lohia *   | Vice President -Export                         |
| 17     | Sri Sujit Dey *            | President- Sharon                              |
| 18     | Sri Abnish Kumar *         | Unit Head -Karnal                              |
| 19     | Sri Shripal Jain *         | President- Laminates (Mfg.)                    |
| 20     | Sri Mitash Chatterjee *    | Chief Marketing Officer                        |
| 21     | Sri Anup Mangaserri#       | CEO-Laminates                                  |

^ Resigend on 04.07.2023

\* Included as SMP w.e.f. 07.02.2023

# Included as SMP w.e.f. 07.07.2023

## GENERAL BODY MEETINGS

### Particulars of last three Annual General Meetings:

| AGM              | Year ended | Venue   | Date       | Time     |
|------------------|------------|---|------------|----------|
| 41 <sup>st</sup> | 31.03.2022 | Through VC/ OAVM from its Registered Office at P - 15/1, Taratala Road, Kolkata- 700088 | 21.09.2022 | 11-00 AM |
| 40 <sup>th</sup> | 31.03.2021 | Through VC/ OAVM from its Registered Office at P - 15/1, Taratala Road, Kolkata- 700088 | 08.09.2021 | 11-00 AM |
| 39 <sup>th</sup> | 31.03.2020 | Through VC/ OAVM from its Registered Office at P - 15/1, Taratala Road, Kolkata- 700088 | 09.09.2020 | 11-00 AM |

**Details of Special Resolutions passed in last three Annual General Meetings:**

| AGM              | Date       | Subject Matter   |
|------------------|------------|--|
| 41 <sup>st</sup> | 21.09.2022 | (i) Re-appointment of Sri Probir Roy (DIN: 00033045), as an Independent Director of the Company<br>(ii) Approve payment of remuneration to Executive Directors who are Promoters in excess of limits mentioned in Regulation 17(6)(e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015              |
| 40 <sup>th</sup> | 08.09.2021 | (i) Re-appointment of Sri Sajjan Bhajanka (DIN: 00246043) as Chairman and Managing Director of the Company<br>(ii) Approval of 'Century Ply Employee Stock Option Plan 2021'<br>(iii) Grant of employee stock Options to the employees of Subsidiary Company(ies) of the Company under Century Ply Employee Stock Option Plan 2021 |
| 39 <sup>th</sup> | 09.09.2020 | Through VC/ OAVM from its Registered Office at P - 15/1, Taratala Road, Kolkata- 700088  |

**Extra Ordinary General Meeting**

During the Financial Year ended 31<sup>st</sup> March, 2023, no Extra Ordinary General Meeting was convened.

**Postal Ballot**

During the year under review, the Company has obtained approval of the Members through Postal Ballot (through e-voting only) for the following Resolutions, description and details of the voting pattern whereof are as under:

| Type of Resolution  | Subject Matter  | Number of Votes |         |          |        |
|---------------------|---|-----------------|---------|----------|--------|
|                     |   | For             | %       | Against  | %      |
| Ordinary Resolution | Re-appointment of Ms. Nikita Bansal (DIN: 03109710) as an Executive Director of the Company | 184663706       | 92.2435 | 15527784 | 7.7565 |
| Special Resolution  | 09.09.2020 Appointment of Ms. Ratnabali Kakkar (DIN: 09167547) as an Independent Director   | 200187053       | 99.9978 | 4437     | 0.0022 |

**Procedure followed by Company for conducting Postal Ballot:**

- The Company had appointed Sri Manoj Kumar Banthia (ACS 11470/ CP- 7596) and failing him, Sri Raj Kumar Banthia (ACS17190/CP-18428) of M/s MKB & Associates, to act as Scrutinizer for conducting the Postal Ballot through Remote e-voting process, in a fair and transparent manner.
- On account of the threat posed by the COVID-19 pandemic and in conformity with the present regulatory requirements, the Postal Ballot Notice along with Explanatory Statement was sent only through electronic mode on 21<sup>st</sup> April, 2022 to those Members whose names were recorded in the Register of Members or List of Beneficial Owners as on the close of working hours on Friday, 15<sup>th</sup> April, 2022, as received from the Depositories and whose e-mail address is registered with the Company / Depositories/ RTA. The said Members were considered eligible for the purposes of electronic voting. The Notice was also made available on the website of the Company, www.centuryply.com.
- Relevant details regarding the Postal Ballot were advertised in one English newspaper having nation-wide circulation and in one vernacular language newspaper in the principal vernacular language of the district in which the registered office of the Company is situated.
- The facility of remote e-voting was kept open for the following time period:

|                                 |   |
|---------------------------------|---|
| Commencement of Remote e-Voting | Monday, 25 <sup>th</sup> April, 2022 at 9:00 A.M. |
| End of Remote e-Voting          | Tuesday, 24 <sup>th</sup> May, 2022 at 5:00 P.M.  |

- The Scrutinizer submitted his report to the Chairman after completion of scrutiny of votes cast. Based on the Scrutinizer's Report, the Results of the Postal Ballot was announced at around 4:30 p.m. on Wednesday, 25<sup>th</sup> May, 2022 and was displayed at the Registered Office of the Company at P-15/1, Taratala Road, Kolkata-700 088 and communicated to National Stock Exchange of India Limited and BSE Limited where the Equity Shares of the Company are listed. A copy of the result was also be forwarded to National Securities Depository Limited (NSDL) for displaying the same on its website www.evoting.nsdl.com. The Results of the Postal Ballot along with the Scrutinizer's Report was also placed on the Company's website, www.centuryply.com. The resolutions, passed by the requisite majority, are deemed to be passed on the last date specified for e-voting.

**Proposed Postal Ballot:**

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution through postal ballot. As on the date of this report, the Company does not have any plans to pass any resolution through postal ballot.

**Tribunal convened Meetings**

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide its order dated 10<sup>th</sup> February, 2023 had directed to convene meetings of the Equity Shareholders and that of the Unsecured Creditors of the Company on 20<sup>th</sup> March, 2023, through video conferencing / other audio visual means for consideration and approval of the Scheme of Arrangement between Century Plyboards (India) Limited and Century Infra Limited and their respective shareholders and creditors under Sections 230 to 232 (read with other applicable provisions)

of the Companies Act, 2013 and rules framed thereunder. In terms of aforesaid Order, the Meeting of Secured Creditors of the Company was dispensed with.

Both Members and Unsecured Creditors exercised their respective vote(s) by remote e-voting during the period from 09:00 A.M. (IST) on Thursday, 16<sup>th</sup> March, 2023 to 05:00 P.M. (IST) on Sunday, 19<sup>th</sup> March, 2023. Further, the facility for voting through electronic voting system was also made available at the respective meeting to the Members from 10:00 A.M. to 01:45 P.M. (IST) and to the Unsecured Creditors from 03:00 P.M. to 05:45 P.M. (IST).

The Scrutiniser submitted his report on 21<sup>st</sup> March, 2023, after completion of scrutiny and results of the e-voting for the Meetings of Equity Shareholders and Unsecured Creditors were announced on the same day. The resolution approving the said Scheme of Arrangement was passed with requisite majority. Voting results of the aforesaid meetings are available on the website of the Stock Exchanges and that of the Company.

The Company Petition was filed by the Petitioners with NCLT, Kolkata Bench on 31<sup>st</sup> March, 2023 for the sanction of Scheme. As per the Orders of the Hon'ble NCLT, your Company has served notice to the Regulatory Authorities seeking their objection, if any, to the Scheme. Sanction of the Scheme is awaited from Hon'ble NCLT. The appointed date for the proposed Scheme is 1<sup>st</sup> April, 2022.

The details of the Scheme and other related documents are available on the website of the Company at <https://www.centuryply.com/investors-new/scheme-of-arrangement>.

## DISCLOSURES

### ● **Related Party Transactions:**

All related party transactions entered into during the Financial Year 2022-23 were at an arm's length basis and were in the ordinary course of business. There were no materially significant transactions, financial or commercial, between the Company and its senior management or other related parties that may have a potential conflict with the interest of the Company at large. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, commitment of supply, quality standards, specialisation and the Company's long-term strategy for sectoral investments, liquidity and capital resources.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters. The Register of Contracts containing transactions in which the Directors are interested, is placed before the Board regularly.

Suitable disclosures as prescribed under the applicable Accounting Standards have been made in the notes to the Financial Statements. The Company's 'Policy on Materiality of and dealing with Related Party Transactions' is available on the Company's website at: <https://www.centuryply.com/codes-policies/Policy-on-Materiality-of-and-dealing-with-related-party-transactions.pdf>.

- **Material Subsidiaries:** During the year ended 31<sup>st</sup> March, 2023, the Company did not have any material listed/unlisted subsidiary company as defined in Regulation 16 of the Listing Regulations. As such, the disclosure as per Schedule V part C para (10)(n) is not applicable. The Company's policy for determining material subsidiaries is disclosed on the Company's website at: <https://www.centuryply.com/codes-policies/CPIL-Policy-on-material-subsiadiary.pdf>.
- **Non-compliance related to capital markets:** During the last three years there has been no instance of non-compliance on any matters related to capital markets. A Compliance Certificate from M/s. MKB & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance, as required under Listing Regulations is annexed to this Report. No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on such matters during the last three years.
- **Compliance with Indian Accounting Standards:** The Company has complied with all relevant Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.
- **Inter-se relationships:** The Directors of the Company are not related inter-se, except for Sri Keshav Bhajanka who is the son of Sri Sajjan Bhajanka, Chairman and Managing Director and Ms. Nikita Bansal, who is the daughter of Sri Sanjay Agarwal, CEO & Managing Director.
- **Details of funds raised:** During the year under review, the Company has not raised any money through any issue (public, rights, preferential, etc.)
- **Mandatory Compliance:** The Company has complied with all the mandatory requirements of the Listing Regulations including those specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.
- **Compliance with Secretarial Standards:** The Company has complied with Secretarial Standards on Board Meetings and General Meeting.
- **Committee recommendation:** The Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory Committees.
- **Certificate from Practicing Company Secretary on qualification of the Board:** The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Directors of any company by SEBI or Ministry of Corporate Affairs or any such statutory authorities. The certificate is annexed separately to this Report.

- **Fees to Statutory Auditors:** Total fees (excluding reimbursement of expenses) for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part was ₹ 48.30 Lac as per details below:

| Particulars of fees paid by the Company                     | Amount<br>(₹ in lac) |
|---|----------------------|
| Services as statutory auditors (including quarterly audits) | 40.00                |
| Certification Charges                                       | 4.30                 |
| <b>Total</b>  | <b>44.30</b>         |

| Particulars of fees paid by Subsidiary Company              | Amount<br>(₹ in lac) |
|---|----------------------|
| Services as statutory auditors (including quarterly audits) | 4.00                 |
| <b>Total</b>  | <b>4.00</b>          |

- **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial Year 2022-23:**

|  |     |
|--|-----|
| Number of complaints filed during the year             | NIL |
| Number of complaints disposed of during the year       | NIL |
| Number of complaints pending as on the end of the year | NIL |

- **Disclosure of commodity price risks and commodity hedging activities:** The same has been discussed elsewhere in this Report.
- **Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:** During the Financial Year 2022-23, the Company has not provided any loans and/or advances to firms/ companies in which Directors are interested.
- **Disclosure of agreements as mentioned in clause 5A to Para A of Part A of schedule III of Listing Regulations which are binding on the Company:** The Company has not been informed of any agreement subsisting as on the date of the amended SEBI Listing Regulations becoming effective or entered into thereafter by any shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its subsidiaries, among themselves or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company. The Company has also not entered into or has been a party to any such agreement as on the aforesaid date or thereafter.
- **Non-mandatory Compliance:** The status of compliance with discretionary requirements specified in Part E of Schedule II of the Listing Regulations is provided below:
  - a) **Non-Executive Chairman's Office:** As per SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, it is voluntary for a company to have a Chairman who is a non-executive director and who is not related to the Managing Director or the Chief Executive Officer. In view of this, the Company continues to have an Executive Chairman and his office is maintained by the Chairman himself.

- b) **Shareholders' Rights:** As the quarterly, half yearly and annual results of the Company along with significant events are published in the newspapers and also posted on the Company's website, the same are not being sent individually to the shareholders.
- c) **Modified Opinion in Audit Report:** The Company's Financial Statement for the year ended 31<sup>st</sup> March, 2023 does not contain any modified audit opinion. The Company always endeavours to present unmodified Financial Statements.
- d) **Separate posts of Chairman and CEO:** The positions of Chairman and Chief Executive Officer (CEO) are separate. The Chairman of the Company is an Executive Director and his position is separate from that of the Chief Executive Officer.
- e) **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee. He is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 4 and 22 of the Listing Regulations and in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has an approved Whistle Blower Policy/ Vigil Mechanism. Through this, your Company has placed a mechanism for ensuring confidentiality and protecting the whistle-blower from any harassment/victimization, retaliation, threat of termination of service, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the whistle-blower's right to continue to perform his/her duties/functions including making further protected disclosure. This policy serves as a channel for receiving and redressing employees' complaints. The same is discussed elsewhere in this Annual Report. During the financial year ended 31<sup>st</sup> March, 2023, no personnel were denied access to the Audit Committee for reporting cases under this policy.

## CODE OF CONDUCT

At Centuryply, we believe in developing and maintaining a meaningful relationship with our stakeholders. To regulate and balance the interests of varied groups of stakeholders, we constantly seek to conduct ourselves and our business in an ethical manner, thereby ensuring sustained cordial relationships with all stakeholders. To this end, pursuant to Regulation 17 of Listing Regulations, your Company has formulated a Code of Conduct applicable to all the Directors and Senior Management

Executives of the Company ("the Code"). The Code intends to foster a culture of honesty, integrity and accountability across the organisation. The duties of Directors including those of the Independent Directors, as laid down in the Companies Act, 2013, also forms part of the Code of Conduct. Your Company's Code of Conduct for Directors and Senior Management was amended by the Board of Directors at its meeting held on 7<sup>th</sup> February, 2023 and same became effective from that date. The Code can be accessed on the Company's website at <https://www.centuryply.com/codes-policies/Code-of-Conduct-for-Directors-and-Senior-Management-Executives.pdf>.

The Code of Conduct defines what the Company expects of its businesses and people regardless of the location or background and aims at enhancing ethical and transparent process in managing the affairs of the company. It is aligned with our values, group standards and legal requirements, and clarifies the ethics and compliance expectations for everyone who works with the Company. The Code reflects a value-based approach, where rules are not stated explicitly and day-to-day business decisions would continue to be guided by our values. The Code covers the Company's commitment to corporate social responsibility and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency, auditability and legal compliance.

The Code requires Directors and employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct as on 31<sup>st</sup> March, 2023 and a declaration to this effect, signed by the Chief Executive Officer (CEO) & Managing Director is annexed to this Report.

## CODE FOR PREVENTION OF INSIDER TRADING

In line with the provisions of the 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 ("Code"). The Code is available on the Company's website and can be accessed at <https://www.centuryply.com/codes-policies/Code-of-Conduct-to-regulate-monitor-and-report-trading-by-Designated-Person.pdf>.

Your Company has implemented a web based PIT Compliance tool to automate and manage the compliances relating to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the said Code. The Code is a guideline to prevent misuse of unpublished price sensitive information. The Code has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and their immediate relatives towards achieving compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The Code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.

During the year under review, the Audit Committee has verified

that the systems for internal controls are adequate and operating effectively. The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board with respect to action taken against such defaulters.

Sri Sundeep Jhunjhunwala, Company Secretary is the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Code.

In terms of Para 4 of Schedule B of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, meetings of the Audit Committee and the Board for consideration of financial results, were held on the same day, keeping the gap as narrow as possible, to avoid leakage of material information. Trading restriction period were made applicable from the end of every quarter till 48 hours after the declaration of financial results.

## CODE FOR FAIR DISCLOSURE

Pursuant to Regulation 8 read with Schedule A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI. The rationale of the Code is to strengthen the internal control systems to ensure that the UPSI is not communicated to any person except in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is available on the Company's website at <https://www.centuryply.com/codes-policies/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf>.

## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Centuryply as an organisation, strongly supports transparency in conduct of all its businesses and has zero tolerance for unethical practices. The Company is committed to act professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and to implement and enforce effective systems to counter bribery. In furtherance of this intent, the Company has a Board approved Anti-Bribery and Anti-Corruption Policy for all the employees at various levels. The Policy inter alia requires directors, officers and employees of the Company and third parties subject to this Policy, to recognise questionable transactions, behaviour or conduct and to take steps to record, comply and follow procedures set in place to deal with such behaviour or conduct. This Policy also aims to strengthen our internal and external processes against financial risks.

## POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

The Company has framed a policy for determining material subsidiary in line with the requirements of Regulation 16(1)(c) of the Listing Regulations, and the same is available on the Company's website at <https://www.centuryply.com/codes-policies/CPIL-Policy-on-material-subsiadiary.pdf>. The policy lays

down the criteria for identification of material subsidiaries and provides governance framework for them. A detailed note on the Policy has been included elsewhere in this Annual Report.

## **POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS**

Your Company has in place a Policy on Materiality of and dealing with Related Party Transactions as required under of Regulation 23(1) of the Listing Regulations and the same is in conformity with the requirements of the provisions of Section 188 of the Companies Act, 2013. The Policy can be accessed on the website of the Company at <https://www.centuryply.com/codes-policies/Policy-on-Materiality-of-and-dealing-with-related-party-transactions.pdf>. This Policy aims to monitor and manage potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions. The Policy is designed to govern the transparency of approval process and disclosure requirements to ensure fairness in the conduct of related party transactions. The Policy sets out the processes to be followed for approval and review of transactions with Related Party and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with Related Parties.

The Policy sets out the materiality thresholds for related parties and the manner of dealing with transactions between the Company and related parties, including omnibus approvals by Audit Committee based on the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations. The Board of Directors of the Company has approved the criteria for granting of omnibus approval by the Audit Committee within the overall framework of the Policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature. All related party transactions are placed before the Audit Committee for review and approval.

## **APPOINTMENT OF INDEPENDENT DIRECTORS**

The whole edifice of good corporate governance is dependent on efficacy and effectiveness of Independent Directors. Independence of Board is critical to ensure that Board fulfills its role objectively and holds management accountable to the Company. Your Company's Independent Directors on the Board are eminent persons who possess considerable experience and expertise to promote shareholders' interests and govern the Company effectively by providing valuable oversight and insightful strategic guidance. Independent Directors are seen as the crucial interface between promoters/ management on the one hand and the minority shareholders/ stakeholders on the other. Independent Directors play a significant role in the governance processes of the Board by enriching the Board's decision making and also preventing possible conflicts of interest that may emerge in such decision making. Independent Directors fulfill a useful role in balancing the interests of all shareholders and stakeholders, especially in the areas of potential conflict of interest. They also bring accountability and credibility to the Board process and also strengthen sound practices.

Independent Directors also play an active role in various committees set up by the company to ensure good governance. All Independent Directors on the Board are non-executive directors as defined under Regulation 16 of the Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 and the Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. The Nomination and Remuneration Committee, while considering the appointment of a person as an Independent Director, evaluates whether or not they possess the skills and competencies required at the Board level. It also satisfies itself with regard to the independence of the Directors vis-à-vis the Company. It also ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013 and are not debarred from holding the office of Director by any order of SEBI or such other authority. In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

The Company issues letter of appointment to all Independent Directors in the manner as provided in the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The terms and conditions of appointment have also been disclosed on the website of the Company at <https://www.centuryply.com/investor-information/others/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management. They also possess the requisite skills, expertise and competencies as required in the context of the Company's businesses.

During the year, none of the Independent Director(s) of the Company resigned before the expiry of his/her tenure.

## **CEO AND CFO CERTIFICATION**

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, a joint certificate on compliance is issued by Sri Sanjay Agarwal, CEO and Managing Director and Sri Arun Kumar Julasaria, Chief Financial Officer. The Certificate, inter-alia, confirms the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Auditors and the Audit Committee. The same has been annexed separately in this report.

## **MEANS OF COMMUNICATION**

We believe that fair and transparent governance and disclosure practices is essential to our success. In line with the said philosophy, your Company constantly endeavours to make prompt, continuous, efficient and relevant communication to all external stakeholders. Your Company considers effective communication with shareholders essential to enable them to have a clear assessment of the enterprise performance. The Company, from time to time and as may be required, communicates with its stakeholders, security holders and

investors through multiple channels of communication such as its Annual Report, General Meetings and disclosures through Stock Exchanges and its own website. The Company believes that timely disclosure of consistent, comparable, relevant and reliable information on corporate functioning is at the core of good governance. It therefore exercises utmost diligence while disseminating relevant information to our shareholders, analysts, employees and the society at large. The Company informs the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other material corporate developments and other events which in its opinion, are material and relevant for the shareholders. Major means of communication with shareholders of the Company are as follows:

- **Financial Results:** Quarterly, half-yearly financial results of the Company are announced within 45 days and annual financial results of the Company are announced within 60 days from closure of relevant quarter/ year and communicated to the Stock Exchanges immediately after they are considered by the Board and are published in prominent English newspaper having nation-wide circulation and in Bengali newspapers usually in Business Standard and Aajkal within 48 hours of approval thereof. These results are also made available on the website of the Company, [www.centuryply.com](http://www.centuryply.com).
- **Official news releases:** Official news releases and official media releases are sent to Stock Exchanges and are also displayed on the Company's website, [www.centuryply.com](http://www.centuryply.com).
- **Presentations to institutional investors/ analysts:** Pursuant to Para A of Part A of Schedule III read with Regulation 30 of Listing Regulations, schedule of analyst or institutional investor meet and presentations made to them on financial results are duly disclosed by the Company to the Stock Exchanges and the same are simultaneously disseminated on the Company's website, [www.centuryply.com](http://www.centuryply.com). No unpublished price sensitive information is discussed in the presentation made to institutional investors and financial analysts.
- **Audio recordings and transcripts of investor meet:** Pursuant to Para A of Part A of Schedule III read with Regulation 30 of Listing Regulations, the Audio recording and transcripts of conference call with Institutional Investors and analysts are duly disclosed by the Company to the Stock Exchanges and the same are simultaneously disseminated on the Company's website, [www.centuryply.com](http://www.centuryply.com). No unpublished price sensitive information is discussed in the meetings with institutional investors and financial analysts.
- **Company Website:** The Company has a dedicated section on 'Investors' on its corporate website [www.centuryply.com](http://www.centuryply.com) which inter alia contains information as required to be disclosed under Regulation 46 of the Listing Regulations.
- **Annual Report:** The Annual Report containing, inter alia, Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and

Analysis (MD&A) Report forms part of the Annual Report. The Company's Annual Report is also available in a user-friendly and downloadable form in the 'Investors' section on the Company's website.

- **Letters/ e-mails/ SMS to Investors:** Reminders for unclaimed shares and unpaid dividend are sent to the concerned shareholders every year. In accordance with the SEBI Circulars, the Company has sent letters to all holders of physical securities of the Company intimating them the requirement to furnish valid PAN, KYC details and Nomination details. Further, in order to enhance the awareness of investors about the availability of arbitration facility at the Stock Exchanges for their dispute, if any, against listed companies/RTAs, the Company had sent SMS to all the concerned shareholders in compliance with SEBI Circular No. EBI/HO/OIAE/2023/03391 dated 27<sup>th</sup> January, 2023.
- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS. During the year under review, NSE had withdrawn its newly launched Digital Portal in order to bring all the filings under a single portal. Accordingly, all the filings are now made under the NEAPS portal.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the Listing Centre.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Designated exclusive Email-ID:** The Company has designated the following Email- ID exclusively for investor servicing: [investors@centuryply.com](mailto:investors@centuryply.com), and the same is prominently displayed on the Company's website.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is set out in a separate section included in this Annual Report.

## GENERAL SHAREHOLDER INFORMATION

### Company Registration Details

The Company is registered in the State of West Bengal, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L20101WB1982PLC034435.

### Annual General Meeting for the Financial Year 2022-23:

|                    |  |
|--------------------|--|
| Day & date         | Wednesday, 27 <sup>th</sup> September, 2023  |
| Time               | 11:00 A.M.   |
| Venue              | The Company would be conducting the AGM through VC / OAVM pursuant to the MCA Circular dated 28 <sup>th</sup> December, 2022 (*). For details please refer to the Notice of AGM. |
| Book Closure dates | Thursday, 21 <sup>st</sup> September, 2023 to Wednesday, 27 <sup>th</sup> September, 2023 (both days inclusive)  |

\* Subject to such further guidelines as may be issued by MCA in this regard.

### Dividend Payment date

Upon declaration at the ensuing Annual General Meeting, dividend shall be paid within statutory period of 30 days from the date of declaration.

### Financial Year

Your Company follows the financial year starting from 1<sup>st</sup> April of a year and ending on 31<sup>st</sup> March of the following year. Tentative meeting calendar for the financial year ending on 31<sup>st</sup> March, 2024:

| Particulars   | Tentative Schedule           |
|---|------------------------------|
| Results for the Quarter ending 30 <sup>th</sup> June, 2023      | First week of August, 2023   |
| Results for the Quarter ending 30 <sup>th</sup> September, 2023 | First week of November, 2023 |
| Results for the Quarter ending 31 <sup>st</sup> December, 2023  | First week of February, 2024 |

### Stock Market Price Data

Monthly high and low quotations as well as the volume of shares traded at BSE and NSE, where the shares are regularly traded, for the Financial Year 2022-23 are as follows:

| Month       | BSE      |         |                        | NSE      |         |                        |
|-------------|----------|---------|------------------------|----------|---------|------------------------|
|             | High (₹) | Low (₹) | Volume (No. of shares) | High (₹) | Low (₹) | Volume (No. of shares) |
| <b>2022</b> |          |         |                        |          |         |                        |
| April       | 724.75   | 608.45  | 2,82,577               | 724.55   | 608.00  | 37,66,892              |
| May         | 669.45   | 484.70  | 4,33,482               | 669.10   | 484.45  | 40,26,799              |
| June        | 582.95   | 487.25  | 1,85,335               | 585.00   | 488.15  | 25,69,679              |
| July        | 612.00   | 511.65  | 3,18,659               | 611.90   | 510.70  | 50,06,253              |
| August      | 692.95   | 585.45  | 3,90,296               | 692.85   | 585.00  | 55,50,053              |
| September   | 709.60   | 625.55  | 5,05,676               | 710.00   | 625.00  | 39,88,104              |
| October     | 640.75   | 587.85  | 1,74,472               | 640.85   | 587.85  | 28,82,880              |
| November    | 611.70   | 528.75  | 2,41,549               | 611.95   | 529.10  | 35,65,624              |
| December    | 586.50   | 498.15  | 1,71,656               | 584.05   | 498.05  | 30,81,499              |
| <b>2023</b> |          |         |                        |          |         |                        |
| January     | 533.25   | 476.20  | 1,27,604               | 533.90   | 476.00  | 18,88,639              |
| February    | 530.00   | 486.40  | 1,29,623               | 525.85   | 486.75  | 17,51,064              |
| March       | 519.95   | 436.65  | 1,22,931               | 519.65   | 436.00  | 30,82,841              |

Source: BSE and NSE websites

| Particulars  | Tentative Schedule       |
|--|--------------------------|
| Results for the Quarter and Financial Year ending 31 <sup>st</sup> March, 2024 | Second week of May, 2024 |
| Annual General Meeting for the year ending on 31 <sup>st</sup> March 2024      | August/ September, 2024  |

### Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges:

| Name and address of Stock Exchange  | Stock Code   |
|---|--------------|
| National Stock Exchange of India Ltd.(NSE)<br>Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051<br>Website: www.nseindia.com | CENTURYPLY   |
| BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001<br>Website: www.bseindia.com   | 532548       |
| ISIN  | INE348B01021 |

### Payment of Listing Fees

Annual listing fees for the Financial Year(s) 2022-23 and 2023-24 has been paid to both NSE and BSE on time.

### Payment of Depository Fees

Annual Custody/Issuer fee for the Financial Year(s) 2022-23 and 2023-24 has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**Performance of Company's share price in comparison to BSE Sensex is as under:**

| Month       | BSE Sensex |          | Company's Shares |          |
|-------------|------------|----------|------------------|----------|
|             | Closing    | % Change | Closing          | % Change |
| <b>2022</b> |            |          |                  |          |
| April       | 57,060.87  | (2.57)   | 635.60           | (11.28)  |
| May         | 55,566.41  | (2.62)   | 571.35           | (10.11)  |
| June        | 53,018.94  | (4.58)   | 524.10           | (8.27)   |
| July        | 57,570.25  | 8.58     | 592.40           | 13.03    |
| August      | 59,537.07  | 3.42     | 670.10           | 13.12    |
| September   | 57,426.92  | (3.54)   | 636.65           | (4.99)   |
| October     | 60,746.59  | 5.78     | 598.00           | (6.07)   |
| November    | 63,099.65  | 3.87     | 537.25           | (10.16)  |
| December    | 60,840.74  | (3.58)   | 513.25           | (4.47)   |
| <b>2023</b> |            |          |                  |          |
| January     | 59,549.90  | (2.12)   | 517.75           | 0.88     |
| February    | 58,962.12  | (0.99)   | 506.10           | (2.25)   |
| March       | 58,991.52  | 0.05     | 465.80           | (7.96)   |

Note : Figures within brackets indicate negative value

Source: BSE and NSE websites

**Registrar and Share Transfer Agent**

M/s. Maheshwari Datamatics Pvt. Ltd.

23, R.N.Mukherjee Road, 5<sup>th</sup> Floor, Kolkata 700 001

Phone No. 033- 22435029/2248-2248

Fax : 033-22484787

Email : mdpldc@yahoo.com

**Share Transfer System**

Transfer of securities held in physical mode has been discontinued with effect from 1<sup>st</sup> April, 2019. However, SEBI granted relaxation for re-lodgement cases till 31<sup>st</sup> March, 2021. Accordingly, effective from 1<sup>st</sup> April, 2021, Company / RTA has stopped accepting requests from shareholders for physical transfer of shares. Transfer of shares in electronic form are processed and approved by NSDL and CDSL, as the case may be, through their Depository Participants, without the involvement of the Company.

Investor service request, in respect of shares held in physical form, relating to issue of duplicate certificates, claim from unclaimed suspense account, renewal/ exchange of securities certificates sub-division/ split and consolidation of securities certificate/ folio, transmission, and transposition can be lodged with RTA with all the documents along with duly filled Form ISR-4. The requests are normally processed within 15 days of receipt of the documents, provided that documents are in order. Shares under objection are returned within two weeks from the date of its receipt.

Pursuant to SEBI circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 & Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated 24<sup>th</sup> January, 2022, SEBI has directed that listed companies shall henceforth issue securities in dematerialised form only while processing transmission request as may be received from the claimants of securities holder. Accordingly, the RTA verifies and processes service request and thereafter issues a "Letter of Confirmation" in lieu of physical securities certificate(s), to the claimant within 30 days of receipt of such request, after sorting out objections, if any.

The letter of confirmation is valid for a period of 120 days from the date of its issuance, within which the holder thereof needs to make a request to his/her Depository Participant for dematerializing the said securities. In case shareholder fails to submit the demat request within the aforesaid period, the RTA shall credit the shares to Suspense Escrow Demat Account of the Company.

The RTA / Issuer Companies shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the claimant to submit the demat request as above in case no such request has been received by the RTA till the time.

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to its Share Transfer Committee. The Committee meets as and when required to, inter alia, consider the issue of letter of confirmation in lieu of duplicate share certificates and attend to Shareholders' grievances, etc. A summary of the transfer, transmissions, dematerialisation, rematerialisation, etc. is placed before the Committee at every meeting. There are no legal cases relating to transfer/ transmission of shares. The shares lodged for transfer, transmission, etc. are processed and Letter of Confirmation are sent within the stipulated time, subject to documents being valid and complete in all respects.

In addition to the above, a compliance certificate is issued on yearly basis by a Company Secretary in Practice pursuant to Regulation 40(9) confirming due compliance of share transfer formalities by the Company within timelines as required under applicable provisions. The said certificate is also filed with the stock exchanges.

**Appeal to shareholders**

SEBI, vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination. As per the aforesaid Circular, all holders of physical securities of the Company are mandatorily required

to furnish PAN, Nomination, Contact details, Bank Account details and Specimen signature (KYC documents) to the RTA i.e. Maheshwari Datamatics Pvt. Ltd.

Investors are requested to update their PAN and KYC details by submitting Form ISR-1 to Company's RTA. In case of mismatch in the signature of the holder in the records of RTA or updation of signature, the investor shall furnish original cancelled cheque and banker's attestation for the signature as per Form ISR-2. Investors shall continue to use Form SH-13 and SH-14 for declaration of nomination and change in nomination respectively. However, in case investor wants to opt-out of nomination, Form ISR-3 shall be filed. The forms can be downloaded from the website of the Company at [www.centuryply.com](http://www.centuryply.com) or that of the RTA at <https://www.mdpl.in/>.

All holders of physical securities of the Company are requested to read the aforesaid circular and ensure that required details are updated with RTA before 30<sup>th</sup> September, 2023. Thereafter, folios for which the above details are not available shall be frozen by RTA.

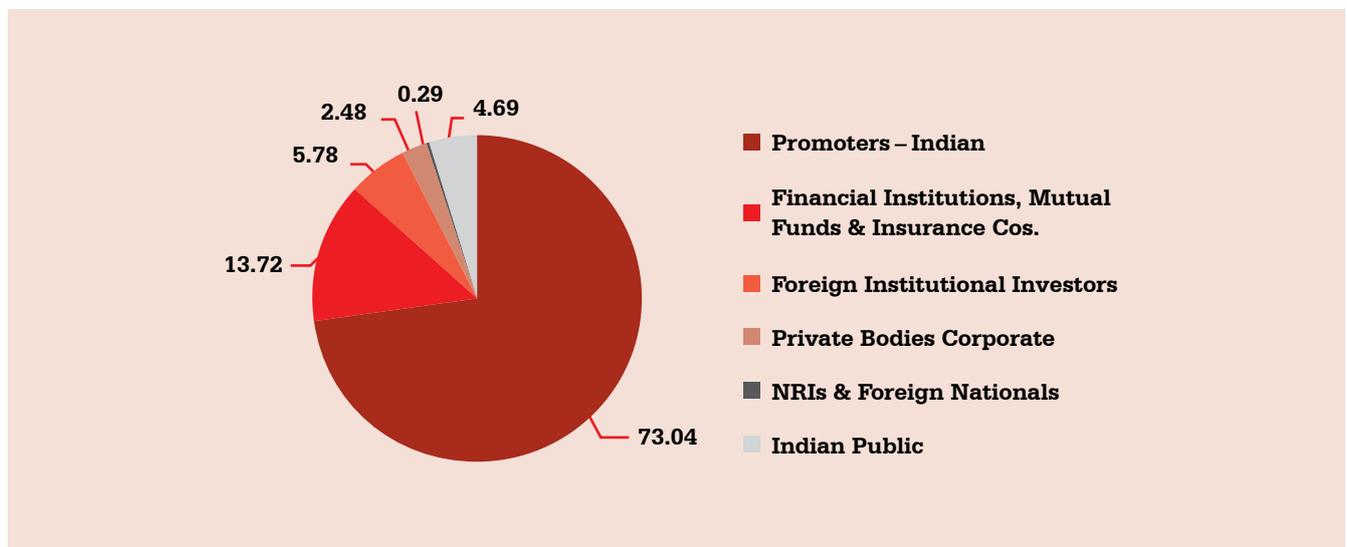
#### Reconciliation of Share Capital Audit

As stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, as amended, a Company Secretary in Practice carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out in every quarter and the report thereon is submitted to stock exchanges where the Company's shares are listed and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

#### Distribution of shareholding by size

| Month        | As on 31 <sup>st</sup> March, 2023 |               |                  |               |
|--------------|------------------------------------|---------------|------------------|---------------|
|              | No. of Shareholders                |               | No. of Shares    |               |
|              | Total                              | %             | Total            | %             |
| 1 - 500      | 58897                              | 94.84         | 3486968          | 1.57          |
| 501 - 1000   | 1462                               | 2.35          | 1115733          | 0.50          |
| 1001 - 2000  | 730                                | 1.17          | 1079734          | 0.49          |
| 2001 - 3000  | 347                                | 0.56          | 904038           | 0.41          |
| 3001 - 4000  | 120                                | 0.19          | 428336           | 0.19          |
| 4001 - 5000  | 97                                 | 0.16          | 449739           | 0.20          |
| 5001 - 10000 | 221                                | 0.36          | 1605318          | 0.72          |
| Above 10000  | 229                                | 0.37          | 213103124        | 95.92         |
| <b>TOTAL</b> | <b>62103</b>                       | <b>100.00</b> | <b>222172990</b> | <b>100.00</b> |

#### Shareholding pattern -Distribution by category



| Category   | As on 31 <sup>st</sup> March, 2023 |                       |
|--|------------------------------------|-----------------------|
|  | No. of<br>Shares                   | % to Share<br>Capital |
| Promoters- Indian  | 162282858                          | 73.04                 |
| Financial Institutions, Mutual Funds, Insurance Cos., etc. | 30472724                           | 13.72                 |
| Foreign Institutional Investors                            | 12841365                           | 5.78                  |
| Private Bodies Corporate*                                  | 5603655                            | 2.48                  |
| NRIs & Foreign Nationals                                   | 644554                             | 0.29                  |
| Indian Public <sup>#</sup>                                 | 10327834                           | 4.69                  |
| <b>TOTAL</b>   | <b>222172990</b>                   | <b>100.00</b>         |

\* Including shares held in Unclaimed Suspense Account

# Including shares transferred to Investor Education and Protection Fund

In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated 19<sup>th</sup> December, 2017, all shareholders have been consolidated on the basis of the Permanent Account Number.

### Dematerialisation of shares

The Company's Equity Shares are tradable compulsorily in electronic form. We have established connectivity with both the depositories, i.e., NSDL and CDSL. The International Securities Identification Number ('ISIN') allotted to the Equity Shares under the Depository System is INE348B01021. All shares held by Promoters/Promoter Group have been dematerialised. The Company's Equity Shares are frequently traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. However, investors are not barred from holding shares in physical form. As stated earlier, SEBI vide its recent Circular had issued guidelines for issuance of securities in dematerialised form only while processing investor service requests for issue of duplicate certificate, claim from Unclaimed Suspense Account, renewal/ exchange/endorsement/sub-division/splitting of certificate, consolidation of certificates/ folios, transmission and transposition. The security holder are required to submit duly filled ISR-4/ ISR-5, as applicable, to the

### Unclaimed Shares

In accordance with the requirement of Regulation 34(3) read with Schedule V Part F of the Listing Regulations, the Company hereunder, reports the details in respect of unclaimed shares transferred to the suspense account, 'Century Plyboards (India) Limited- Unclaimed Shares Suspense Account':

| Particulars  | No. of<br>Shareholders* | No. of Shares |
|--|-------------------------|---------------|
| Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1 <sup>st</sup> April, 2022 | 2                       | 3,250         |
| Number of Shareholders and outstanding shares transferred to Unclaimed Suspense Account during the year                          | Nil                     | Nil           |
| Number of shareholders who approached the Company for transfer of shares from Unclaimed suspense account during the year         | Nil                     | Nil           |
| Number of shareholders to whom shares were transferred from suspense account during the year                                     | Nil                     | Nil           |

RTA for processing of service requests. The form is available on the website of the Company at [www.centuryply.com](http://www.centuryply.com) and also that of the RTA at <https://www.mdpl.in/>. A guidance note on dematerialisation of shares held in physical form is placed on the website of the Company at: <https://www.centuryply.com/forms-and-downloads/investor-forms/Guidance-note-on-dematerialisation-of-shares-held-in-physical-form.pdf> for reference of the shareholders.

Members holding shares in physical form are also requested to furnish/ update PAN, Address with Pincode, email address, mobile number, specimen signature, bank account details and nomination. Folios wherein any one of the cited documents / details are not available on or after 1<sup>st</sup> October, 2023, shall be frozen by the Registrars and Transfer Agent of the Company (RTA) and such shareholder will not be eligible to lodge grievance or avail service request from the RTA and will not be eligible for receipt of dividend in physical mode, unless the aforesaid documents/ details are furnished.

### Bifurcation of shares held in physical and demat form as on 31<sup>st</sup> March, 2023

| Particulars          | No. of<br>Shares | % to Share<br>Capital <sup>#</sup> |
|----------------------|------------------|------------------------------------|
| Physical             | 328288           | 0.15                               |
| Demat *              |                  |                                    |
| -NSDL (A)            | 194402656        | 87.50                              |
| -CDSL (B)            | 27442046         | 12.35                              |
| <b>TOTAL (A + B)</b> | <b>221844702</b> | <b>99.85</b>                       |
| <b>TOTAL</b>         | <b>222172990</b> | <b>100.00</b>                      |

\* includes entire Promoters' shareholding.

# does not include forfeited share capital

### Liquidity

The Company's Equity Shares are actively traded on the NSE and BSE. Relevant data for the average daily turnover for the Financial Year 2022-23 is given below:

| Particulars     | NSE      | BSE    | Total    |
|-----------------|----------|--------|----------|
| Shares (nos.)   | 1,65,303 | 12,385 | 1,77,688 |
| Value (₹in Lac) | 965.89   | 73.50  | 1039.39  |

| Particulars   | No. of Shareholders* | No. of Shares |
|---|----------------------|---------------|
| Number of Shareholders and outstanding shares transferred to IEPF Demat Account during the year                                   | Nil                  | Nil           |
| Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31 <sup>st</sup> March, 2023 | 2                    | 3,250         |

\*PAN consolidated

Voting rights in respect of the aforesaid 3,250 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned Shareholders / legal heirs.

#### Transfer to Investor Education and Protection Fund

As per the provisions of Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividends which remain unpaid/ unclaimed for a period of seven years from the date of transfer to the unpaid dividend account have to be statutorily transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Further, the above IEPF Rules also mandates to transfer all Shares (excluding disputed cases), in respect of which dividend has not been claimed or encashed by the Members for seven or more consecutive years, to the demat account of IEPF Authority. Upon transfer of such shares, all benefits, viz. bonus shares, split, consolidation, fraction shares and the like except right issue, if any, accruing on such shares shall also be credited to the IEPF and the voting rights on such shares shall remain frozen until the rightful owner claims the shares.

As per Rule 6 of IEPF read with Section 124 of the Companies Act, 2013, the Company had sent individual notices and issued advertisements in the newspapers, requesting the concerned shareholders to encash their unclaimed dividends failing which the unclaimed dividends and the corresponding shares held by them shall be transferred to IEPF Authority. The requirement of transferring shares to IEPF does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the same. Details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are uploaded on the Company's website at <https://www.centuryply.com/investors-new/unpaid-and-unclaimed-dividend-and-transfer-of-shares-to-iepf>. Additionally, the details of dividend unclaimed by the Members and lying with the Company, for the past years, have been uploaded on the Company's website, [www.centuryply.com](http://www.centuryply.com) and that of the IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in).

The details of unclaimed dividends and shares transferred to IEPF during the Financial Year 2022-23 and till the date of this report are as follows:

| Financial Year       | Type of Dividend | Amount of unclaimed dividend transferred (in ₹) | No. of Shares transferred* |
|----------------------|------------------|---|----------------------------|
| 2014-15              | Final Dividend   | 5,13,399  | 6,737                      |
| 2015-16 <sup>§</sup> | Interim Dividend | 2,86,935  | 15,725                     |

\*Altogether till date, 114264 shares held by 447 shareholders have been transferred to the demat account of IEPF authority.

<sup>§</sup> Transferred after the end of FY

During the year under review, the Company had also transferred ₹1,29,887/- (net of applicable TDS), being the amount of Dividend declared for the Financial Year 2021-22 on shares already transferred to IEPF.

Members may note that no claims shall lie against the Company in respect of the dividend/shares transferred to IEPF. It is in the interest of shareholders to regularly claim the dividends declared by the Company. Members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in). Thereafter, the claimant shall send a physical copy of the same along with original share certificate, and other documents as enumerated in Form No. IEPF-5, duly signed by him, to the Company Secretary, who is the Nodal Officer of the Company, at its registered office for verification and onward processing of the claim.

#### Credit Ratings

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31<sup>st</sup> March, 2023.

The Credit Ratings assigned by ICRA for Long term and Short term credit facilities of the Company are 'AA' with 'Stable outlook' and A1+, respectively. There was no revision in the said ratings during the year under review.

The rating of AA indicates high degree of safety regarding timely servicing of financial obligations and very low credit risk.

A 'Stable' outlook indicates expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

The rating of A1+ indicates very strong degree of safety regarding timely payment of financial obligations and carries the lowest credit risk.

#### Outstanding Global Depository Receipts ('GDRs')/ American Depository Receipts ('ADRs') / warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/ warrants or any convertible instruments in the past. Hence, there are no outstanding GDRs/ ADRs/ warrants or any convertible instruments outstanding for conversion as on 31<sup>st</sup> March, 2023 having an impact on equity.

### Commodity price risk or foreign exchange risk and hedging activities

#### Foreign currency exposure and its hedging:

The Company has following foreign exchange exposure in its books

- Liability towards imports for purchases for goods and services.
- Liability towards foreign currency loans such as Buyers Credit, Foreign Currency Term Loans, etc.
- Forex exposure in terms of receivables against its exports made to various countries.

Majority of the Company's payables and receivables are in US Dollars or Euro and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. Your Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per its laid down policies and mainly uses forward exchange contracts for the same.

#### Commodity price risk and commodity hedging:

Commodities form a major part of the raw materials required for Company's Products portfolio and hence Commodity price risk is one of the important market risk for the Company. Your Company has mechanisms in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. Your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

#### Plant Locations

|          |                           |   |
|----------|---------------------------|---|
| <b>A</b> | <b>Veneer and Plywood</b> | Kolkata Unit<br>Kanchowki, Bishnupur, District: 24Parganas (S), West Bengal                     |
|          |                           | Chennai Unit<br>Chinnappolapuram, Gummidipoondi, Tamil Nadu                                     |
|          |                           | Karnal Unit<br>Rambha Road, Taraori, Haryana  |
|          |                           | Cent Ply & Purbanchal Timber Industries (Guwahati Units)<br>Mirza Palasbari Road, Kamrup, Assam |
|          |                           | Kandla Unit<br>Village Moti Chirai, Taluka Bhachau, Kachchh, Gujarat                            |

|          |                       |  |
|----------|-----------------------|--|
| <b>B</b> | <b>Particle Board</b> | Chinnappolapuram, Gummidipoondi, Tamil Nadu  |
| <b>C</b> | <b>MDF</b>            | Village Doulowal, Tehsil and District Hoshiarpur, Punjab   |
| <b>D</b> | <b>Laminate</b>       | Kanchowki, Bishnupur, District: 24 Parganas (S), West Bengal   |
| <b>E</b> | <b>Logistics</b>      | Century Sonai CFS<br>Block-B & C, Sonai, Khidderpore, Kolkata, West Bengal<br>Century Jinjira Pole CFS<br>Hide Road, Brace Bridge, Khidderpore, Kolkata, West Bengal |

#### Address for correspondence

Company Secretary & Compliance Officer  
Century Plyboards (India) Limited  
'Century House', P-15/1, Taratala Road, Kolkata - 700088  
Phone : 033-39403950  
Fax : 033- 24015556  
Email : [sundeejp@centuryply.com](mailto:sundeejp@centuryply.com)  
Website : [www.centuryply.com](http://www.centuryply.com)  
E Mail ID for Investors Grievances : [investors@centuryply.com](mailto:investors@centuryply.com)

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

(DIN: 00246043)

Kolkata, 4<sup>th</sup> August, 2023

*Chairman & Managing Director*



## Declaration of Compliance with the Code of Conduct

To  
The Board of Directors  
**Century Plyboards (India) Ltd.**  
P-15/1, Taratala Road,  
Kolkata - 700088

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the 'Code of Conduct for Directors and Senior Management Personnel' in respect of the financial year ended 31<sup>st</sup> March, 2023.

**Sanjay Agarwal**  
*CEO & Managing Director*  
Kolkata, 4<sup>th</sup> August, 2023

## Certificate by Chief executive officer and Chief financial officer

To  
The Board of Directors  
**Century Plyboards (India) Ltd.**  
P-15/1, Taratala Road,  
Kolkata - 700088

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Century Plyboards (India) Limited ("the Company"), certify that:

- a. We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2023 and to the best of our knowledge and belief, state that:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) 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. To the best of our knowledge and belief, none of the transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2023 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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, wherever applicable, to the Auditors and Audit Committee:
  - i) significant changes, if any, in the internal control over financial reporting during the year;
  - ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Sanjay Agarwal**  
*CEO & Managing Director*  
Kolkata, 4<sup>th</sup> August, 2023

**Arun Kumar Julasaria**  
*Chief Financial Officer*



## Certificate on Corporate Governance of Century Plyboards (India) Limited

To  
The Members,  
**CENTURY PLYBOARDS (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by **CENTURY PLYBOARDS (INDIA) LIMITED** (“the Company”) for the year ended on 31<sup>st</sup> March, 2023, as stipulated in Chapter IV and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause and/or Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge, information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

**For MKB & Associates**  
*Company Secretaries*  
Firm Reg No: P2010WB042700

**Manoj Kumar Banthia**  
*Partner*  
Membership no. 11470  
COP no. 7596  
UDIN: A011470E000701731

Date: 04.08.2023

Place: Kolkata

## 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,  
Century Plyboards (India) Limited**  
P - 15/1, Taratala Road  
Kolkata – 700 088  
West Bengal

We have examined the relevant disclosures received from the Directors and registers, records, forms, returns maintained by Century Plyboards (India) Limited (CIN: L20101WB1982PLC034435) having its Registered office at P - 15/1, Taratala Road, Kolkata - 700088, 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 and 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 and its officers, we certify that following are the Directors on the Board of the Company as on 31 March 2023:

| S. No. | DIN      | Name                     | Designation                  | Date of appointment |
|--------|----------|--------------------------|------------------------------|---------------------|
| 1      | 00246043 | Sri Sajjan Bhajanka      | Chairman & Managing Director | 05.12.1986          |
| 2      | 00246132 | Sri Sanjay Agarwal       | CEO & Managing Director      | 05.01.1982          |
| 3      | 00591512 | Sri Prem Kumar Bhajanka  | Managing Director            | 16.04.2008          |
| 4      | 01006268 | Sri Vishnu Khemani       | Managing Director            | 16.04.2008          |
| 5      | 03109701 | Sri Keshav Bhajanka      | Executive Director           | 28.01.2016          |
| 6      | 03109710 | Ms. Nikita Bansal        | Executive Director           | 01.02.2017          |
| 7      | 00223718 | Sri Rajesh Kumar Agarwal | Executive Director           | 09.02.2021          |
| 8      | 00472128 | Sri Ajay Baldawa         | Executive Director           | 23.02.1994          |
| 9      | 09167547 | Ms. Ratnabali Kakkar     | Independent Director         | 01.04.2022          |
| 10     | 02374358 | Sri Joginder Pal Dua     | Independent Director         | 28.01.2016          |
| 11     | 00396838 | Sri Vijay Chhibber       | Independent Director         | 01.02.2017          |
| 12     | 00469622 | Sri Debanjan Mandal      | Independent Director         | 01.08.2017          |
| 13     | 00113473 | Sri Sunil Mitra          | Independent Director         | 03.08.2017          |
| 14     | 00033045 | Sri Probir Roy           | Independent Director         | 01.04.2019          |
| 15     | 02107792 | Sri Amit Kiran Deb       | Independent Director         | 01.04.2020          |
| 16     | 00233768 | Sri Naresh Pachisia      | Independent Director         | 01.04.2021          |

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

**For MKB & Associates**

*Company Secretaries*

Firm Reg No: P2010WB042700

**Manoj Kumar Banthia**

*Partner*

Membership no. 11470

COP no. 7596

UDIN: A011470E000693052

Date: 04.08.2023

Place: Kolkata

# Standalone Financial Statements

# Independent Auditor's Report

To  
The Members of  
**Century Plyboards (India) Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

- We have audited the accompanying standalone financial statements of **Century Plyboards (India) Limited** ("the Company"), which comprise the standalone balance sheet as at 31<sup>st</sup> March, 2023, the standalone statement of profit and loss, (including the standalone statement of other comprehensive income), the standalone statement of changes in equity and standalone cash flow statement for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information's (hereinafter referred to as "the standalone financial statements").
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, its profit and other comprehensive loss, statement of changes in equity and cash flows for the year ended on that date.

### Basis for Opinion

- We conducted our audit of the standalone financial statements 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 standalone 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 (ICAI) of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31<sup>st</sup> March, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context:.

| Descriptions of Key Audit Matter   | How we addressed the matter in our audit  |
|--|---|
| <p><b>A. Valuation of Inventories</b></p> <p>Refer to note 9 to the standalone financial statements. The Company is having Inventory of ₹50235.16 lakh as on 31<sup>st</sup> March, 2023. Inventories are to be valued as per Ind AS 2. As described in the accounting policies in note 2.2(j) to the standalone financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions against inventory of Stores, Raw Material, Finished goods and Work in progress based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. To ensure that all inventories owned by the entity are recorded and recorded inventories exist as at the year-end and valuation has been done correctly.</p> | <p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:</p> <ul style="list-style-type: none"> <li>Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification.</li> <li>Verify that the adequate cut off procedure has been applied to ensure that purchased inventory and sold inventory are correctly accounted.</li> <li>Reviewing the document and other record related to physical verification of inventories done by the management during the year.</li> <li>Verify that inventories are valued in accordance with Ind AS 2</li> <li>Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> </ul> <p><b>Our Conclusion:</b><br/>Based on the audit procedures performed we did not identify any material exceptions in the Inventory valuation.</p> |

| Descriptions of Key Audit Matter   | How we addressed the matter in our audit  |
|--|---|
| <p><b>B. Revenue Recognition</b></p> <p>The accuracy of amounts recorded as revenue is an inherent risk due to the complexity involve.</p> <p>The application of revenue recognition accounting standards Ind AS 115 is complex and involves a number of judgments and estimates. Refer note no 2.4(f) - to Critical accounting judgments including those involving estimations and Revenue recognition. Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer.</p> <p>Due to the Company's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgmental. In view of the complexity of the revenue recognition and the judgments and estimates involved the recognition of revenue and provisions of discounts and incentives expenses was a matter of most significance to our audit.</p> | <p>As part of our audit, we understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition and evaluated the design and operative effectiveness of the financial controls from the above through our test of control procedures.</p> <ul style="list-style-type: none"> <li>• Tested a sample of sales transactions for compliance with the Company's accounting principles to assess the completeness, occurrence and accuracy of revenue recorded.</li> <li>• Performing procedures to ensure that the revenue recognition criteria adopted by Company for all major revenue streams is appropriate and in line with the Company's accounting policies.</li> <li>• We tested the company's system generated reports, based on which revenue is accrued at the year end, and performed tests of details on the revenue recognised and accounts receivable balances at the year end.</li> <li>• Our tests of detail focused on transactions occurring within proximity of the year end and obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents or system generated reports. We considered the appropriateness and accuracy of any cut-off adjustments.</li> <li>• Tested the design, implementation, and operating effectiveness of the Company's controls over computation of incentives and pay out against the corresponding liability.</li> <li>• Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately.</li> <li>• Performed retrospective review of the management's estimate by comparing utilisation of incentives with previously recognised corresponding liability. We also considered the developments during the year and subsequent to the year-end that would significantly affect the measurement of the year end incentive liability.</li> <li>• Assessed and reviewed the disclosures made by the Company in the standalone financial statements.</li> </ul> <p><b>Our conclusion:</b><br/>Based on the audit procedures performed we did not identify any material exceptions in the recognition of revenue and incentives and discount expenses.</p> |

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

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual reports, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially

misstated. When we read annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### Managements and Board of Directors Responsibility for the Standalone Financial Statements

6. The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance (including other comprehensive income), standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone 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.
8. Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone 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 control 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 with reference to standalone financial statements 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 Company's ability 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 standalone 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 standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.
  12. We communicate with those charged with governance 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.
  13. We also provide those charged with governance 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.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

15. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
16. 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 it appears from our examination of those books;
  - c) The standalone balance sheet, the standalone statement of profit and loss including the standalone statement of other comprehensive income, the standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided 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, as amended, 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 on its financial position in its standalone financial statements– Note 33(ii) to the standalone financial statements;
  - 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, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under clause h(iv) sub-clause (a) and (b) contain any material mis-statement.
- v. (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- (b) The Board of Directors of the Company has proposed dividend for the year, which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No. - 302049E

**Rajiv Singhi**  
Partner  
Membership No. - 053518  
UDIN - 23053518BGZCFS9720

Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

## Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 15 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the Members of Century Plyboards (India) Limited on the Standalone Financial Statements as of and for the year ended 31<sup>st</sup> March, 2023)

- i. In respect of the Company's fixed assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31<sup>st</sup> March, 2023.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory (excluding inventories in transit) at reasonable intervals during the year and discrepancies is less than 10% in aggregate for each class of inventory. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows-

| Quarter      | Name of bank   | Particulars  | Amount as per books of account (₹ in lakh) * | Amount as reported in the quarterly return/ statement (₹ in lakh) * | Amount of difference (₹ in lakh) |
|--------------|--|--|--|---|----------------------------------|
| Apr-Jun 2022 | Consortium of Indian Bank (Lead Bank), HDFC Bank, DBS Bank, Standard Chartered Bank & Yes Bank | Aggregate working capital sanctioned limits of ₹42500 lakh | 61429  | 60487   | 942                              |
| Jul-Sep 2022 |  |  | 60526  | 59333   | 1193                             |
| Oct-Dec 2022 |  |  | 49887  | 48756   | 1131                             |
| Jan-Mar 2023 |  |  | 60431  | 59376   | 1055                             |

\* These includes the Inventories plus Trade Receivables less trade payables.

Also refer note no. 17 of the standalone financial statements.

- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not provided any advances in the nature of loans or provided securities to companies, firms, Limited Liability Partnerships or any other parties. The Company has made investments in subsidiaries companies during the year. The Company has given loans and provided guarantees to its subsidiary company, in respect of which the requisite information is as below:

| Nature       | Particulars   | Loan given (₹ in lakh) |
|--------------|---|------------------------|
| <b>Loans</b> | <b>Aggregate amount granted/ provided during the year</b>               |                        |
|              | To Subsidiaries   | 19073.00               |
|              | To Other than subsidiaries  | NIL                    |
|              | <b>Balance outstanding as at balance sheet date in respect of above</b> |                        |
|              | Subsidiaries  | 10874.00               |
|              | Other than subsidiaries   | NIL                    |

| Nature    | Particulars   | Loan given (₹ in lakh) |
|-----------|---|------------------------|
| Guarantee | <b>Aggregate amount granted/ provided during the year</b>               |                        |
|           | To Subsidiaries   | 30000.00               |
|           | To Other than subsidiaries  | NIL                    |
|           | <b>Balance outstanding as at balance sheet date in respect of above</b> |                        |
|           | Subsidiaries  | 30000.00               |
|           | Other than subsidiaries   | NIL                    |

- (b) In respect of aforesaid investments/ loan, the terms and conditions under which investment were made, loans and guarantee were provided are, prima facie, not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, there is no stipulation of schedule of repayment of principal and payment of interest as the loans given are repayable on demands and accordingly we are unable to comment on the regularity of repayment of principal and payment of interest.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (f) The Company has not given/provided any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships, or any other parties, except as given below:

(₹ in Lakh)

| Particulars   | All Parties | Promoters | Related Parties |
|---|-------------|-----------|-----------------|
| Aggregate amount of loans/ advances in nature of loans              |             |           |                 |
| - Repayable on demand (A)   | NIL         | NIL       | 19073.00        |
| - Agreement does not specify any terms or period of repayment (B)   | NIL         | NIL       | NIL             |
| Total (A+B)   | NIL         | NIL       | 19073.00        |
| Percentage of loans/ advances in nature of loans to the total loans | 0%          | 0%        | 100%            |

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 to the extent applicable.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product & services rendered by the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause (a) as at 31<sup>st</sup> March, 2023 which have not been deposited on account of a dispute, are as follows:

| Name of the statute                             | Nature of dues            | Amount<br>(₹ In lakh) | Year   | Forum where dispute is pending                            |
|---|---------------------------|-----------------------|--|---|
| Andhra Pradesh VAT Act                          | VAT                       | 24.02                 | 2005-06, 2010-11 to 2012-13  | High Court, Telangana                                     |
| Tamil Nadu Sales Tax Act                        | Sales Tax                 | 3.66                  | 1990-91 to 1991-92   | Assistant Commissioner of Commercial Taxes                |
| Uttar Pradesh VAT Act                           | VAT                       | 2.29                  | 2010-2011  | Deputy Commissioner of Commercial Taxes                   |
| Income Tax Act, 1961                            | Income Tax                | 1452.57               | AY 2011-12 to AY 2012-13, AY 2015-16, AY 2017-18 to AY 2019-20, AY 2021-22 | Commissioner of Income Tax (Appeals), Kolkata             |
| The Central Excise Act, 1944/ Finance Act, 1994 | Excise Duty & Service Tax | 868.07                | 2004-05, 2006-07, 2008-09 to 2015-16                                       | Customs, Excise & Service Tax Appellate Tribunal, Kolkata |

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any fresh term loan during the year.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under Companies Act, 2013).
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud/ material fraud by the Company or no fraud/material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) & (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented by the Management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred cash losses in the current financial year. In the immediately preceding financial year, the Company had not incurred cash losses.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For **Singhi & Co.**

Chartered Accountants  
Firm Registration No. - 302049E

**Rajiv Singhi**

Partner

Membership No. - 053518  
UDIN - 23053518BGZCFS9720

Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

## Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 16(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditor’s Report of even date to the Members of Century Plyboards (India) Limited on the standalone financial statements as of and for the year ended 31<sup>st</sup> March, 2023)

### Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to the standalone financial statements of **Century Plyboards (India) Limited** (“the Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to 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. 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 respective 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.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to these standalone financial statements 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent 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 with reference to standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A company’s internal financial control with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to these standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone financial

statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements 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, the Company has, in all material respects, an adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal financial control with reference to standalone

financial statements 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 **Singhi & Co.**  
Chartered Accountants  
Firm Registration No. - 302049E

Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

**Rajiv Singhi**  
Partner  
Membership No. - 053518  
UDIN - 23053518BGZCFS9720

# Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ in Lacs)

|   | Notes | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|-------|------------------------------|------------------------------|
| <b>A ASSETS</b>   |       |                              |                              |
| <b>Non Current Assets</b>   |       |                              |                              |
| Property, Plant and Equipment (including right of use assets)                         | 3     | 99,975.93                    | 69,547.99                    |
| Capital Work-in-Progress  | 3     | 3,230.20                     | 16,475.75                    |
| Intangible Assets   | 3     | 44.29                        | 50.18                        |
| Investment in Subsidiaries  | 4     | 20,854.04                    | 15,441.46                    |
| Financial Assets  |       |                              |                              |
| Investments in others   | 4     | 13.25                        | 30.64                        |
| Other financial assets  | 6     | 1,176.65                     | 1,399.43                     |
| Other Non-Current assets  | 8     | 3,407.28                     | 2,040.58                     |
| <b>Total Non Current Assets</b>   |       | <b>1,28,701.64</b>           | <b>1,04,986.03</b>           |
| <b>Current Assets</b>   |       |                              |                              |
| Inventories   | 9     | 50,325.16                    | 48,953.00                    |
| Financial Assets  |       |                              |                              |
| Trade Receivables   | 10    | 38,468.12                    | 34,887.10                    |
| Cash and cash equivalents   | 11    | 1,026.25                     | 780.38                       |
| Bank Balances other than Cash and cash equivalents                                    | 11    | 24,937.58                    | 24,146.75                    |
| Loans   | 5     | 11,124.00                    | 330.00                       |
| Other financial assets  | 6     | 3,450.30                     | 3,458.61                     |
| Current Tax Assets (Net)  | 23A   | 337.24                       | -                            |
| Other Current assets  | 8     | 5,316.41                     | 3,919.90                     |
| <b>Total Current Assets</b>   |       | <b>1,34,985.06</b>           | <b>1,16,475.74</b>           |
| <b>TOTAL ASSETS</b>   |       | <b>2,63,686.70</b>           | <b>2,21,461.77</b>           |
| <b>B EQUITY AND LIABILITIES</b>   |       |                              |                              |
| <b>Equity</b>   |       |                              |                              |
| Equity Share Capital  | 12    | 2,225.27                     | 2,225.27                     |
| Other Equity  | 13    | 1,87,571.45                  | 1,54,261.75                  |
| <b>Total Equity</b>   |       | <b>1,89,796.72</b>           | <b>1,56,487.02</b>           |
| <b>Liabilities</b>  |       |                              |                              |
| <b>Non Current Liabilities</b>  |       |                              |                              |
| Financial Liabilities   |       |                              |                              |
| Borrowings  | 14    | 17.78                        | 31.12                        |
| Lease Liabilities   | 15    | 1,080.70                     | 1,293.02                     |
| Other non-current liabilities   | 16    | 49.52                        | 104.65                       |
| Provisions  | 22    | 616.69                       | 1,122.64                     |
| Deferred Tax Liability  | 7     | 2,790.69                     | 1,679.88                     |
| <b>Total Non Current Liabilities</b>  |       | <b>4,555.38</b>              | <b>4,231.31</b>              |
| <b>Current Liabilities</b>  |       |                              |                              |
| Financial Liabilities   |       |                              |                              |
| Borrowings  | 17    | 26,448.83                    | 19,605.67                    |
| Lease Liabilities   | 15    | 210.97                       | 485.85                       |
| Trade Payables  |       |                              |                              |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises                     | 18    | 3,049.81                     | 2,064.15                     |
| Total Outstanding Dues of Creditor other than Micro Enterprises and Small Enterprises | 18    | 25,312.41                    | 23,389.33                    |
| Other Financial Liabilities   | 19    | 9,529.73                     | 10,033.94                    |
| Contract Liability  | 20    | 1,003.74                     | 1,082.17                     |
| Other Current Liabilities   | 21    | 2,944.20                     | 3,178.16                     |
| Provisions  | 22    | 834.91                       | 705.99                       |
| Current tax liabilities (Net)   | 23B   | -                            | 198.18                       |
| <b>Total Current Liabilities</b>  |       | <b>69,334.60</b>             | <b>60,743.44</b>             |
| <b>Total Liabilities</b>  |       | <b>73,889.98</b>             | <b>64,974.75</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |       | <b>2,63,686.70</b>           | <b>2,21,461.77</b>           |
| <b>Significant Accounting Policies, Key Judgements, Estimates and Assumptions</b>     | 2     |                              |                              |

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

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As per our attached report of even date

**For Singhi & Co.**

Firm Registration No. - 302049E  
Chartered Accountants

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

**Sanjay Agarwal**  
CEO & Managing Director  
DIN:00246132

**Rajiv Singhi**

Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

**Arun Kumar Julasaria**  
Chief Financial Officer

**Sundeep Jhunjhunwala**  
Company Secretary

**Statement of Profit and Loss** for the year ended 31<sup>st</sup> March, 2023

(₹ in Lacs)

|  | Notes | 2022-23            | 2021-22            |
|--|-------|--------------------|--------------------|
| <b>INCOME</b>  |       |                    |                    |
| Revenue from Operations  | 24    | 3,62,065.42        | 3,00,087.78        |
| Other Income   | 25    | 4,512.92           | 2,276.38           |
| <b>Total Income</b>  |       | <b>3,66,578.34</b> | <b>3,02,364.16</b> |
| <b>EXPENSES</b>  |       |                    |                    |
| Cost of Materials Consumed   | 26    | 1,40,180.49        | 1,22,154.24        |
| Purchase of Stock-in-Trade   | 27    | 50,146.61          | 40,624.20          |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress              | 27    | 3,884.81           | (10,615.43)        |
| Employee Benefits Expense  | 28    | 45,751.99          | 39,983.27          |
| Finance Cost   | 29    | 1,536.32           | 961.00             |
| Depreciation and Amortisation Expense  | 30    | 7,237.79           | 6,752.95           |
| Other Expenses   | 31    | 68,429.82          | 54,484.77          |
| <b>Total Expenses</b>  |       | <b>3,17,167.83</b> | <b>2,54,345.00</b> |
| <b>Profit before Tax</b>   |       | <b>49,410.51</b>   | <b>48,019.16</b>   |
| <b>Tax Expenses</b>  |       |                    |                    |
| Current Tax  |       | 11,601.81          | 12,104.87          |
| Add/(Less): Tax expenses for earlier years charge/(credit)                                 |       | -                  | 154.71             |
| Deferred Tax charge/(credit)   |       | 1,124.80           | 3,232.46           |
| <b>Total Tax Expenses</b>  |       | <b>12,726.61</b>   | <b>15,492.04</b>   |
| <b>Profit for the year</b>   |       | <b>36,683.90</b>   | <b>32,527.12</b>   |
| <b>Other Comprehensive Income (OCI)</b>  |       |                    |                    |
| Items that will not be reclassified to Statement of Profit and Loss                        |       |                    |                    |
| Re-Measurement gain/(loss) on defined benefit plans  |       | (55.60)            | (471.88)           |
| Income tax related to above  | 7     | 13.99              | 164.89             |
| <b>Other Comprehensive Income for the year, net of tax</b>                                 |       | <b>(41.61)</b>     | <b>(306.99)</b>    |
| <b>Total Comprehensive Income for the year</b>   |       | <b>36,642.29</b>   | <b>32,220.13</b>   |
| <b>Earnings per equity share (nominal value of share ₹1/- (Previous Year ₹1/-))</b>        |       |                    |                    |
| Basic and Diluted (₹)  | 43    | 16.51              | 14.64              |
| <b>Significant Accounting Policies, Key Judgements, Estimates and Assumptions</b>          |       |                    |                    |
| <b>The accompanying notes form an integral part of the Standalone Financial Statements</b> | 3-51  |                    |                    |

As per our attached report of even date

**For Singhi & Co.**Firm Registration No. - 302049E  
Chartered Accountants**Rajiv Singhi**Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

**Sajjan Bhajanka**Chairman & Managing Director  
DIN:00246043**Arun Kumar Julasaria**

Chief Financial Officer

**Sanjay Agarwal**CEO & Managing Director  
DIN:00246132**Sundeep Jhunjhunwala**

Company Secretary

## Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2023

(₹ in Lacs)

| Particulars  | 2022-23            | 2021-22            |
|--|--------------------|--------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                             |                    |                    |
| <b>Profit before Tax</b>   | 49,410.51          | 48,019.16          |
| Adjustments for:   |                    |                    |
| Depreciation/Amortisation  | 7,237.79           | 6,752.95           |
| Finance Cost   | 1,536.32           | 961.00             |
| Balances Written Off/(written back)/(Net)                                | (27.13)            | 320.59             |
| Loss on disposal of Subsidiary   | 4,925.09           | -                  |
| Unspent/Unclaimed Balances Written Back                                  | (1,425.60)         | (0.08)             |
| (Profit)/Loss on disposal of Property, Plant and Equipment               | (828.41)           | (143.05)           |
| Net Loss / (Gain) on Sale of Investments carried at FVTPL                | -                  | (147.67)           |
| Interest Income from financial assets at amortised cost                  | (2,043.39)         | (1,036.03)         |
| Provision for Doubtful Debts provided / (written back)                   | -                  | 165.83             |
| Unrealised Foreign Exchange Fluctuations Loss/(Gain)                     | 383.30             | 58.99              |
| <b>Operating Profit before Working Capital changes</b>                   | <b>59,168.48</b>   | <b>54,951.69</b>   |
| Adjustments for:   |                    |                    |
| (Increase)/Decrease in Trade Receivables                                 | (3,540.01)         | (5,452.78)         |
| (Increase)/Decrease in Inventories                                       | (1,372.16)         | (15,936.78)        |
| (Increase)/Decrease in Financial Assets                                  | 321.21             | 159.50             |
| (Increase)/Decrease in Other Assets                                      | (1,359.19)         | 101.22             |
| Increase in Long Term Provisions   | (505.95)           | 365.26             |
| Increase/(Decrease) in Short Term Provisions                             | 73.32              | (484.04)           |
| Increase/(Decrease) in Financial Liabilities                             | (511.04)           | 315.96             |
| Increase/(Decrease) in Other Liabilities                                 | 1,057.58           | (315.51)           |
| Increase/(Decrease) in Trade Payables                                    | 2,884.85           | 4,106.00           |
| <b>Cash Generated from Operations</b>                                    | <b>56,217.09</b>   | <b>37,810.52</b>   |
| Direct Taxes Paid ( Net of Refunds )                                     | (12,137.23)        | (10,919.29)        |
| <b>Net Cash generated from Operating Activities</b>                      | <b>44,079.86</b>   | <b>26,891.23</b>   |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                             |                    |                    |
| Proceeds/(Outflow) from Margin Money Deposit                             | (188.01)           | (47.81)            |
| Proceeds/(Outflow) from Fixed Deposit                                    | (604.32)           | (17,670.19)        |
| Purchase of Property, Plant and Equipment                                | (26,516.05)        | (23,018.55)        |
| Sale of Property, Plant and Equipment                                    | 1,400.08           | 2,245.85           |
| (Purchase)/Sale of Long Term Investments (Subsidiaries)                  | (10,337.66)        | (3,779.26)         |
| (Purchase)/Sale of Investment-Others                                     | 17.39              | 11,196.70          |
| Share Application Money given (Subsidiaries)                             | (151.29)           | -                  |
| Loans (Given)/Refunds (net)  | (10,794.00)        | 127.63             |
| Interest Received  | 2,104.56           | 356.97             |
| <b>Net Cash (used in)/from Investing Activities</b>                      | <b>(45,069.30)</b> | <b>(30,588.66)</b> |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                             |                    |                    |
| Repayment of Long Term Borrowings  | (2,463.38)         | (2,824.36)         |
| Proceeds from Short Term Borrowings                                      | 8,920.20           | 10,390.10          |
| Repayment of Short Term Borrowings                                       | -                  | (531.17)           |
| Principal payment of lease Liability                                     | (487.20)           | (496.28)           |
| Interest Paid  | (1,260.58)         | (828.89)           |
| Other Borrowing Cost Paid  | (140.93)           | (118.18)           |
| Dividend paid  | (3,332.59)         | (2,225.44)         |
| <b>Net Cash (used in)/from Financing Activities</b>                      | <b>1,235.52</b>    | <b>3,365.78</b>    |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents ( A + B + C)</b> | <b>246.08</b>      | <b>(331.65)</b>    |

**Cash Flow Statement** for the Year Ended 31<sup>st</sup> March, 2023

(₹ in Lacs)

| Particulars  | 2022-23        | 2021-22       |
|--|----------------|---------------|
| Cash & Cash Equivalents - Opening Balance as on 1 <sup>st</sup> April            | 780.38         | 1,112.03      |
| Effect of Exchange Variation on Cash & Cash Equivalents                          | (0.21)         | -             |
| <b>Cash &amp; Cash Equivalents - Closing Balance as on 31<sup>st</sup> March</b> | <b>1026.25</b> | <b>780.38</b> |

**The accompanying notes form an integral part of the Standalone Financial Statements****Notes:**

- 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'.
- Reconciliation between opening and closing balances of liabilities arising from financing activities.

(₹ in Lacs)

| Particulars   | Liabilities from financing activities |                    |                 |
|---|---------------------------------------|--------------------|-----------------|
|   | Non-Current Borrowings *              | Current Borrowings | Lease Liability |
| <b>Balance as at 1<sup>st</sup> April, 2021</b>                 | <b>5,181.63</b>                       | <b>7,271.35</b>    | <b>2,275.15</b> |
| Interest accrued but not due as at 1 <sup>st</sup> April, 2021  | (7.64)                                | 33.45              | -               |
| Cash Flow (Net)   | (2,824.36)                            | 9,858.93           | (496.28)        |
| Other Changes/Reclassification                                  |                                       |                    |                 |
| Non Cash Changes  |                                       |                    |                 |
| Forex   | 137.19                                | 12.01              | -               |
| Finance Cost  | 244.51                                | 345.91             | -               |
| Interest & Other Borrowing Cost Paid                            | (240.40)                              | (310.54)           | -               |
| Interest accrued but not due as at 31 <sup>st</sup> March, 2022 | 3.57                                  | (68.82)            | -               |
| <b>Balance as at 31<sup>st</sup> March, 2022</b>                | <b>2,494.50</b>                       | <b>17,142.29</b>   | <b>1,778.87</b> |
| Interest accrued but not due as at 1 <sup>st</sup> April, 2022  | 3.57                                  | (68.82)            | -               |
| Cash Flow (Net)   | (2,463.38)                            | 8,920.20           | (487.20)        |
| Other Changes/Reclassification                                  |                                       |                    |                 |
| Non Cash Changes  |                                       |                    |                 |
| Forex   | -                                     | 373.00             | -               |
| Finance Cost  | 210.86                                | 710.97             | -               |
| Interest & Other Borrowing Cost Paid                            | (207.41)                              | (930.98)           | -               |
| Interest accrued but not due as at 31 <sup>st</sup> March, 2023 | 0.12                                  | 151.19             | -               |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>                | <b>31.12</b>                          | <b>26,435.49</b>   | <b>1,291.67</b> |

\* Non Current Borrowings includes current maturities of Long term debts &amp; Vehicle loan obligations.

- Previous year's figures have been rearranged and/or regrouped, wherever necessary.

As per our attached report of even date

**For Singhi & Co.**Firm Registration No. - 302049E  
Chartered Accountants

For and on behalf of the Board of Directors

**Sajjan Bhajanka**Chairman & Managing Director  
DIN:00246043**Sanjay Agarwal**CEO & Managing Director  
DIN:00246132**Rajiv Singhi**Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023**Arun Kumar Julasaria**

Chief Financial Officer

**Sundeep Jhunjhunwala**

Company Secretary

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023

### A) Equity Share Capital

|   | Nos.         | ₹ in lacs |
|---|--------------|-----------|
| On 1 <sup>st</sup> April, 2021 *                | 22,21,72,990 | 2,225.27  |
| Changes in equity share capital during the year | -            | -         |
| Balance at 31 <sup>st</sup> March, 2022 *       | 22,21,72,990 | 2,225.27  |
| Changes in equity share capital during the year | -            | -         |
| Balance at 31 <sup>st</sup> March, 2023 *       | 22,21,72,990 | 2,225.27  |

\* Includes amount ₹3.54 lacs received on forfeited shares (FY 2001-02)

### B) Other Equity

₹ in lacs

| Particulars  | Reserves and Surplus |                      |   |                            |                 |                   |                    |
|--|----------------------|----------------------|---|----------------------------|-----------------|-------------------|--------------------|
|  | Securities Premium   | Amalgamation Reserve | Surplus in the Statement of Profit and Loss | Capital Redemption Reserve | General Reserve | Retained Earnings | Total              |
| <b>Balance as on 1<sup>st</sup> April, 2021#</b>     | <b>1,892.77</b>      | <b>317.40</b>        | <b>1,17,757.51</b>                          | <b>50.00</b>               | <b>990.19</b>   | <b>3,255.48</b>   | <b>1,24,263.35</b> |
| Final Dividend for the year 2020-21                  | -                    | -                    | (2,221.73)                                  | -                          | -               | -                 | (2,221.73)         |
| Profit for the year                                  | -                    | -                    | 32,527.12                                   | -                          | -               | -                 | 32,527.12          |
| Other Comprehensive Income for the year, net of tax: |                      |                      |   |                            |                 |                   |                    |
| Remeasurement gain/(loss) on Defined Benefit Plans   | -                    | -                    | -   | -                          | -               | (306.99)          | (306.99)           |
| <b>Balance at 31<sup>st</sup> March, 2022</b>        | <b>1,892.77</b>      | <b>317.40</b>        | <b>1,48,062.90</b>                          | <b>50.00</b>               | <b>990.19</b>   | <b>2,948.49</b>   | <b>1,54,261.75</b> |
| Final Dividend for the year 2021-22                  | -                    | -                    | (3,332.59)                                  | -                          | -               | -                 | (3,332.59)         |
| Profit for the year                                  | -                    | -                    | 36,683.90                                   | -                          | -               | -                 | 36,683.90          |
| Other Comprehensive Income for the year, net of tax: |                      |                      |   |                            |                 |                   |                    |
| Remeasurement gain/(loss) on Defined Benefit Plans   | -                    | -                    | -   | -                          | -               | (41.61)           | (41.61)            |
| <b>Balance at 31<sup>st</sup> March, 2023</b>        | <b>1,892.77</b>      | <b>317.40</b>        | <b>1,81,414.21</b>                          | <b>50.00</b>               | <b>990.19</b>   | <b>2,906.88</b>   | <b>1,87,571.45</b> |

Note: There are no changes in equity share capital and in other equity due to prior period errors

The accompanying notes are an integral part of the Standalone Financial Statements

As per our attached report of even date

**For Singhi & Co.**

Firm Registration No.- 302049E  
Chartered Accountants

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

Chairman & Managing Director  
DIN:00246043

**Sanjay Agarwal**

CEO & Managing Director  
DIN:00246132

**Rajiv Singhi**

Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

**Arun Kumar Julasaria**

Chief Financial Officer

**Sundeep Jhunjhunwala**

Company Secretary

# Notes to Financial Statements

as at and for the year ended 31<sup>st</sup> March, 2023

## 1. Corporate Information

Century Plyboards (India) Limited ("the Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956, having its registered office at P-15/1, Taratala Road, Kolkata - 700088. Its shares are listed on National Stock Exchange of India Ltd. and BSE Limited. The Company is primarily engaged in manufacturing and sale of Plywood, Laminates, Decorative Veneers, Medium Density Fiber Boards (MDF), Pre-laminated Boards, Particle Board and Flush Doors and providing Container Freight Station (CFS) services. The Company presently has manufacturing facilities near Kolkata, Karnal, Guwahati, Hoshiarpur, Kandla and Chennai. Container Freight Station is located near Syama Prasad Mookerjee Port, Kolkata.

## 2. Significant Accounting Policies, Key Judgements, Estimates and Assumptions

### 2.1 Basis of Preparation of financial statements

#### 2.1.1 Compliance with Ind AS

These Standalone Financial Statements relate to Century Plyboards (India) Limited. The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended and other relevant provision of the Act, to the extent applicable and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statement.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value as described in accounting policies regarding financial instruments.

The Standalone financial statements have been prepared under the historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value:

- Financial instruments - Measured at fair value;
- Plan assets under defined benefit plans - Measured at fair value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statement is determined on such a basis, except for share-based payment transactions, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees which is the Functional Currency and all values are rounded to nearest lacs with two decimal except when otherwise indicated.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 2.2 Summary of Significant Accounting Policies

#### a. 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 Company's 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 Company's normal operating cycle
- Held primarily for the purpose of trading
- 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.

#### b. Revenue Recognition

The Company derives revenue principally from sale of Plywood, Laminates, MDF, Particle boards, Decorative Veneers, Flush Doors and CFS services. The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

For incentives offered to customers/dealers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

In case of related party transactions where related party meets the definition of customer (i.e. a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activity in exchange for consideration) and the transactions are within the scope of the standard then the revenue is recognised based on the principles of Ind AS 115.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

#### 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.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### Dividends

Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### Insurance Claims

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

### c. Government grants

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Standalone Statement of Profit and Loss in the period in which they become receivable.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

### d. 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 and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

### e. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Expenditure directly attributable to expansion projects are capitalised. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not related to the project nor are incidental thereto, are charged to Statement of Profit and Loss.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

Depreciation on property, plant and equipment is provided under Straight Line method at the rates determined based on useful lives of the respective assets and residual values which is in line with those indicated in Schedule II of The Companies Act, 2013.

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

| <b>Asset Group</b>           | <b>Useful life (in years)</b> |
|------------------------------|-------------------------------|
| 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                             |

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 derecognised.

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

### **f. Investment Property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of de-recognition.

### **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 loss, if any.

The Company has intangible assets with finite useful lives.

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

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

Intangible assets (Computer Software) are amortised on a Straight Line method over a period of 3 years.

### **h. Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing 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.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### i. Leases

#### The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

#### Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

#### Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a ROU asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

### **j. Inventories**

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

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- (i) Raw materials, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. 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: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.
- (iii) Traded goods: These are valued at lower of cost and net realisable value. 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **k. Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Class of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-Financial Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **l. Retirement and other Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation made at the end of each financial year by a qualified actuary using projected unit credit method. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

The Company treats accumulated leaves expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company does not have an unconditional right to defer the settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

### m. Foreign Currency Translation

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement profit or loss are also recognised in OCI or statement profit and loss, respectively).

### n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Classification of financial assets-

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

#### Financial Assets

##### (i) Initial Recognition and Measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the asset is delivered to or by the Company which generally coincides with the trade date.

##### (ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (a) Debt instruments at amortised cost
- (b) Equity instruments at fair value through other comprehensive income
- (c) Equity instruments at fair value through profit or loss (FVTPL)
- (d) Equity Instruments in subsidiaries

##### (a) Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

### (b) Equity Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met-

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

For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at Fair Value through Other Comprehensive Income ("FVTOCI"), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### (c) Equity instruments at fair value through profit or loss (FVTPL)

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### (d) Equity Instruments in subsidiaries

Equity investments in Subsidiaries are carried at Cost, in accordance with option available in Ind AS 27 "Separate Financial Statements". Investment carried at cost are subject to impairment test as per Ind AS 36 when indication of potential impairment exists.

### (iii) De-Recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

### (iv) Impairment of Financial Assets

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 or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

### Financial liabilities

Financial liabilities and equity instruments issued by the Company

- a) Classification as debt or equity- Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.
- b) Equity instruments- An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.
- c) Compound instruments- The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured.

### (i) Initial Recognition and Measurement-

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### (ii) Subsequent Measurement-

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### (iii) De-Recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### (iv) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (v) Derivative Financial Instruments -Initial Recognition and Subsequent Measurement

The Company uses derivative financial instruments, such as forward contracts, interest rate swaps, etc. to hedge its foreign currency risks and interest rate risks and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss.

## o. Fair Value Measurement

The Company measures financial instruments, such as, quoted investments at fair value at each balance sheet date.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) 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 recognised in the financial statements at fair value on recurring basis the company determines whenever transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period and discloses the same.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### p. 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.

### q. Cash Dividend to Equity Holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### r. Earning Per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### s. Operating Segment

The Company's operating business segments are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. All operating segments operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) (Managing Director & CEO) to make decisions about resources to be allocated to the segments and assess their performance. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

### t. Provisions (other than employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted at a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

### u. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## 2.3 Measurement of fair value

- a. **Financial instruments** - The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.
- b. **Marketable and non-marketable equity securities** - Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.
- c. **Derivatives** - Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 2.4 Critical accounting judgment and key sources of estimation uncertainty

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explain areas that are considered more critical, involving a higher degree of judgment and complexity.

- a. **Impairment of non-current assets** – Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind AS 36, goodwill and certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes.

- b. **Defined Benefit Plans** – The cost of the employment benefits such as gratuity and leave obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities, involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

- c. **Taxes** – The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.
- d. **Useful lives of depreciable/ amortisable assets (tangible and intangible)** - Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment
- e. **Expected Credit Loss Model** –The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial Assets. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

- f. **Significant judgments when applying Ind AS 115** – Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer/dealer. The Company makes estimates related to customer performance and sales volume to determine the total amounts earned and incentive to be recorded as deductions. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of control to the customer, acceptance of delivery by the customer, etc.

### 2.5 Recent Pronouncements:

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31<sup>st</sup> March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1<sup>st</sup> April, 2023, as below:

#### **IND AS 1, Presentation of Financial Statements-**

Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statement.

#### **IND AS 8, Accounting policies, Change in Accounting Estimates and Errors-**

Definition of ‘change in account estimate’ has been replaced by revised definition of ‘accounting estimate. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.

- A company develops an accounting estimate to achieve the objective set out by an accounting policy.
- Accounting estimates include: a) Selection of a measurement technique (estimation or valuation technique) b) Selecting the inputs to be used when applying the chosen measurement technique.

The amendments will help entities to distinguish between accounting policies and accounting estimates. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **IND AS 12, Income Taxes-**

Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision. The Company is evaluating the impact, if any, in its financial statements.

The Company has evaluated the above and concluded that there is no material impact on the financial statements of the Company.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 3. Property, Plant and Equipment (including right of use assets)

|  | Land Freehold   | Land Right Of Use | Factory Buildings | Non-Factory Buildings on Freehold Land | Non-Factory Buildings on Leasehold Land | Storage Yard on Lease Hold Land | Plant & Machinery | Electrical Installations | Furniture & Fixtures | Office Equipments | Computers       | Vehicles        | Total              |
|--|-----------------|-------------------|-------------------|--|---|---------------------------------|-------------------|--------------------------|----------------------|-------------------|-----------------|-----------------|--------------------|
| (₹ in Lacs)                              |                 |                   |                   |  |   |                                 |                   |                          |                      |                   |                 |                 |                    |
| <b>COST</b>                              |                 |                   |                   |  |   |                                 |                   |                          |                      |                   |                 |                 |                    |
| <b>At 1<sup>st</sup> April, 2021</b>     | 6,353.37        | 3,440.69          | 14,937.60         | 11,313.04                              | 1,158.56                                | 2,440.82                        | 50,686.78         | 3,556.69                 | 2,519.29             | 1,597.14          | 962.61          | 3,297.63        | 1,02,264.22        |
| Addition                                 | 723.94          | -                 | 1,544.41          | 706.30                                 | -                                       | -                               | 4,252.26          | 376.23                   | 146.79               | 89.26             | 149.08          | 446.63          | 8,434.90           |
| Disposals / deductions / adjustment      | -               | -                 | -                 | -                                      | -                                       | -                               | 630.86            | 82.71                    | 3.88                 | 19.68             | 54.41           | 232.65          | 1,024.19           |
| <b>At 31<sup>st</sup> March, 2022</b>    | 7,077.31        | 3,440.69          | 16,482.01         | 12,019.34                              | 1,158.56                                | 2,440.82                        | 54,308.18         | 3,850.21                 | 2,662.20             | 1,666.72          | 1,057.28        | 3,511.61        | 1,09,674.93        |
| Additions                                | 1,130.61        | 5,297.45          | 1,930.43          | 459.76                                 | -                                       | -                               | 27,068.12         | 1,321.42                 | 293.90               | 100.06            | 363.11          | 265.16          | 38,230.02          |
| Disposals / deductions / adjustment      | 349.68          | -                 | 0.11              | 0.16                                   | 1.58                                    | -                               | 217.24            | 17.22                    | 26.20                | 33.98             | 145.63          | 237.90          | 1,029.70           |
| <b>At 31<sup>st</sup> March, 2023</b>    | <b>7,858.24</b> | <b>8,738.14</b>   | <b>18,412.33</b>  | <b>12,478.94</b>                       | <b>1,156.98</b>                         | <b>2,440.82</b>                 | <b>81,159.06</b>  | <b>5,154.41</b>          | <b>2,929.90</b>      | <b>1,732.80</b>   | <b>1,274.76</b> | <b>3,538.87</b> | <b>1,46,875.25</b> |
| <b>Depreciation</b>                      |                 |                   |                   |  |   |                                 |                   |                          |                      |                   |                 |                 |                    |
| <b>At 1<sup>st</sup> April, 2021</b>     | -               | 1,208.82          | 3,293.08          | 1,891.50                               | 709.87                                  | 2,186.80                        | 19,342.79         | 1,462.20                 | 738.76               | 902.40            | 572.89          | 1,837.22        | 34,146.33          |
| charge for the Year                      | -               | 604.41            | 567.79            | 393.41                                 | 216.06                                  | 24.42                           | 3,705.00          | 291.84                   | 228.04               | 240.50            | 154.16          | 311.04          | 6,736.67           |
| Disposals / deductions / adjustment      | -               | -                 | -                 | -                                      | -                                       | -                               | 461.67            | 24.67                    | 3.22                 | 15.86             | 48.35           | 202.29          | 756.06             |
| <b>At 31<sup>st</sup> March, 2022</b>    | -               | 1,813.23          | 3,860.87          | 2,284.91                               | 925.93                                  | 2,211.22                        | 22,586.12         | 1,729.37                 | 963.58               | 1,127.04          | 678.70          | 1,945.97        | 40,126.94          |
| charge for the Year                      | -               | 540.79            | 602.85            | 402.15                                 | 88.41                                   | 24.42                           | 4,249.86          | 320.76                   | 245.04               | 238.46            | 186.70          | 331.63          | 7,231.07           |
| Disposals / deductions / adjustment      | -               | -                 | 0.09              | 0.03                                   | 0.31                                    | -                               | 58.96             | 15.48                    | 20.34                | 28.66             | 134.99          | 199.83          | 458.69             |
| <b>At 31<sup>st</sup> March, 2023</b>    | -               | <b>2,354.02</b>   | <b>4,463.63</b>   | <b>2,687.03</b>                        | <b>1,014.03</b>                         | <b>2,235.64</b>                 | <b>26,777.02</b>  | <b>2,034.65</b>          | <b>1,188.28</b>      | <b>1,336.84</b>   | <b>730.41</b>   | <b>2,077.77</b> | <b>46,899.32</b>   |
| <b>Net Block</b>                         |                 |                   |                   |  |   |                                 |                   |                          |                      |                   |                 |                 |                    |
| <b>As At 1<sup>st</sup> April, 2021</b>  | 6,353.37        | 2,231.87          | 11,644.52         | 9,421.54                               | 448.69                                  | 254.02                          | 31,343.99         | 2,094.49                 | 1,780.53             | 694.74            | 389.72          | 1,460.41        | 68,117.89          |
| <b>As At 31<sup>st</sup> March, 2022</b> | 7,077.31        | 1,627.46          | 12,621.14         | 9,734.43                               | 232.63                                  | 229.60                          | 31,722.06         | 2,120.84                 | 1,698.62             | 539.68            | 378.58          | 1,565.64        | 69,547.99          |
| <b>As At 31<sup>st</sup> March, 2023</b> | <b>7,858.24</b> | <b>6,384.12</b>   | <b>13,948.70</b>  | <b>9,791.91</b>                        | <b>142.95</b>                           | <b>205.18</b>                   | <b>54,382.04</b>  | <b>3,119.76</b>          | <b>1,741.62</b>      | <b>395.96</b>     | <b>544.35</b>   | <b>1,461.10</b> | <b>99,975.93</b>   |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 3. Property, Plant and Equipement (including right of use assets) (contd.)

#### Capital Work in Progress

(₹ in Lacs)

|                                       | <b>Total</b>     |
|---------------------------------------|------------------|
| <b>At 1<sup>st</sup> April, 2021</b>  | 2,119.07         |
| Additions                             | 16,191.22        |
| Disposals / deductions / adjustment   | 1,834.54         |
| <b>At 31<sup>st</sup> March, 2022</b> | <b>16,475.75</b> |
| Additions                             | 2,490.84         |
| Disposals / deductions / adjustment   | 15,736.39        |
| <b>At 31<sup>st</sup> March, 2023</b> | <b>3,230.20</b>  |

#### Ageing of Capital Work in Progress (CWIP).

##### At 31<sup>st</sup> March, 2023

(₹ in Lacs)

| CWIP                           | Amount in CWIP for a period of |           |           |                   | Total    |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                                | Less than 1 year               | 1-2 years | 2-3 Years | More than 3 years |          |
| Projects in progress           | 2,640.90                       | 441.50    | 43.78     | 104.02            | 3,230.20 |
| Projects temporarily suspended | -                              | -         | -         | -                 | -        |

##### As at 31<sup>st</sup> March, 2022

(₹ in Lacs)

| CWIP                           | Amount in CWIP for a period of |           |           |                   | Total     |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-----------|
|                                | Less than 1 year               | 1-2 years | 2-3 Years | More than 3 years |           |
| Projects in progress*          | 16,316.18                      | 33.40     | 102.40    | -                 | 16,451.98 |
| Projects temporarily suspended | -                              | -         | -         | 23.77             | 23.77     |

\* Includes ₹15387.76 lacs incurred during the current year on expansion project against which approved budget ₹28675.00 lacs due for completion by September 2022.

#### Notes :

- a) There are no projects as on the reporting period which have exceeded its cost as compared to its original plan or where completion is overdue.

#### Intangible Assets

(₹ in Lacs)

|                                       | <b>Computer Software</b> |
|---------------------------------------|--------------------------|
| <b>COST</b>                           |                          |
| <b>At 1<sup>st</sup> April, 2021</b>  | 362.83                   |
| Addition                              | 11.99                    |
| Written off/Disposed                  | 1.07                     |
| <b>At 31<sup>st</sup> March, 2022</b> | 373.75                   |
| Addition                              | 1.50                     |
| Written off/Disposed                  | 8.08                     |
| <b>At 31<sup>st</sup> March, 2023</b> | <b>367.17</b>            |
| <b>Amortisation</b>                   |                          |
| <b>At 1<sup>st</sup> April, 2021</b>  | 308.23                   |
| charge for the Year                   | 16.28                    |
| Written off/Disposed                  | 0.94                     |
| <b>At 31<sup>st</sup> March, 2022</b> | <b>323.57</b>            |
| charge for the Year                   | 6.72                     |
| Written off/Disposed                  | 7.41                     |
| <b>At 31<sup>st</sup> March, 2023</b> | <b>322.88</b>            |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 3. Property, Plant and Equipement (including right of use assets) (contd.)

(₹ in Lacs)

|                                       | Computer Software |
|---------------------------------------|-------------------|
| <b>Net Block</b>                      |                   |
| <b>At 1<sup>st</sup> April, 2021</b>  | 54.60             |
| <b>At 31<sup>st</sup> March, 2022</b> | 50.18             |
| <b>At 31<sup>st</sup> March, 2023</b> | <b>44.29</b>      |

#### Notes :

- Contractual commitments for acquisition of Property, Plant & Equipments is disclosed in Refer Note no 33(i)
- For assets pledged against borrowings Refer Note no.14 & 17
- Company has not revalued its Property, Plant & Equipment during the period ending 31<sup>st</sup> March, 2023 and also during the previous period ending 31<sup>st</sup> March, 2022.
- The Company does not have any Immovable Property whose title deeds are not held in the name of the company during the period ending 31<sup>st</sup> March, 2023 and also as on 31<sup>st</sup> March, 2022.
- Company has not revalued its Intangible assets during the year ended 31<sup>st</sup> March, 2023 and also during the previous year ended 31<sup>st</sup> March, 2022
- Company is not having any Intangible assets under development during the current year ended 31<sup>st</sup> March, 2023 and previous year ended 31<sup>st</sup> March, 2022
- Capital work in progress during the year mainly comprises plant & machinery and building, related to expansion project (P.Y. normal capex expenditure related to plant & machinery).

### 4 Investments

(₹ in Lacs)

|  | Face Value per share | No. of Shares as at 31 <sup>st</sup> March, 2023 | No. of Shares as at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|----------------------|--|--|------------------------------------|------------------------------------|
| <b>Non-Current Investments</b>                     |                      |  |  |                                    |                                    |
| <b>Unquoted Equity Instruments</b>                 |                      |  |  |                                    |                                    |
| <b>(i) Investments In Subsidiaries (at cost)</b>   |                      |  |  |                                    |                                    |
| Auro Sundram Ply & Door Pvt.Ltd.                   | 10                   | 510000   | 510000   | 231.80                             | 231.80                             |
| Century MDF Ltd.                                   | 10                   | 4300000  | 300000   | 430.00                             | 30.00                              |
| Century Ply Singapore Pte Ltd. (Net of Impairment) | USD-1                | 10596926   | 10596926   | 2,735.73                           | 2,735.73                           |
| Centuryply Myanmar Pvt. Ltd.(Refer Note no.46)     | Kyat<br>1,00,000     | -  | 95980  | -                                  | 5,937.42                           |
| Century Gabon SUARL                                | FCFA 10000           | 149431   | 149431   | 1,878.07                           | 1,878.07                           |
| Ara Suppliers Pvt. Ltd.                            | 10                   | 1422091  | 1422091  | 142.21                             | 142.21                             |
| Arham Sales Pvt. Ltd.                              | 10                   | 1422091  | 1422091  | 142.21                             | 142.21                             |
| Adonis Vyaper Pvt. Ltd.                            | 10                   | 1422091  | 1422091  | 142.21                             | 142.21                             |
| Apnapan Viniyog Pvt. Ltd.                          | 10                   | 1422091  | 1422091  | 142.21                             | 142.21                             |
| Century Infotech Ltd.                              | 10                   | 4994640  | 4994640  | 449.60                             | 449.60                             |
| Century Panels Ltd.                                | 10                   | 145000000  | 36050000   | 14,500.00                          | 3,605.00                           |
| Century Infra Ltd.                                 | 1                    | 500000   | 500000   | 5.00                               | 5.00                               |
| Century Ports Ltd.                                 | 1                    | 5500000  | -  | 55.00                              | -                                  |
| <b>Total</b>                                       |                      |  |  | <b>20,854.04</b>                   | <b>15,441.46</b>                   |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 4 Investments (contd.)

(₹ in Lacs)

|   | Face Value per share | No. of Shares as at 31 <sup>st</sup> March, 2023 | No. of Shares as at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|----------------------|--|--|------------------------------------|------------------------------------|
|   |                      |  |  |                                    |                                    |
| <b>(ii) Investments In Others (at FVTPL)</b>          |                      |  |  |                                    |                                    |
| OPG Power Generation Pvt. Ltd.                        | 10                   | -  | 64300  | -                                  | 7.39                               |
| Watsun Infrabuild Pvt. Ltd.                           | 10                   | 115000   | 215000   | 11.50                              | 21.50                              |
| Association of Indian Panelboard Manufacturer         | 10                   | 500  | 500  | 0.50                               | 0.50                               |
| Indian Laminate Manufacturer's Association            | 1000                 | 125  | 125  | 1.25                               | 1.25                               |
| <b>Total</b>  |                      |  |  | <b>13.25</b>                       | <b>30.64</b>                       |
| <b>Aggregate Amount of Investments</b>                |                      |  |  |                                    |                                    |
| Aggregate amount of unquoted investment               |                      |  |  | 20,867.29                          | 15,472.10                          |
| Aggregate amount of impairment on unquoted investment |                      |  |  | 4,563.27                           | 4,563.27                           |

### 5. Loans (at amortised cost)

(₹ in Lacs)

|   | Non Current                  |                              | Current                      |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Loans:</b>                                 |                              |                              |                              |                              |
| - To Body corporate                           | -                            | -                            | 250.00                       | 330.00                       |
| - To Subsidiary Companies (Refer Note No. 37) | -                            | -                            | 10,874.00                    | -                            |
| <b>Total</b>                                  | <b>-</b>                     | <b>-</b>                     | <b>11,124.00</b>             | <b>330.00</b>                |

### 6. Other Financial Assets (At Amortised Cost)

(₹ in Lacs)

|   | Non Current                  |                              | Current                      |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Unsecured considered good</b>              |                              |                              |                              |                              |
| Advances recoverable in cash or kind          | -                            | -                            | 837.09                       | 1,085.77                     |
| Share Application Money pending allotment     |                              |                              |                              |                              |
| - To Subsidiary Companies                     | -                            | -                            | 151.29                       | -                            |
| Interest accrued on Loans, Deposits etc       | -                            | -                            | 631.71                       | 692.88                       |
| Insurance Claim Receivable                    | -                            | -                            | 58.12                        | 29.44                        |
| Central/State Government Subsidies Receivable | -                            | -                            | 614.02                       | 829.63                       |
| Security Deposits                             | 1,176.65                     | 1,399.43                     | 755.67                       | 249.35                       |
| Other Receivables                             | -                            | -                            | 402.40                       | 571.54                       |
| <b>Total</b>                                  | <b>1,176.65</b>              | <b>1,399.43</b>              | <b>3,450.30</b>              | <b>3,458.61</b>              |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 7. Income Tax and Deferred Tax

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| <b>(i) Total tax recognised in Statement of Profit &amp; Loss</b>  |                              |                              |
| Current income tax   | 11,601.81                    | 12,104.87                    |
| Tax expenses for earlier years charge/(credit)   | -                            | 154.71                       |
| Deferred tax   | 1,124.80                     | 3,232.46                     |
| <b>Tax expense reported in the Statement of Profit or Loss</b>   | <b>12,726.61</b>             | <b>15,492.04</b>             |
| <b>(ii) Tax expense reported in Other Comprehensive Income (OCI)</b>   |                              |                              |
| Tax on net loss(gain) on remeasurement of defined benefit plan   | 13.99                        | 164.89                       |
|  | <b>13.99</b>                 | <b>164.89</b>                |
| <b>(iii) Reconciliation of estimated Income tax expenses at Indian Statutory Income tax rate to Income tax expenses reported in the Statement of Profit &amp; Loss</b> |                              |                              |
| Accounting profit before income tax  | 49,410.51                    | 48,019.16                    |
| At India's statutory income tax rate   | 25.17%                       | 25.17%                       |
| Estimated Income tax expenses  | 12,436.63                    | 12,086.42                    |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense  |                              |                              |
| MAT credit written off during the year due adoption of new tax regime  | -                            | 3,057.65                     |
| Expenses not deductible for tax purpose  | 289.98                       | 203.53                       |
| Reversal of defer tax due to change in tax rate  | -                            | (193.67)                     |
| Others   | -                            | 338.11                       |
| <b>Total tax expense reported in the statement of profit and loss</b>  | <b>12,726.61</b>             | <b>15,492.04</b>             |
| <b>(iv) Deferred Tax Assets/ (Liabilities)</b>   |                              |                              |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis                                    | 365.34                       | 818.90                       |
| Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting                          | (3,423.21)                   | (2,765.96)                   |
| Provision for doubtful debts and advances  | 267.18                       | 267.18                       |
| <b>Deferred Tax Asset/ (Liabilities)</b>   | <b>(2,790.69)</b>            | <b>(1,679.88)</b>            |

#### (v) Movement in deferred tax assets and liabilities:

(₹ in Lacs)

| Particulars   | As at 1 <sup>st</sup> April, 2021 | MAT credit Utilised | Recognised/ (Reversed) in Statement of Profit & Loss | Recognised in OCI | As at 31 <sup>st</sup> March, 2022 | MAT credit Utilised | Recognised/ (Reversed) in Statement of Profit & Loss | Recognised in OCI | As at 31 <sup>st</sup> March, 2023 |
|---|-----------------------------------|---------------------|--|-------------------|------------------------------------|---------------------|--|-------------------|------------------------------------|
| <b>Deferred Tax Assets/ (Liabilities)</b>   |                                   |                     |  |                   |                                    |                     |  |                   |                                    |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis           | 861.79                            | -                   | (207.79)   | 164.89            | 818.90                             | -                   | (467.55)   | 13.99             | 365.34                             |
| Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | (2,844.78)                        | -                   | 78.82  | -                 | (2,765.96)                         | -                   | (657.25)   | -                 | (3,423.21)                         |
| Provision for doubtful debts and advances   | 313.02                            | -                   | (45.84)  | -                 | 267.18                             | -                   | -  | -                 | 267.18                             |
| Reversal of defer tax during lower tax regime   | -                                 | -                   | -  | -                 | -                                  | -                   | -  | -                 | -                                  |
|   | <b>(1,669.97)</b>                 | <b>-</b>            | <b>(174.81)</b>                                      | <b>164.89</b>     | <b>(1,679.88)</b>                  | <b>-</b>            | <b>(1,124.80)</b>                                    | <b>13.99</b>      | <b>(2,790.69)</b>                  |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 7. Income Tax and Deferred Tax (contd.)

| Particulars  | As at 1 <sup>st</sup> April, 2021 | MAT credit Utilised | Recognised/ (Reversed) in Statement of Profit & Loss | Recognised in OCI | As at 31 <sup>st</sup> March, 2022 | MAT credit Utilised | Recognised/ (Reversed) in Statement of Profit & Loss | Recognised in OCI | (₹ in Lacs)                        |
|--|-----------------------------------|---------------------|--|-------------------|------------------------------------|---------------------|--|-------------------|------------------------------------|
|  |                                   |                     |  |                   |                                    |                     |  |                   | As at 31 <sup>st</sup> March, 2023 |
| Minimum Alternate Tax Credit Entitlement Recognised/ (Reversed)/(Utilised) | 5,881.22                          | (2,823.57)          | (3,057.65)   | -                 | -                                  | -                   | -  | -                 | -                                  |
| <b>Deferred Tax Asset</b>  | <b>4,211.25</b>                   | <b>(2,823.57)</b>   | <b>(3,232.46)</b>                                    | <b>164.89</b>     | <b>(1,679.88)</b>                  | -                   | <b>(1,124.80)</b>                                    | <b>13.99</b>      | <b>(2,790.69)</b>                  |

(vi) The Company has reviewed its income tax treatments in order to determine whether they could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements. As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities. After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

### 8. Other Assets

|  | Non Current                  |                              | Current                      |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|  | (₹ in Lacs)                  |                              |                              |                              |
| Capital Advances Against Property, Plant & Equipment | 3,316.29                     | 1,912.27                     | -                            | -                            |
| Advance to Vendors                                   | -                            | -                            | 4,183.08                     | 2,361.66                     |
| Deposits against Demand under Disputes               | -                            | -                            | 62.93                        | 62.93                        |
| Balance with Statutory/Government Authorities        | -                            | -                            | 460.45                       | 967.62                       |
| Prepaid Expenses                                     | 90.99                        | 128.31                       | 609.95                       | 527.69                       |
| <b>Total</b>   | <b>3,407.28</b>              | <b>2,040.58</b>              | <b>5,316.41</b>              | <b>3,919.90</b>              |

### 9. Inventories

|  | NOTES | (₹ in Lacs)                  |                              |
|--|-------|------------------------------|------------------------------|
|  |       | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>(At Lower of Cost or Net Realisable Value)</b>                              |       |                              |                              |
| Raw Materials  | 26    | 26,063.75                    | 21,146.68                    |
| Work-in-Progress   | 27    | 4,456.90                     | 4,802.07                     |
| Stock in Trade   | 27    | 2,901.29                     | 4,730.97                     |
| Finished Goods   | 27    | 12,616.01                    | 14,325.97                    |
| Stores & Spares Parts, etc   |       | 4,287.21                     | 3,947.31                     |
| <b>Total</b>   |       | <b>50,325.16</b>             | <b>48,953.00</b>             |
| <b>Note:-</b>  |       |                              |                              |
| The above includes Stock-in-Transit  |       |                              |                              |
| Raw Materials  |       | 1,011.50                     | 1,822.23                     |
| Stock in Trade   |       | 40.40                        | 128.93                       |
| Inventories are pledged against the cash credit limit obtained by the Company. |       |                              |                              |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 10. Trade Receivables

(₹ in Lacs)

|  | Current                      |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Trade Receivables</b>   |                              |                              |
| - Trade Receivables considered good - Secured  | 1,946.64                     | 1,646.80                     |
| - Trade Receivables considered good - Unsecured  | 36,898.85                    | 33,447.85                    |
| - Trade Receivables which have significant increase in credit risk                       | 684.23                       | 854.05                       |
|  | <b>39,529.72</b>             | <b>35,948.70</b>             |
| Less: Loss Allowance on Trade Receivables considered good - Unsecured                    | 377.37                       | 207.55                       |
| Less: Loss Allowance on Trade Receivables which have significant increase in credit risk | 684.23                       | 854.05                       |
|  | <b>1,061.60</b>              | <b>1,061.60</b>              |
| <b>Net Total Debtors</b>   | <b>38,468.12</b>             | <b>34,887.10</b>             |
| - Receivables from related parties (Refer Note 38)                                       | 13.70                        | -                            |
| - Others   | 38,454.42                    | 34,887.10                    |
| <b>Total Trade Receivables</b>   | <b>38,468.12</b>             | <b>34,887.10</b>             |

Trade receivables are pledged against the cash credit limit obtained by the Company.

Trade receivables are non-interest bearing and are generally on terms of 0-45 days.

No debts are due from Directors or other officers of the Company

### The ageing of trade receivable as of 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are as follows:

(₹ in Lacs)

|  | Outstanding from due date of payment as on 31 <sup>st</sup> March, 2023 |                 |                   |               |              |                   | Total            |
|--|---|-----------------|-------------------|---------------|--------------|-------------------|------------------|
|  | Not Due   | Upto 6 months   | 6 months - 1 year | 1-2 years     | 2-3 years    | More than 3 years |                  |
| <b>Undisputed</b>                              |   |                 |                   |               |              |                   |                  |
| Considered good                                | 33,700.22   | 4,773.83        | 110.43            | 103.55        | 32.15        | 125.31            | 38,845.49        |
| Which have significant increase in credit risk | -   | -               | -                 | -             | -            | -                 | -                |
| Credit impaired                                | -   | -               | -                 | -             | -            | -                 | -                |
| <b>Disputed</b>                                |   |                 |                   |               |              |                   |                  |
| Considered good                                | -   | -               | -                 | -             | -            | -                 | -                |
| Which have significant increase in credit risk | -   | -               | 10.56             | 93.29         | 60.05        | 520.33            | 684.23           |
| Credit impaired                                | -   | -               | -                 | -             | -            | -                 | -                |
| <b>Total Gross Receivables</b>                 | <b>33,700.22</b>  | <b>4,773.83</b> | <b>120.99</b>     | <b>196.84</b> | <b>92.20</b> | <b>645.64</b>     | <b>39,529.72</b> |
| Less: Loss allowance                           |   |                 |                   |               |              |                   | 1,061.60         |
| <b>Total</b>                                   |   |                 |                   |               |              |                   | <b>38,468.12</b> |

(₹ in Lacs)

|  | Outstanding from due date of payment as on 31 <sup>st</sup> March, 2022 |               |                   |           |           |                   | Total     |
|--|---|---------------|-------------------|-----------|-----------|-------------------|-----------|
|  | Not Due   | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |           |
| <b>Undisputed</b>                              |   |               |                   |           |           |                   |           |
| Considered good                                | 31,494.63   | 3,232.97      | 178.71            | 99.07     | 48.81     | 40.46             | 35,094.65 |
| Which have significant increase in credit risk | -   | -             | -                 | -         | -         | -                 | -         |
| Credit impaired                                | -   | -             | -                 | -         | -         | -                 | -         |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 10. Trade Receivables (contd.)

(₹ in Lacs)

|  | Outstanding from due date of payment as on 31 <sup>st</sup> March, 2022 |                 |                   |               |               |                   | Total            |
|--|---|-----------------|-------------------|---------------|---------------|-------------------|------------------|
|  | Not Due   | Upto 6 months   | 6 months - 1 year | 1-2 years     | 2-3 years     | More than 3 years |                  |
| <b>Disputed</b>                                |   |                 |                   |               |               |                   |                  |
| Considered good                                | -   | -               | -                 | -             | -             | -                 | -                |
| Which have significant increase in credit risk | -   | 68.12           | 17.16             | 96.07         | 92.21         | 580.49            | 854.05           |
| Credit impaired                                | -   | -               | -                 | -             | -             | -                 | -                |
| <b>Total Gross Receivables</b>                 | <b>31,494.63</b>  | <b>3,301.09</b> | <b>195.87</b>     | <b>195.14</b> | <b>141.02</b> | <b>620.95</b>     | <b>35,948.70</b> |
| Less: Loss allowance                           |   |                 |                   |               |               |                   | 1,061.60         |
| <b>Total</b>                                   |   |                 |                   |               |               |                   | <b>34,887.10</b> |

### 11. Cash and Bank Balances

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| <b>(i) Cash and Cash Equivalents</b>  |                              |                              |
| Cash on hand  | 58.42                        | 44.62                        |
| <b>Balances with Banks</b>  |                              |                              |
| On Current accounts   | 917.42                       | 721.48                       |
| Cheques/Drafts on hand  | 50.41                        | 14.28                        |
| <b>Total</b>  | <b>1,026.25</b>              | <b>780.38</b>                |
| Note: There is no repatriation restrictions with regard to cash and cash equivalent as at the end of the reporting period and prior periods |                              |                              |
| <b>(ii) Bank Balances other than Cash and cash equivalents</b>  |                              |                              |
| Fixed Deposits with Original Maturity of more than 3 months but less than 12 months   | 24,604.51                    | 24,000.19                    |
| Margin Money Deposits with Original Maturity of more than 3 months but less than 12 months  | 314.29                       | 126.28                       |
| Unpaid Dividend Account   | 18.78                        | 20.28                        |
| <b>Total</b>  | <b>24,937.58</b>             | <b>24,146.75</b>             |

### 12. Equity Share Capital

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| <b>Authorised</b>   |                              |                              |
| 65,05,00,000 (65,05,00,000 as at 31 <sup>st</sup> March, 2022) Equity Shares of ₹1/- each | 6,505.00                     | 6,505.00                     |
| 15,00,000 (15,00,000 as at 31 <sup>st</sup> March, 2022) Preference Shares of ₹10/- each  | 150.00                       | 150.00                       |
| 50,000 (50,000 as at 31 <sup>st</sup> March, 2022) Preference Shares of ₹100/- each       | 50.00                        | 50.00                        |
| <b>Total</b>  | <b>6,705.00</b>              | <b>6,705.00</b>              |
| <b>Issued</b>   |                              |                              |
| 22,35,52,990 (22,35,52,990 as at 31 <sup>st</sup> March, 2022) Equity Shares of ₹1/- each | 2,235.53                     | 2,235.53                     |
| <b>Total</b>  | <b>2,235.53</b>              | <b>2,235.53</b>              |
| <b>Subscribed and Paid up</b>   |                              |                              |
| 22,21,72,990 (22,21,72,990 as at 31 <sup>st</sup> March, 2022) Equity Shares of ₹1/- each | 2,221.73                     | 2,221.73                     |
| Add: Amount received on forfeited shares(FY 2001-02)                                      | 3.54                         | 3.54                         |
| <b>Total</b>  | <b>2,225.27</b>              | <b>2,225.27</b>              |

a) There is no change in number of shares in current year and previous year.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 12. Equity Share Capital (contd.)

#### b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity Shares                      | 31 <sup>st</sup> March, 2023 |           | 31 <sup>st</sup> March, 2022 |           |
|------------------------------------|------------------------------|-----------|------------------------------|-----------|
|                                    | No. of Shares                | ₹ in Lacs | No. of Shares                | ₹ in Lacs |
| At the beginning of the year       | 22,21,72,990                 | 2,221.73  | 22,21,72,990                 | 2,221.73  |
| Issued during the year             | -                            | -         | -                            | -         |
| Outstanding at the end of the year | 22,21,72,990                 | 2,221.73  | 22,21,72,990                 | 2,221.73  |

#### c) Details of shares held by promoters/promoter group:

| Promoter name                         | As at 31 <sup>st</sup> March, 2023 |                   |                          | As at 31 <sup>st</sup> March, 2022 |                   |
|---------------------------------------|------------------------------------|-------------------|--------------------------|------------------------------------|-------------------|
|                                       | No. of shares                      | % of total shares | % Change during the year | No. of shares                      | % of total shares |
| <b>Promoters</b>                      |                                    |                   |                          |                                    |                   |
| Sajjan Bhajanka                       | 2,41,64,037                        | 10.88             | -                        | 2,41,64,037                        | 10.88             |
| Sanjay Agarwal                        | 2,48,80,460                        | 11.20             | -                        | 2,48,80,460                        | 11.20             |
| Vishnu Khemani                        | 1,87,86,900                        | 8.46              | -                        | 1,87,86,900                        | 8.46              |
| Prem Kumar Bhajanka                   | 46,72,561                          | 2.10              | -                        | 46,72,561                          | 2.10              |
| Rajesh Kumar Agarwal                  | 40,53,882                          | 1.82              | -                        | 40,53,882                          | 1.82              |
| <b>Promoter Group</b>                 |                                    |                   |                          |                                    |                   |
| Divya Agarwal                         | 1,67,49,750                        | 7.54              | -                        | 1,67,49,750                        | 7.54              |
| Santosh Bhajanka                      | 1,48,49,500                        | 6.68              | (0.27)                   | 1,54,49,500                        | 6.95              |
| Yash Bala Bhajanka                    | 31,49,132                          | 1.42              | -                        | 31,49,132                          | 1.42              |
| Bhawna Agarwal                        | 31,44,816                          | 1.42              | -                        | 31,44,816                          | 1.42              |
| Sumitra Devi Agarwal                  | 17,16,150                          | 0.77              | -                        | 17,16,150                          | 0.77              |
| Hari Prasad Agarwala and Others (Huf) | 16,08,890                          | 0.72              | -                        | 16,08,890                          | 0.72              |
| Sonu Kajaria                          | 8,63,500                           | 0.39              | 0.09                     | 6,63,500                           | 0.30              |
| Shraddha Agarwal                      | 8,00,000                           | 0.36              | 0.09                     | 6,00,000                           | 0.27              |
| Payal Agrawal                         | 8,00,000                           | 0.36              | 0.09                     | 6,00,000                           | 0.27              |
| Keshav Bhajanka                       | 25,00,000                          | 1.13              | -                        | 25,00,000                          | 1.13              |
| Nancy Choudhary                       | 95,000                             | 0.04              | -                        | 95,000                             | 0.04              |
| Nikita Bansal                         | 69,200                             | 0.03              | -                        | 69,200                             | 0.03              |
| Sanjana Bhajanka                      | 50,000                             | 0.02              | -                        | 50,000                             | 0.02              |
| Sri Ram Vanijya Pvt. Ltd.             | 85,02,180                          | 3.83              | -                        | 85,02,180                          | 3.83              |
| Brijdham Merchants Pvt. Ltd.          | 77,43,990                          | 3.49              | -                        | 77,43,990                          | 3.49              |
| Sumangal International Pvt. Ltd.      | 76,66,800                          | 3.45              | -                        | 76,66,800                          | 3.45              |
| Sumangal Business Pvt. Ltd.           | 68,31,240                          | 3.07              | -                        | 68,31,240                          | 3.07              |
| Sri Ram Merchants Pvt. Ltd.           | 67,39,870                          | 3.03              | -                        | 67,39,870                          | 3.03              |
| Auroville Investments Pvt. Ltd.       | 18,45,000                          | 0.83              | -                        | 18,45,000                          | 0.83              |
| <b>Total</b>                          | <b>16,22,82,858</b>                | <b>73.04</b>      |                          | <b>16,22,82,858</b>                | <b>73.04</b>      |

#### d) Details of Shareholders holding more than 5% shares in the company

| Equity Shares         | 31 <sup>st</sup> March, 2023 |           | 31 <sup>st</sup> March, 2022 |           |
|-----------------------|------------------------------|-----------|------------------------------|-----------|
|                       | No. of Shares                | % holding | No. of Shares                | % holding |
| Sri Sajjan Bhajanka   | 2,41,64,037                  | 10.88%    | 2,41,64,037                  | 10.88%    |
| Sri Sanjay Agarwal    | 2,48,80,460                  | 11.20%    | 2,48,80,460                  | 11.20%    |
| Sri Vishnu Khemani    | 1,87,86,900                  | 8.46%     | 1,87,86,900                  | 8.46%     |
| Smt. Divya Agarwal    | 1,67,49,750                  | 7.54%     | 1,67,49,750                  | 7.54%     |
| Smt. Santosh Bhajanka | 1,48,49,500                  | 6.68%     | 1,54,49,500                  | 6.95%     |

As per records of the Company, including its register of members as at 31<sup>st</sup> March, 2023, the above shareholding represents legal ownerships of shares.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 12. Equity Share Capital (contd.)

#### e) Terms/Rights attached to the Equity Shares

The company has only one class of equity shares having par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in case of interim dividend. 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 in proportion to their shareholdings.

f) The Company does not have any Holding/ Ultimate Holding Company. As such, no shares are held by them or their Subsidiaries/ Associates

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

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

i. No shares were issued for consideration other than cash

ii. No bonus shares were issued

iii. No shares were bought back

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

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

k) No shares were forfeited during the year or during the previous year 1,38,000 equity shares of ₹10/-each (post split 13,80,000 equity shares of ₹1 each) on which ₹3.54 lacs had been paid up, were forfeited in the year 2001-2002

### 13. Other Equity

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| Amalgamation Reserve  | 317.40                       | 317.40                       |
| Securities Premium  | 1,892.77                     | 1,892.77                     |
| General Reserve   | 990.19                       | 990.19                       |
| Capital Redemption Reserve  | 50.00                        | 50.00                        |
| Retained Earnings   |                              |                              |
| Balance at the beginning of the year                                    | 1,51,011.39                  | 1,21,012.99                  |
| Item of the Other Comprehensive Income recognised in retained earnings. | (41.61)                      | (306.99)                     |
| Add: Profit for the year  | 36,683.90                    | 32,527.12                    |
| Less: Appropriations  |                              |                              |
| Final Equity Dividend ₹1.50 (₹1.00 ) per share FY 21-22 (FY 20-21)      | 3,332.59                     | 2,221.73                     |
| Total Appropriations  | 3,332.59                     | 2,221.73                     |
| Balance at the end of the year  | 1,84,321.09                  | 1,51,011.39                  |
| <b>Total</b>  | <b>1,87,571.45</b>           | <b>1,54,261.75</b>           |

**Amalgamation Reserve:-** This reserve was created on amalgamation of Shyam Century Ferrous Limited with the company during the financial year 2005-2006

**Securities Premium:-** This Securities Premium had been created on issue of shares by way of public issue and right issue

**General Reserve:-** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Capital Redemption Reserve:-** This reserve was created upon redemption of preference shares by company in FY 2012-2013

**Retained Earnings:-** Amount of retained earnings represents accumulated profit and losses of the Company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for remeasurement gain loss on defined benefit plan.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 14. Borrowings (At Amortised Cost)

(₹ in Lacs)

|  | Non Current Portion          |                              | Current Maturities           |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Term Loans (Secured)</b>  |                              |                              |                              |                              |
| Foreign Currency Loan from Banks   | -                            | -                            | -                            | 2,447.42                     |
| <b>Other Loans (Secured)</b>   |                              |                              |                              |                              |
| Auto, Car/Vehicle Loan   |                              |                              |                              |                              |
| - From banks   | 17.78                        | 29.47                        | 11.69                        | 11.27                        |
| - From Bodies Corporate  | -                            | 1.65                         | 1.65                         | 4.69                         |
|  | <b>17.78</b>                 | <b>31.12</b>                 | <b>13.34</b>                 | <b>2,463.38</b>              |
| Amount disclosed under the head "Short term Borrowings" (Refer Note No.17) | -                            | -                            | (13.34)                      | (2463.38)                    |
| <b>Total</b>   | <b>17.78</b>                 | <b>31.12</b>                 | <b>-</b>                     | <b>-</b>                     |

#### Notes:-

- (a) Foreign currency term loan of ₹ NIL (31<sup>st</sup> March, 2022 : ₹1594.56 Lacs) carries interest @6 months SOFR + 1.30% p.a (31<sup>st</sup> March, 2022 @6 months SOFR + 1.30% p.a.). The loan is repayable in 16 quarterly installments by 31<sup>st</sup> March, 2023 and is secured/to be secured by 1<sup>st</sup> charge on all the fixed assets pertaining to the Plywood Unit at Bishnupur, West Bengal on pari passu basis with other term lenders.
- (b) Foreign currency term loan of ₹ NIL Lacs (31<sup>st</sup> March, 2022 : ₹852.86 lacs) carries interest @ 6 Months SOFR + 1.25% p.a. (31<sup>st</sup> March, 2022 @ 6 Months SOFR + 1.25% p.a.). The Loan is repayable in 16 equal quarterly instalments commencing from January 2019 & ending by October 2022 and is secured/to be secured by 1<sup>st</sup> charge on all the Fixed Assets of the Plywood Unit at Bishnupur West Bengal on pari passu basis with other term lenders.
- (c) Auto, Car/Vehicle loans are secured by hypothecation of the assets purchased there against and carry interest between 7.25% p.a to 8.50% p.a (7.25% to 9.05%p.a)

### 15. Lease Liabilities

(₹ in Lacs)

|                                      | Non Current                  |                              | Current                      |                              |
|--------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                      | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Lease Liabilities (Refer Note No.44) | 1,080.70                     | 1,293.02                     | 210.97                       | 485.85                       |
| <b>Total</b>                         | <b>1,080.70</b>              | <b>1,293.02</b>              | <b>210.97</b>                | <b>485.85</b>                |

### 16. Other Non Current Liabilities

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| <b>Deferred Revenue</b>  |                              |                              |
| At 1 <sup>st</sup> April   | 174.23                       | 229.50                       |
| Released to the Statement of Profit and Loss   | 55.13                        | 55.27                        |
| At 31 <sup>st</sup> March  | <b>119.10</b>                | <b>174.23</b>                |
| Current (Amount Disclosed under the head Other Current Liabilities)( Refer Note No.21) | 69.58                        | 69.58                        |
| Non-current  | 49.52                        | 104.65                       |

The deferred revenue relates to the asset related government grant received, the same has been accounted for as deferred revenue and proportionately recognised in Statement of Profit and Loss.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 17. Short Term Borrowings (At Amortised Cost)

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| <b>Loans repayable on demand</b>                                  |                              |                              |
| Cash Credit from banks (Secured)                                  | 2,656.50                     | 501.42                       |
| <b>Other Loans and advances</b>                                   |                              |                              |
| Buyers Credit from banks (Secured)                                |                              |                              |
| - For Capital Expenditure   | 7,295.07                     | 5,580.54                     |
| - For Raw Materials   | 7,433.92                     | 6,325.37                     |
| Packing Credit (Secured)  | 9,050.00                     | 4,734.96                     |
| Current Maturities of Long Term Debts (Refer Note No.14)          | -                            | 2,447.42                     |
| Current maturities on Vehicle Loan Obligations (Refer Note No.14) | 13.34                        | 15.96                        |
| <b>Total</b>  | <b>26,448.83</b>             | <b>19,605.67</b>             |

#### Notes:-

- Cash Credit and Buyer's Credit from banks amounting to ₹10090.42 lacs (31<sup>st</sup> March, 2022 : ₹6826.79 lacs ) are secured by way of first charge on current assets (both present and future) of the company.
- Buyer's Credit for Capex from banks amounting to ₹7295.07 lacs (31<sup>st</sup> March, 2022 : ₹5580.54 lacs ) are secured by way of 1<sup>st</sup> charge on all the Fixed Assets of the Unit located at Bishnupur West Bengal on pari passu basis with other term lenders.
- The cash credit is repayable on demand and carries interest @ 6.05% to 9.65% (31<sup>st</sup> March,2022 : 6.05% to 7.40% ) p.a.
- Buyers credit carries interest @ SOFR plus 0.25% to 0.65% (2021-22 : 0.45% to 1.99%) p.a. for raw-materials and @ SOFR plus 0.75% to 0.90% (2021-22 : 0.25% to 0.77%) p.a. for capital expenditure and is repayable in 90-180 days.
- Rate of Interest for Packing Credit is 2.08% to 6.55% p.a (2021-22 : 1.05% to 4.65% p.a.)
- Borrowings secured against current assets -The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below

#### For the Financial Year 2022-23

(₹ in Lacs)

| Qtr Ended | Name of the Bank   | Particulars   | As per Books of Accounts* | As per Quarterly Bank Statement* | Difference | Reason  |
|-----------|--|---|---------------------------|----------------------------------|------------|---|
| June      | Consortium of Indian Bank (Lead Bank), HDFC Bank, DBS Bank, Standard Chartered Bank & Yes Bank | Aggregate working capital sanctioned limits of ₹425 crore | 61,429                    | 60,487                           | (942)      | Refer Note no.1   |
| Sept      |  |   | 60,526                    | 59,333                           | (1,193)    | Exclusion of trade receivables exceeding 6 months in quarterly bank statement |
| Dec       |  |   | 49,887                    | 48,756                           | (1,131)    |   |
| March     |  |   | 60,431                    | 59,376                           | (1,055)    |   |

#### For the Financial Year 2021-22

(₹ in Lacs)

| Qtr Ended | Name of the Bank   | Particulars   | As per Books of Accounts* | As per Quarterly Bank Statement* | Difference | Reason  |
|-----------|--|---|---------------------------|----------------------------------|------------|---|
| June      | Consortium of Indian Bank (Lead Bank), HDFC Bank, DBS Bank, Standard Chartered Bank & Yes Bank | Aggregate working capital sanctioned limits of ₹425 crore | 56,808                    | 55,389                           | (1,419)    | Exclusion of trade receivables exceeding 6 months in quarterly bank statement |
| Sept      |  |   | 57,141                    | 55,722                           | (1,419)    |   |
| Dec       |  |   | 51,865                    | 50,639                           | (1,226)    |   |
| March     |  |   | 58,387                    | 57,430                           | (957)      |   |

\* Represents working capital sanctioned calculated as -: Inventory + Trade Receivables - Trade Payables.

Note 1 Inadvertently, only trade receivables which are due for more than 1 year excluded from quarterly statement submitted to bank.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 18. Trade Payables (At Amortised Cost)

(₹ in Lacs)

|                                       | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---------------------------------------|------------------------------|------------------------------|
| - Dues to Micro and Small Enterprises | 3,049.81                     | 2,064.15                     |
| - Dues to Others                      | 25,312.41                    | 23,389.33                    |
| <b>Total</b>                          | <b>28,362.22</b>             | <b>25,453.48</b>             |

Trade payables and acceptances are non-interest bearing and are normally settled on 30 day terms.

For terms and conditions with related parties, Refer Note No.38

#### (a) Trade Payables Ageing Schedule

(₹ in Lacs)

|   | Outstanding as on 31 <sup>st</sup> March, 2023 from due date of payment |                  |                 |               |              |                   | Total            |
|---|---|------------------|-----------------|---------------|--------------|-------------------|------------------|
|   | Unbilled Due  | Not Due          | Upto 1 Year     | 1-2 Years     | 2-3 Years    | More than 3 Years |                  |
| Undisputed dues of micro enterprises and small enterprises                      | -   | 3,049.81         |                 |               | -            | -                 | 3,049.81         |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 6,049.63  | 13,834.32        | 5,164.71        | 164.38        | 27.61        | 71.76             | 25,312.41        |
| Disputed dues of micro enterprises and small enterprises                        | -   | -                | -               | -             | -            | -                 | -                |
| Disputed dues of creditors other than micro enterprises and small enterprises   | -   | -                | -               | -             | -            | -                 | -                |
| <b>Total</b>  | <b>6,049.63</b>   | <b>16,884.13</b> | <b>5,164.71</b> | <b>164.38</b> | <b>27.61</b> | <b>71.76</b>      | <b>28,362.22</b> |

(₹ in Lacs)

|   | Outstanding as on 31 <sup>st</sup> March, 2022 from due date of payment |                  |                 |              |              |                   | Total            |
|---|---|------------------|-----------------|--------------|--------------|-------------------|------------------|
|   | Unbilled Due  | Not Due          | Upto 1 Year     | 1-2 Years    | 2-3 Years    | More than 3 Years |                  |
| Undisputed dues of micro enterprises and small enterprises                      | -   | 2,064.15         |                 |              | -            | -                 | 2,064.15         |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 4,234.26  | 16,296.01        | 2,641.50        | 66.32        | 41.75        | 109.49            | 23,389.33        |
| Disputed dues of micro enterprises and small enterprises                        | -   | -                | -               | -            | -            | -                 | -                |
| Disputed dues of creditors other than micro enterprises and small enterprises   | -   | -                | -               | -            | -            | -                 | -                |
| <b>Total</b>  | <b>4,234.26</b>   | <b>18,360.16</b> | <b>2,641.50</b> | <b>66.32</b> | <b>41.75</b> | <b>109.49</b>     | <b>25,453.48</b> |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 18. Trade Payables (At Amortised Cost) (contd.)

#### (b) Based on the information/documents available with the Company, information as per the requirements of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

|  | (₹ in Lacs)                        |                                    |
|--|------------------------------------|------------------------------------|
|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| i. The principal amount remaining unpaid to any supplier as at the end of each accounting year;  | 3,049.81                           | 2,064.15                           |
| ii. The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;   | NIL                                | NIL                                |
| iii. The amount of interest paid by the buyer under MSMED Act, 2006  | NIL                                | NIL                                |
| iv. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);                            | NIL                                | NIL                                |
| v. The amount of interest accrued and remaining unpaid at the end of accounting year.  | NIL                                | NIL                                |
| vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | NIL                                | NIL                                |

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

### 19. Other financial liabilities (At amortised cost)

|   | (₹ in Lacs)                        |                                    |
|---|------------------------------------|------------------------------------|
|   | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| Trade Deposits  | 2,395.27                           | 2,061.55                           |
| Interest accrued but not due on borrowings  | 151.31                             | 16.50                              |
| Unpaid dividends ( to be credited to Investor Education and Protection Fund as and when due ) | 18.78                              | 20.28                              |
| Capital Creditors   | 1,454.31                           | 1,580.79                           |
| Employee related liabilities  | 5,510.06                           | 6,354.82                           |
| <b>Total</b>  | <b>9,529.73</b>                    | <b>10,033.94</b>                   |

### 20. Contract Liabilities

|                         | (₹ in Lacs)                        |                                    |
|-------------------------|------------------------------------|------------------------------------|
|                         | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| Advances from Customers | 1,003.74                           | 1,082.17                           |
| <b>Total</b>            | <b>1,003.74</b>                    | <b>1,082.17</b>                    |

### 21. Other Current Liabilities

|                                      | (₹ in Lacs)                        |                                    |
|--------------------------------------|------------------------------------|------------------------------------|
|                                      | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| Statutory Dues Payable *             | 2,874.62                           | 3,108.58                           |
| Deferred Revenue (Refer Note No. 16) | 69.58                              | 69.58                              |
| <b>Total</b>                         | <b>2,944.20</b>                    | <b>3,178.16</b>                    |

\* Includes ₹ Nil (₹1425.10 lacs) net of payments pertaining to Entry tax on entry of certain goods into a local area of the State of West Bengal.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 22. Provisions

(₹ in Lacs)

|                                 | Non Current                  |                              | Current                      |                              |
|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Provision for Employee Benefits |                              |                              |                              |                              |
| Gratuity                        | 616.69                       | 1,122.64                     | -                            | -                            |
| Leave Encashment                | -                            | -                            | 834.91                       | 705.99                       |
| <b>Total</b>                    | <b>616.69</b>                | <b>1,122.64</b>              | <b>834.91</b>                | <b>705.99</b>                |

### 23A Current tax Assets (Net)

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| Advance Tax and TDS/TCS receivable (Net of Provision for tax) | 337.24                       | -                            |
| <b>Total</b>  | <b>337.24</b>                | <b>-</b>                     |

### 23B Current tax Liabilities (Net)

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| Provision for Taxation (Net of Advance Tax) | -                            | 198.18                       |
| <b>Total</b>                                | <b>-</b>                     | <b>198.18</b>                |

### 24. Revenue from Operations

(₹ in Lacs)

|  | 2022-23            | 2021-22            |
|--|--------------------|--------------------|
| <b>Revenue from Operations</b>         |                    |                    |
| Sale of Products                       | 3,52,558.10        | 2,90,544.23        |
| Income from Services                   | 8,084.99           | 7,752.43           |
| <b>Other Operating revenue</b>         |                    |                    |
| Scrap Sales                            | 357.08             | 209.38             |
| Export Incentives                      | 604.37             | 740.33             |
| Indirect Tax Subsidy                   | 443.73             | 798.66             |
| Miscellaneous Income                   | 17.15              | 42.75              |
| <b>Total</b>                           | <b>3,62,065.42</b> | <b>3,00,087.78</b> |
| <b>Details of Products Sold</b>        |                    |                    |
| Plywood & Block board                  | 1,95,605.87        | 1,52,272.98        |
| Laminates                              | 65,401.39          | 56,738.03          |
| Pre-Laminated Particle Boards          | 15,218.50          | 12,056.56          |
| Veneer                                 | 5,850.08           | 5,354.73           |
| Particle Board                         | 2,522.23           | 3,201.02           |
| Medium Density Fibre Board             | 63,577.99          | 55,339.41          |
| Agri Products                          | 1,369.04           | 999.78             |
| Phenol                                 | 543.21             | 380.85             |
| Others                                 | 2,469.79           | 4,200.87           |
|  | <b>3,52,558.10</b> | <b>2,90,544.23</b> |
| <b>Details of Income from Services</b> |                    |                    |
| Container Freight Station Services     | 8,084.99           | 7,752.43           |
| <b>Total</b>                           | <b>8,084.99</b>    | <b>7,752.43</b>    |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 24. Revenue from Operations (contd.)

#### Reconciliation of Revenue from sale of products with the contracted price

(₹ in Lacs)

|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|--|------------------------------------|------------------------------------|
| Contracted Price   | 3,68,353.54                        | 3,04,877.38                        |
| Less: Variable Consideration (Trade discounts, volume rebates, etc.) | 15,795.44                          | 14,333.15                          |
| <b>Sale of products</b>  | <b>3,52,558.10</b>                 | <b>2,90,544.23</b>                 |

#### 1. Refer Note No.41 for disaggregated revenue information

#### 2. Other Information

- The Company satisfies its performance obligation on shipment/delivery as per terms of contract.
- The contract does not have any financing component.

### 25. Other Income

(₹ in Lacs)

|   | <b>2022-23</b>  | <b>2021-22</b>  |
|---|-----------------|-----------------|
| Interest Income on loan given to Subsidiaries           | 154.36          | 1.55            |
| Interest Income from financial assets at amortised cost | 1,889.03        | 1,034.48        |
| Insurance and Other Claims                              | 143.35          | 277.28          |
| Unspent/Unclaimed liabilities written back *            | 1,425.60        | 0.08            |
| Profit on disposal of property, plant and equipment     | 828.41          | 143.05          |
| Bad Debts Recovered                                     | 17.04           | 9.39            |
| Foreign Exchange Fluctuations (Net)                     | -               | 607.75          |
| Net gain on sale of Investments carried at FVTPL        | -               | 147.67          |
| Government Grant  | 55.13           | 55.13           |
| <b>Total</b>  | <b>4,512.92</b> | <b>2,276.38</b> |

\* Includes write-back of Entry Tax Provisions made during the Period from April, 2012 to June, 2017 of ₹1425.10 lacs (PY: NIL), due to favourable judgement by West Bengal Taxation Tribunal.

### 26. Cost of Materials Consumed

(₹ in Lacs)

|  | <b>2022-23</b>     | <b>2021-22</b>     |
|--|--------------------|--------------------|
| Inventories at the beginning of the year     | 21,146.68          | 16,388.98          |
| Add : Purchases                              | 1,45,097.56        | 1,26,911.94        |
|  | <b>1,66,244.24</b> | <b>1,43,300.92</b> |
| Less : Inventories at the end of the year    | 26,063.75          | 21,146.68          |
| <b>Cost of Materials Consumed</b>            | <b>1,40,180.49</b> | <b>1,22,154.24</b> |
| <b>Details of Material Consumed</b>          |                    |                    |
| Timber Logs                                  | 11,953.02          | 9,307.00           |
| Veneer                                       | 45,330.86          | 41,030.97          |
| Chemicals                                    | 39,564.51          | 36,693.02          |
| Paper  | 23,836.56          | 20,674.37          |
| Waste Wood                                   | 19,334.69          | 14,369.18          |
| Particle Board                               | 160.85             | 79.70              |
| <b>Total</b>                                 | <b>1,40,180.49</b> | <b>1,22,154.24</b> |
| <b>Details of Closing Stock of Materials</b> |                    |                    |
| Timber Logs                                  | 2,818.96           | 1,439.66           |
| Veneer                                       | 10,603.54          | 8,963.80           |
| Chemicals                                    | 2,952.73           | 2,910.48           |
| Paper  | 8,877.98           | 7,223.85           |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 26. Cost of Materials Consumed (contd.)

(₹ in Lacs)

|                | 2022-23          | 2021-22          |
|----------------|------------------|------------------|
| Particle Board | 16.46            | 2.92             |
| Waste Wood     | 794.08           | 605.97           |
| <b>Total</b>   | <b>26,063.75</b> | <b>21,146.68</b> |

### 27. Purchase of Stock-in-Trade and Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lacs)

|  | 2022-23          | 2021-22            |
|--|------------------|--------------------|
| <b>Inventories at the beginning of the year</b>                                      |                  |                    |
| Stock in Trade   | 4,730.97         | 3,330.22           |
| Finished Goods   | 14,325.97        | 7,041.92           |
| Work-in-Progress   | 4,802.07         | 2,871.44           |
|  | <b>23,859.01</b> | <b>13,243.58</b>   |
| <b>Inventories at the end of the year</b>  |                  |                    |
| Stock in Trade   | 2,901.29         | 4,730.97           |
| Finished Goods   | 12,616.01        | 14,325.97          |
| Work-in-Progress   | 4,456.90         | 4,802.07           |
|  | <b>19,974.20</b> | <b>23,859.01</b>   |
| <b>Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b> | <b>3,884.81</b>  | <b>(10,615.43)</b> |
| <b>Details of Purchase of Stock in Trade</b>   |                  |                    |
| Plywood and Block boards   | 42,234.18        | 30,536.53          |
| Veneer   | 3,715.16         | 5,294.83           |
| Chemicals  | 894.64           | 741.92             |
| Pest Control Kits  | 103.58           | 10.62              |
| Phenol   | 532.66           | 373.35             |
| Others   | 2,666.39         | 3,666.95           |
| <b>Total</b>   | <b>50,146.61</b> | <b>40,624.20</b>   |
| <b>Details of Inventories at the end of the year</b>                                 |                  |                    |
| <b>Stock in Trade</b>  |                  |                    |
| Plywood and Block board  | 2,222.02         | 1,781.92           |
| Chemicals  | 97.99            | 79.58              |
| Pest Control Kits  | 63.90            | 36.60              |
| Veneer   | 82.81            | 1,366.62           |
| Others   | 434.57           | 1,466.25           |
| <b>Total</b>   | <b>2,901.29</b>  | <b>4,730.97</b>    |
| <b>Finished Goods at the end of the year</b>   |                  |                    |
| Plywood and Block board  | 3,790.41         | 6,182.16           |
| Laminates  | 6,567.08         | 6,027.97           |
| Pre-Laminated Particle Boards  | 114.39           | 4.89               |
| Medium Density Fibre board   | 1,427.96         | 1,349.05           |
| Veneer   | 716.17           | 761.90             |
| <b>Total</b>   | <b>12,616.01</b> | <b>14,325.97</b>   |
| <b>Work-in-Progress at the end of the year</b>                                       |                  |                    |
| Plywood and Block board  | 3,129.29         | 3,422.34           |
| Laminates  | 952.18           | 989.56             |
| Medium Density Fibre Board   | 157.47           | 163.66             |
| Pre-Laminated Particle Boards  | 217.96           | 226.51             |
| <b>Total</b>   | <b>4,456.90</b>  | <b>4,802.07</b>    |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 28. Employee Benefits Expense

|   | (₹ in Lacs)      |                  |
|---|------------------|------------------|
|   | <b>2022-23</b>   | <b>2021-22</b>   |
| Salaries, Wages, Bonus etc                          | 42,597.06        | 37,344.40        |
| Contribution to Provident, Gratuity and other Funds | 2,584.99         | 2,204.26         |
| Employees Welfare Expenses                          | 569.94           | 434.61           |
| <b>Total</b>  | <b>45,751.99</b> | <b>39,983.27</b> |

### 29. Finance Cost (at effective interest rate)

|  | (₹ in Lacs)     |                |
|--|-----------------|----------------|
|  | <b>2022-23</b>  | <b>2021-22</b> |
| Interest Expenses *  | 922.29          | 588.93         |
| Exchange difference to the extent considered as an adjustment to borrowing costs * | 473.10          | 253.89         |
| Other Borrowing cost   | 140.93          | 118.18         |
| <b>Total</b>   | <b>1,536.32</b> | <b>961.00</b>  |

\* Expenses reported above are net of Finance Costs amounting to ₹481.90 lacs (P.Y. ₹6.06 lacs) transferred to Capital Work-in Progress.

Interest paid to Income tax department ₹35.92 lacs (P.Y. ₹3.63 lacs)

### 30. Depreciation and Amortisation Expense

|  | (₹ in Lacs)     |                 |
|--|-----------------|-----------------|
|  | <b>2022-23</b>  | <b>2021-22</b>  |
| Depreciation on Tangible Assets (Refer Note No. 3) | 7,231.07        | 6,736.67        |
| Amortisation of Intangible Assets(Refer Note No.3) | 6.72            | 16.28           |
| <b>Total</b>                                       | <b>7,237.79</b> | <b>6,752.95</b> |

### 31. Other Expenses

|   | (₹ in Lacs)    |                |
|---|----------------|----------------|
|   | <b>2022-23</b> | <b>2021-22</b> |
| Stores & Spare parts consumed                                 | 4,129.83       | 3,507.48       |
| Power and Fuel  | 11,467.16      | 10,060.08      |
| Insurance   | 593.41         | 667.76         |
| Rent  | 1,096.23       | 840.94         |
| Rates & Taxes   | 407.07         | 453.92         |
| Repairs & Maintenance   |                |                |
| -Property   | 260.13         | 483.41         |
| -Plant and Equipment  | 1,942.96       | 1,442.70       |
| -Others   | 851.30         | 677.24         |
| Transport & Freight   | 14,629.96      | 13,357.51      |
| Commission on Sales   | 1,153.19       | 1,181.61       |
| Advertisement, Publicity and Sales Promotion                  | 15,124.48      | 11,968.92      |
| Communication Expenses  | 314.36         | 255.84         |
| Directors' Sitting Fees and Commission                        | 55.25          | 57.75          |
| Auditors' Remuneration #                                      | 45.15          | 42.46          |
| Corporate Social Responsibility Activities (Refer Note No.36) | 747.26         | 508.95         |
| Charity and Donations   | 438.40         | 299.68         |
| Foreign Exchange Fluctuations (Net)                           | 70.10          | -              |
| Loss on sale of investments in subsidiary (Refer note no 46)  | 4,925.09       | -              |
| Irrecoverable Debts, Advances written off/(written back)      | (27.13)        | 320.59         |
| Loss Allowances on trade receivables                          | -              | 165.84         |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 31. Other Expenses (contd.)

(₹ in Lacs)

|  | 2022-23          | 2021-22          |
|--|------------------|------------------|
| Professional Fees  | 3,085.00         | 3,231.20         |
| Miscellaneous Expenses   | 7,120.62         | 4,960.89         |
| <b>Total</b>   | <b>68,429.82</b> | <b>54,484.77</b> |
| <b># Payment to Auditors</b>   |                  |                  |
| As Auditor   |                  |                  |
| Audit Fees   | 28.00            | 28.00            |
| For Other Services (includes fees for review of quarterly financial results ₹12 Lacs (PY. ₹12 Lacs)) | 16.30            | 14.20            |
| Reimbursement of Expenses  | 0.85             | 0.26             |
| <b>Total</b>   | <b>45.15</b>     | <b>42.46</b>     |

### 32. Gratuity and Other Post Employment Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans.

#### a) Defined Benefit Plan - Gratuity

##### I. Expenses Recognised in the Statement of Profit & Loss

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| 1. Current / Past Service Cost                              | 516.30                       | 432.72                       |
| 2. Net Interest expense                                     | 37.84                        | 30.24                        |
| <b>Components of defined benefit cost recognised in P/L</b> | <b>554.14</b>                | <b>462.96</b>                |
| 3. Re-measurement - Due to Financial Assumptions            | (151.75)                     | (107.94)                     |
| 4. Re-measurement - Due to Experience Adjustments           | 206.92                       | 591.02                       |
| 5. Return on Plan Assets (Excluding Interest Income)        | 0.43                         | (11.20)                      |
| <b>Components of defined benefit cost recognised in OCI</b> | <b>55.60</b>                 | <b>471.88</b>                |
| <b>Total Expense</b>  | <b>609.74</b>                | <b>934.84</b>                |

##### II. Net Asset/ (Liability) recognised in the Balance Sheet

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| 1. Present Value of Defined Benefit Obligation | 6,020.11                     | 5,457.14                     |
| 2. Fair Value of Plan Assets                   | 5,403.42                     | 4,334.50                     |
| 3. Net Asset / (Liability)                     | (616.69)                     | (1,122.64)                   |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 32. Gratuity and Other Post Employment Benefit Plans (contd.)

#### III. Change in Obligation during the Year

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| 1. Present Value of Defined Benefit Obligation at the beginning of the year | 5,457.14                     | 4,553.53                     |
| 2. Current Service Cost/Plan amendments                                     | 516.30                       | 432.72                       |
| 3. Interest Cost  | 353.50                       | 282.01                       |
| 4. Benefits Paid  | (362.00)                     | (294.20)                     |
| 5. Re-measurements - Due to Financial Assumptions                           | (151.75)                     | (107.94)                     |
| 6. Re-measurements - Due to Experience Adjustments                          | 206.92                       | 591.02                       |
| 7. Present Value of Defined Benefit Obligation at the end of the year       | 6,020.11                     | 5,457.14                     |

#### IV. Change in the Fair Value of Plan Assets during the year

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| 1. Plan assets at the beginning of the year                      | 4,334.50                     | 3,796.15                     |
| 2. Interest Income   | 315.66                       | 251.77                       |
| 3. Contribution by employer                                      | 1,115.69                     | 569.58                       |
| 4. Actual Benefit Paid   | (362.00)                     | (294.20)                     |
| 5. Re-measurement - Return on Assets (Excluding Interest Income) | (0.43)                       | 11.20                        |
| 6. Closing Fair Value of Plan Assets                             | 5,403.42                     | 4,334.50                     |

#### V. The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets

|                          | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--------------------------|------------------------------|------------------------------|
| Investments with insurer | 100%                         | 100%                         |

#### VI. Actuarial Assumptions

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023                             | 31 <sup>st</sup> March, 2022                             |
|---|--|--|
| 1. Discount Rate                          | 7.10%  | 6.70%  |
| 2. Expected rate of return on plan assets | 6.00%  | 6.70%  |
| 3. Mortality rate                         | Indian Assured Lives Mortality (2006-08) (modified) Ult. | Indian Assured Lives Mortality (2006-08) (modified) Ult. |
| 4. Salary increase                        | 6%   | 6%   |
| 5. Withdrawal rates                       | 1% - 8%  | 1% - 8%  |

VII. The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VIII. A quantitative sensitivity analysis for significant assumption is as shown below:

| Assumptions        | 31 <sup>st</sup> March, 2023 |                          | 31 <sup>st</sup> March, 2022 |                          |
|--------------------|------------------------------|--------------------------|------------------------------|--------------------------|
|                    | Discount Rate                |                          | Discount Rate                |                          |
| Sensitivity level  | 1% increase<br>₹ in Lacs     | 1% increase<br>₹ in Lacs | 1% increase<br>₹ in Lacs     | 1% increase<br>₹ in Lacs |
| Impact on Gratuity | (349.29)                     | 393.71                   | (332.46)                     | 376.21                   |
| Assumptions        | 31 <sup>st</sup> March, 2023 |                          | 31 <sup>st</sup> March, 2022 |                          |
|                    | Future Salary                |                          | Future Salary                |                          |
| Sensitivity level  | 1% increase<br>₹ in Lacs     | 1% increase<br>₹ in Lacs | 1% increase<br>₹ in Lacs     | 1% increase<br>₹ in Lacs |
| Impact on Gratuity | 384.04                       | (349.01)                 | 367.84                       | (332.37)                 |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 32. Gratuity and Other Post Employment Benefit Plans (contd.)

| Assumptions        | 31 <sup>st</sup> March, 2023 |                          | 31 <sup>st</sup> March, 2022 |                          |
|--------------------|------------------------------|--------------------------|------------------------------|--------------------------|
|                    | Withdrawal Rates             |                          | Withdrawal Rates             |                          |
|                    | 1% increase<br>₹ in Lacs     | 1% increase<br>₹ in Lacs | 1% increase<br>₹ in Lacs     | 1% increase<br>₹ in Lacs |
| Impact on Gratuity | 21.67                        | (23.75)                  | 11.33                        | (12.46)                  |

Sensitivities due to mortality are not material and hence impact of change is not calculated.

The sensitivity analyses 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 end of the reporting period.

### IX. Maturity Profile of Defined Benefit Obligations

(₹ in Lacs)

|              | As on<br>31 <sup>st</sup> March, 2023 | As on<br>31 <sup>st</sup> March, 2022 |
|--------------|---------------------------------------|---------------------------------------|
| Year 1       | 911.16                                | 772.34                                |
| Year 2       | 617.96                                | 565.04                                |
| Year 3       | 796.26                                | 607.95                                |
| Year 4       | 769.14                                | 745.66                                |
| Year 5       | 773.17                                | 746.49                                |
| Next 5 Years | 4,343.18                              | 3,941.27                              |

### X. Contribution to Defined Benefit Plan

In 2023-24 the Company expects to contribute ₹546.25 Lacs (2021-22: ₹516.30 Lacs) to gratuity.

#### b) Defined Contribution Plan

The company's contribution towards Provident Fund is debited to statement of profit and loss and managed by Central Government. Contribution to Provident and Other Funds includes ₹1,561.27 Lacs (2021-22 - ₹1,320.97 Lacs) paid towards Defined Contribution Plans.

### 33. Commitments and Contingencies

#### (i) Capital and Other Commitments

(₹ in Lacs)

|  | As on<br>31 <sup>st</sup> March, 2023 | As on<br>31 <sup>st</sup> March, 2022 |
|--|---------------------------------------|---------------------------------------|
| Commitment for Acquisition of Property, Plant & Equipment (Net of Advance) | 15,608.55                             | 5,586.55                              |
| Letter of Credit issued by Banks   | 4,243.39                              | 2,312.05                              |

#### (ii) Contingent Liabilities

(₹ in Lacs)

| Demands/Claims by various Government Authorities and Others not acknowledged as Debt: | As on<br>31 <sup>st</sup> March, 2023 | As on<br>31 <sup>st</sup> March, 2022 |
|---|---------------------------------------|---------------------------------------|
| Excise Duty/Service Tax [Amount deposited : ₹51.82 Lacs(PY. ₹51.82 Lacs)]             | 894.98                                | 978.12                                |
| Sales Tax / VAT*[Amount deposited : ₹1.19 Lacs(PY. ₹1.38 Lacs)]                       | 31.16                                 | 33.03                                 |
| Income Tax  | 1,452.57                              | 1,428.58                              |
| Channel Financing to Dealers & Distributors**   | 832.89                                | 960.21                                |
| Un-Redeemed Bank Guarantees   | 699.43                                | 739.14                                |
| Corporate Guarantee for Subsidiaries  | 30,000.00                             | -                                     |

\* Contingent amount includes tax amount and interest quantified in the assessment order.

\*\* Reported to the extent balance outstanding amounting to ₹3,615.60 Lacs (PY. ₹5,004.00 Lacs) against Guarantees issued.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 34. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various shareholders but keep associated cost under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both the short term and long term. Net debt (total borrowing less current investment and cash & cash equivalent) to equity ratio is used to monitor capital. No changes were made to the objective, policies or process for managing capital during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

(₹ in Lacs)

|                       | <b>As on<br/>31<sup>st</sup> March, 2023</b> | <b>As on<br/>31<sup>st</sup> March, 2022</b> |
|-----------------------|--|--|
| Net Debt Equity Ratio | 0.13   | 0.12   |

As at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, the Company was in compliance with all of its debt covenants for borrowings.

### 35. Derivative Instruments and Unhedged Foreign Currency Exposure

a) The particulars of hedged foreign currency exposures as on the balance sheet date are as follows:

(₹ in Lacs)

| <b>Nature of Item</b>   | <b>As on<br/>31<sup>st</sup> March, 2023</b> | <b>As on<br/>31<sup>st</sup> March, 2022</b> |
|-------------------------|--|--|
| Hedged foreign currency | 822.20                                       | -  |

b) The particulars of unhedged foreign currency exposures as on the balance sheet date are as follows:

(₹ in Lacs)

| <b>Nature of Item</b>       | <b>Currency</b> | <b>As on<br/>31<sup>st</sup> March, 2023</b> | <b>As on<br/>31<sup>st</sup> March, 2022</b> |
|-----------------------------|-----------------|--|--|
| Foreign Currency Term Loans | USD             | -  | 2,447.42                                     |
| Currency Swap Loan          | USD             | 699.30                                       | 4,321.63                                     |
| Buyer's Credit              | USD             | 10,898.23                                    | 6848.58                                      |
|                             | EUR             | 3,131.47                                     | 735.70                                       |
| Trade Receivables           | USD             | 1,348.40                                     | 2,703.49                                     |
| Trade Payables              | CNY             | -  | 45.49  |
|                             | EUR             | 1913.20                                      | 1547.66                                      |
|                             | JPY             | 152.45                                       | 120.82                                       |
|                             | USD             | 1465.65                                      | 3554.19                                      |

Trade Receivables of ₹1,348.40 Lacs (Trade Receivables of ₹2,703.49 Lacs as on 31<sup>st</sup> March, 2022) are naturally hedged.

36. The Company has a Corporate Social Responsibility ("CSR") committee as per the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder. The main areas for CSR activities are promoting education, healthcare, animal welfare and projects ensuring environment sustainability. Details of CSR is as under:-

(₹ in Lacs)

|   | <b>2022-23</b> | <b>2021-22</b> |
|---|----------------|----------------|
| Amount of CSR expenditure to be incurred during the year                                    | 692.49         | 501.34         |
| CSR expenditure (Revenue Nature) incurred during the year and approved by Board of Director | 747.26         | 508.95         |
| Expenditure on construction/acquisition of any assets during the year.                      | -              | -              |

(₹ in Lacs)

| <b>Pending Balance of (Excess)/<br/>Shortfall spends as on<br/>1<sup>st</sup> April, 2022</b> | <b>Amount required to be<br/>spent during the year</b> | <b>Amount spent during<br/>the year</b> | <b>Closing Balance of (Excess)/<br/>Shortfall spends as on<br/>31<sup>st</sup> March, 2023</b> |
|---|--|---|--|
| (78.64)   | 692.49   | 747.26                                  | (133.41)   |

During the current and previous year the Company has not made any contribution to a Trust control by the Company towards CSR expenses.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 37. DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

- a) Details of investments made have been given as part of Note '4' Investments in Subsidiary and Other Investments.
- b) Details of Loans and Guarantees are given below:

(₹ in Lacs)

| Name of the Company                           | Relationship | Nature of Transactions | Balance as on 31 <sup>st</sup> March, 2023* |                              | Maximum Amount Outstanding at any time during the Year* |         |
|---|--------------|------------------------|---|------------------------------|---|---------|
|   |              |                        | 31 <sup>st</sup> March, 2023                | 31 <sup>st</sup> March, 2022 | 2022-23   | 2021-22 |
| Century Panels Ltd                            | Subsidiary   | Loans                  | 10,300.00                                   | -                            | 10,300.00   | 1451.77 |
| Century Ports Ltd.                            | Subsidiary   | Loans                  | 109.00                                      | -                            | 109.00  | -       |
| Century MDF Ltd.                              | Subsidiary   | Loans                  | 465.00                                      | -                            | 465.00  | -       |
| Fine Wood Products Pvt Ltd.                   | Other        | Loans                  | -   | -                            | -   | 20.00   |
| Tiru Complex LLP                              | Other        | Loans                  | -   | -                            | -   | 50.00   |
| Good View Agencies Pvt. Ltd.                  | Other        | Loans                  | -   | 80.00                        | 80.00   | 80.00   |
| Auro Sundram International Pvt. Ltd.          | Other        | Loans                  | 250.00                                      | 250.00                       | 250.00  | 250.00  |
| Century Panels Ltd                            | Subsidiary   | Guarantee              | 30,000.00                                   | -                            | 30,000.00   | -       |
| Channel Financing to Dealers & Distributors** | Other        | Guarantee              | 832.89                                      | 960.21                       | 960.21  | 960.21  |

\*excluding interest

\*\* Guarantees issued amounting to ₹3,615.60 Lacs (PY. ₹5,004.00 Lacs)

The above loans has been granted for business purpose.

- c) Investment by the loanees in the shares of the Company  
The loanees have not made any investments in the shares of the Company

### 38. Related Party Disclosure:

#### a) Name of the Related Parties and Related Party Relationship:

| Subsidiary Companies  |
|---|
| Auro Sundram Ply & Door Pvt. Ltd.   |
| Ara Suppliers Pvt. Ltd.   |
| Arham Sales Pvt. Ltd.   |
| Adonis Vyaper Pvt. Ltd.   |
| Apnapan Viniyog Pvt. Ltd.   |
| Centuryply Myanmar Pvt. Ltd.(Upto 28.02.2023)                                 |
| Century MDF Ltd.  |
| Century Infotech Ltd.   |
| Century Ply (Singapore) Pte Ltd.  |
| Century Ply Laos Co. Ltd.(Step down subsidiary)                               |
| Century Huesoulin Plywood Lao Co. Ltd. (Step down subsidiary)                 |
| Century Gabon SUARL   |
| Century Infra Ltd.  |
| Century Panels Ltd.   |
| Century Ports Ltd.(w.e.f. 20.04.2022)   |
| Asis Plywood Ltd. (Step down subsidiary)                                      |
| Century Adhesives & Chemicals Ltd. (Step down subsidiary) (w.e.f. 01.10.2022) |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 38. Related Party Disclosure: (contd.)

|  |   |
|--|---|
| <b>Key Management Personnel and Directors</b>      | Sri Sajjan Bhajanka (Chairman and Managing Director)      |
|  | Sri Sanjay Agarwal (CEO & Managing Director)              |
|  | Sri Prem Kumar Bhajanka (Managing Director)               |
|  | Sri Vishnu Khemani (Managing Director)                    |
|  | Sri Rajesh Kumar Agarwal (Executive Director)             |
|  | Sri Ajay Baldawa (Executive Director)                     |
|  | Sri Keshav Bhajanka (Executive Director)                  |
|  | Ms. Nikita Bansal (Executive Director)                    |
|  | Ms. Ratnabali Kakkar (Independent Director)               |
|  | Sri J. P. Dua (Independent Director)                      |
|  | Sri Vijay Chhibber (Independent Director)                 |
|  | Sri Sunil Mitra (Independent Director)                    |
|  | Sri Debanjan Mandal (Independent Director)                |
|  | Sri Probir Roy (Independent Director)                     |
|  | Sri Naresh Pachisia (Independent Director)                |
|  | Sri Amit Kiran Deb (Independent Director)                 |
|  | Ms. Mamta Binani (Independent Director) (Upto 31.03.2022) |
| Sri Arun Kumar Julasaria (Chief Financial Officer) |   |
| Sri Sundeep Jhunjhunwala (Company Secretary)       |   |

#### Related Parties with whom Transactions have taken place during the Year:

|   |   |
|---|---|
| <b>Relatives of Key Management Personnels</b> | Ms. Santosh Bhajanka (Wife of Sri Sajjan Bhajanka)            |
|   | Ms. Divya Agarwal (Wife of Sri Sanjay Agarwal)                |
|   | Ms. Yash Bala Bhajanka (Wife of Sri Prem Kumar Bhajanka)      |
|   | Ms. Sudha Khemani (Wife of Sri Vishnu Khemani)                |
|   | Ms. Sumitra Devi Agarwal (Mother of Sri Rajesh Kumar Agarwal) |
|   | Ms. Shraddha Agarwal (Daughter of Sri Sajjan Bhajanka)        |
|   | Ms. Payal Agrawal (Daughter of Sri Sajjan Bhajanka)           |
|   | Ms. Sonu Kajaria (Daughter of Sri Sajjan Bhajanka)            |
|   | Ms. Bhawna Agarwal (Wife of Sri Rajesh Kumar Agarwal)         |
|   | Ms. Nancy Choudhury (Daughter of Sri Prem Kumar Bhajanka)     |
|   | Sri Surender Kumar Gupta (Brother of Sri Prem Kumar Bhajanka) |
|   | Ms. Yashoda Baldawa (Mother of Sri Ajay Baldawa)              |
|   | Ms. Sanjana Bhajanka (Wife of Sri Keshav Bhajanka)            |
|   | Sri Abhishek Rathi (Son-in-law of Mr. Ajay Baldawa)           |
|   | Hari Prasad Agarwala and Others (HUF)                         |
|   | Ms. Kriti Rathi (Daughter of Sri Ajay Baldawa)                |

|  |                                  |
|--|----------------------------------|
| <b>Enterprises Owned/ Influenced by Key Management Personnel or their relatives.</b> | Brijdham Merchants Pvt. Ltd.     |
|  | Star Cement Ltd.                 |
|  | Sri Ram Merchants Pvt. Ltd.      |
|  | Sri Ram Vanijya Pvt. Ltd.        |
|  | Sumangal Business Pvt. Ltd.      |
|  | Sumangal International Pvt. Ltd. |
|  | Auroville Investments Pvt. Ltd   |
|  | Aegis Business Ltd.              |
|  | Pacific Plywoods Pvt. Ltd.       |
|  | Century Led Ltd.                 |
|  | Landmark Veneers Pvt. Ltd.       |
|  | Amul Boards Pvt. Ltd.            |
|  | Fox and Mandal LLP.              |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 38. Related Party Disclosure: (contd.)

#### (b) Aggregated Related Party disclosure as at and for the Year ended 31<sup>st</sup> March, 2023.

(₹ in Lacs)

| SI No.   | Type of Transactions                            | Subsidiaries |           | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |          | Total     |           |
|----------|---|--------------|-----------|--|---------|---------------------------------------|---------|--|----------|-----------|-----------|
|          |   | 2022-23      | 2021-22   | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22  | 2022-23   | 2021-22   |
| <b>1</b> | <b>Purchase of Trading Goods</b>                |              |           |  |         |                                       |         |  |          |           |           |
|          | Auro Sundram Ply & Door Pvt. Ltd.               | 13,496.36    | 10,266.79 | -                                      | -       | -                                     | -       | -  | -        | 13,496.36 | 10,266.79 |
| <b>2</b> | <b>Purchase of Raw Materials/Stores</b>         |              |           |  |         |                                       |         |  |          |           |           |
|          | Centuryply Myanmar Pvt. Ltd.                    | -            | 1,008.86  | -                                      | -       | -                                     | -       | -  | -        | -         | 1,008.86  |
|          | Century Gabon SURAL                             | 1,956.84     | 3,101.19  | -                                      | -       | -                                     | -       | -  | -        | 1,956.84  | 3,101.19  |
|          | Amul Boards Pvt Ltd                             | -            | -         | -                                      | -       | -                                     | -       | -  | 19.26    | -         | 19.26     |
|          | Star Cement Ltd.                                | -            | -         | -                                      | -       | -                                     | -       | 32.08  | 25.79    | 32.08     | 25.79     |
|          | Landmark Veneers Pvt. Ltd.                      | -            | -         | -                                      | -       | -                                     | -       | 79.97  | 224.70   | 79.97     | 224.70    |
|          | Century Led Ltd.                                | -            | -         | -                                      | -       | -                                     | -       | 9.86   | 21.30    | 9.86      | 21.30     |
| <b>3</b> | <b>Purchase of Asset / Capital goods</b>        |              |           |  |         |                                       |         |  |          |           |           |
|          | Centuryply Myanmar Pvt. Ltd.                    | 85.71        | -         | -                                      | -       | -                                     | -       | -  | -        | 85.71     | -         |
| <b>4</b> | <b>Sale of Asset / Capital goods</b>            |              |           |  |         |                                       |         |  |          |           |           |
|          | Auro Sundram Ply & Door Pvt. Ltd.               | 65.42        | -         | -                                      | -       | -                                     | -       | -  | -        | 65.42     | -         |
|          | Century Panels Ltd                              | 11.61        | 21.02     | -                                      | -       | -                                     | -       | -  | -        | 11.61     | 21.02     |
| <b>5</b> | <b>Sale of RM/ Products/Stores &amp; spares</b> |              |           |  |         |                                       |         |  |          |           |           |
|          | Auro Sundram Ply & Door Pvt Ltd.                | 39.40        | 53.06     | -                                      | -       | -                                     | -       | -  | -        | 39.40     | 53.06     |
| <b>6</b> | <b>Services Availed/ (Provided)</b>             |              |           |  |         |                                       |         |  |          |           |           |
|          | Aegis Business Ltd.                             | -            | -         | -                                      | -       | -                                     | -       | (1.20)   | (1.20)   | (1.20)    | (1.20)    |
|          | Aegis Business Ltd.                             | -            | -         | -                                      | -       | -                                     | -       | -  | 363.88   | -         | 363.88    |
|          | Century Infotech Ltd.                           | -            | 30.00     | -                                      | -       | -                                     | -       | -  | -        | -         | 30.00     |
|          | Smt Yash Bala Bhajanka                          | -            | -         | -                                      | -       | 14.26                                 | 14.74   | -  | -        | 14.26     | 14.74     |
|          | Sri Ajay Baldawa                                | -            | -         | 2.22                                   | 2.03    | -                                     | -       | -  | -        | 2.22      | 2.03      |
|          | Star Cement Ltd                                 | -            | -         | -                                      | -       | -                                     | -       | (122.44)   | (117.60) | (122.44)  | (117.60)  |
|          | Century Panels Ltd                              | (94.92)      | -         | -                                      | -       | -                                     | -       | -  | -        | (94.92)   | -         |
|          | Century Led Ltd.                                | -            | -         | -                                      | -       | -                                     | -       | (5.14)   | (4.46)   | (5.14)    | (4.46)    |
|          | Pacific Plywoods Pvt. Ltd.                      | -            | -         | -                                      | -       | -                                     | -       | 5.60   | 5.60     | 5.60      | 5.60      |
|          | Fox and Mandal LLP                              | -            | -         | -                                      | -       | -                                     | -       | 6.31   | 8.25     | 6.31      | 8.25      |
|          | Auro Sundram Ply & Door Pvt Ltd.                | -            | (1.28)    | -                                      | -       | -                                     | -       | -  | -        | -         | (1.28)    |
| <b>7</b> | <b>Reimbursement Paid/(Received)</b>            |              |           |  |         |                                       |         |  |          |           |           |
|          | Sri Sundeep Jhunjhunwala                        | -            | -         | 5.00                                   | 5.00    | -                                     | -       | -  | -        | 5.00      | 5.00      |
|          | Aegis Business Ltd.                             | -            | -         | -                                      | -       | -                                     | -       | -  | (0.04)   | -         | (0.04)    |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 38. Related Party Disclosure: (contd.)

(₹ in Lacs)

| SI No.    | Type of Transactions                                | Subsidiaries |          | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |         | Total     |          |
|-----------|---|--------------|----------|--|---------|---------------------------------------|---------|--|---------|-----------|----------|
|           |   | 2022-23      | 2021-22  | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22 | 2022-23   | 2021-22  |
|           | Century Panels Ltd                                  | (27.81)      | (101.95) | -                                      | -       | -                                     | -       | -  | -       | (27.81)   | (101.95) |
|           | Century Infra Ltd                                   | (0.60)       | -        | -                                      | -       | -                                     | -       | -  | -       | (0.60)    | -        |
|           | Century Led Ltd.                                    | -            | -        | -                                      | -       | -                                     | -       | -  | (0.95)  | -         | (0.95)   |
|           | Star Cement Ltd.                                    | -            | -        | -                                      | -       | -                                     | -       | -  | (0.87)  | -         | (0.87)   |
|           | Auro Sundram Ply & Door Pvt Ltd.                    | (1.54)       | 2.69     | -                                      | -       | -                                     | -       | -  | -       | (1.54)    | 2.69     |
| <b>8</b>  | <b>Loan taken</b>                                   |              |          |  |         |                                       |         |  |         |           |          |
|           | Brijdham Merchants Pvt. Ltd.                        | -            | -        | -                                      | -       | -                                     | -       | -  | 21.00   | -         | 21.00    |
|           | Sri Ram Vanijya Pvt. Ltd.                           | -            | -        | -                                      | -       | -                                     | -       | -  | 19.00   | -         | 19.00    |
|           | Sumangal Business Pvt. Ltd.                         | -            | -        | -                                      | -       | -                                     | -       | -  | 5.00    | -         | 5.00     |
|           | Sumangal International Pvt. Ltd.                    | -            | -        | -                                      | -       | -                                     | -       | -  | 5.00    | -         | 5.00     |
|           | Sri Keshav Bhajanka                                 | -            | -        | -                                      | 130.00  | -                                     | -       | -  | -       | -         | 130.00   |
|           | Sri Sajjan Bhajanka                                 | -            | -        | -                                      | 275.00  | -                                     | -       | -  | -       | -         | 275.00   |
|           | Sri Sanjay Agarwal                                  | -            | -        | -                                      | 420.00  | -                                     | -       | -  | -       | -         | 420.00   |
| <b>9</b>  | <b>Loan Repaid (Including outstanding interest)</b> |              |          |  |         |                                       |         |  |         |           |          |
|           | Brijdham Merchants Pvt. Ltd.                        | -            | -        | -                                      | -       | -                                     | -       | -  | 21.00   | -         | 21.00    |
|           | Sri Ram Vanijya Pvt. Ltd.                           | -            | -        | -                                      | -       | -                                     | -       | -  | 19.00   | -         | 19.00    |
|           | Sumangal Business Pvt. Ltd.                         | -            | -        | -                                      | -       | -                                     | -       | -  | 5.00    | -         | 5.00     |
|           | Sumangal International Pvt. Ltd.                    | -            | -        | -                                      | -       | -                                     | -       | -  | 5.00    | -         | 5.00     |
|           | Sri Keshav Bhajanka                                 | -            | -        | -                                      | 130.00  | -                                     | -       | -  | -       | -         | 130.00   |
|           | Sri Sajjan Bhajanka                                 | -            | -        | -                                      | 275.00  | -                                     | -       | -  | -       | -         | 275.00   |
|           | Sri Sanjay Agarwal                                  | -            | -        | -                                      | 420.00  | -                                     | -       | -  | -       | -         | 420.00   |
| <b>10</b> | <b>Loan Given</b>                                   |              |          |  |         |                                       |         |  |         |           |          |
|           | Century Ports Ltd                                   | 149.00       | -        | -                                      | -       | -                                     | -       | -  | -       | 149.00    | -        |
|           | Century MDF Ltd.                                    | 465.00       | -        | -                                      | -       | -                                     | -       | -  | -       | 465.00    | -        |
|           | Century Panels Ltd                                  | 18,459.00    | 2,089.77 | -                                      | -       | -                                     | -       | -  | -       | 18,459.00 | 2,089.77 |
| <b>11</b> | <b>Loan Received Back</b>                           |              |          |  |         |                                       |         |  |         |           |          |
|           | Century Ports Ltd                                   | 40.00        | -        | -                                      | -       | -                                     | -       | -  | -       | 40.00     | -        |
|           | Century Panels Ltd                                  | 8,159.00     | 2,089.77 | -                                      | -       | -                                     | -       | -  | -       | 8,159.00  | 2,089.77 |
| <b>12</b> | <b>Investments Made/ (Sold)</b>                     |              |          |  |         |                                       |         |  |         |           |          |
|           | Century Ply (Singapore) Pte. Ltd.                   | -            | 24.66    | -                                      | -       | -                                     | -       | -  | -       | -         | 24.66    |
|           | Century Ports Ltd                                   | 55.00        | -        | -                                      | -       | -                                     | -       | -  | -       | 55.00     | -        |
|           | Century MDF Ltd.                                    | 400.00       | -        | -                                      | -       | -                                     | -       | -  | -       | 400.00    | -        |
|           | Century Infra Ltd                                   | -            | 5.00     | -                                      | -       | -                                     | -       | -  | -       | -         | 5.00     |
|           | Century Panels Ltd                                  | 10,895.00    | 3,600.00 | -                                      | -       | -                                     | -       | -  | -       | 10,895.00 | 3,600.00 |
| <b>13</b> | <b>Share Application Money Paid</b>                 |              |          |  |         |                                       |         |  |         |           |          |
|           | Century Gabon SUARL                                 | 151.29       | -        | -                                      | -       | -                                     | -       | -  | -       | 151.29    | -        |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 38. Related Party Disclosure: (contd.)

(₹ in Lacs)

| SI No.    | Type of Transactions                  | Subsidiaries |         | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |         | Total   |         |
|-----------|---------------------------------------|--------------|---------|--|---------|---------------------------------------|---------|--|---------|---------|---------|
|           |                                       | 2022-23      | 2021-22 | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22 | 2022-23 | 2021-22 |
|           | Century Ply (Singapore) Pte. Ltd.     | 21.34        | -       | -                                      | -       | -                                     | -       | -  | -       | 21.34   | -       |
| <b>14</b> | <b>Share Application Money Refund</b> |              |         |  |         |                                       |         |  |         |         |         |
|           | Century Ply (Singapore) Pte. Ltd.     | 21.34        | -       | -                                      | -       | -                                     | -       | -  | -       | 21.34   | -       |
| <b>15</b> | <b>Interest Paid</b>                  |              |         |  |         |                                       |         |  |         |         |         |
|           | Brijdham Merchants Pvt. Ltd.          | -            | -       | -                                      | -       | -                                     | -       | -  | 0.87    | -       | 0.87    |
|           | Sri Ram Vanijya Pvt. Ltd.             | -            | -       | -                                      | -       | -                                     | -       | -  | 0.04    | -       | 0.04    |
|           | Sumangal International Pvt. Ltd.      | -            | -       | -                                      | -       | -                                     | -       | -  | 0.14    | -       | 0.14    |
|           | Sumangal Business Pvt. Ltd.           | -            | -       | -                                      | -       | -                                     | -       | -  | 0.24    | -       | 0.24    |
|           | Sri Sajjan Bhajanka                   | -            | -       | -                                      | 1.96    | -                                     | -       | -  | -       | -       | 1.96    |
|           | Sri Sanjay Agarwal                    | -            | -       | -                                      | 9.54    | -                                     | -       | -  | -       | -       | 9.54    |
|           | Sri Keshav Bhajanka                   | -            | -       | -                                      | 5.32    | -                                     | -       | -  | -       | -       | 5.32    |
| <b>16</b> | <b>Interest Received</b>              |              |         |  |         |                                       |         |  |         |         |         |
|           | Century Ports Ltd                     | 3.00         | -       | -                                      | -       | -                                     | -       | -  | -       | 3.00    | -       |
|           | Century MDF Ltd.                      | 1.04         | -       | -                                      | -       | -                                     | -       | -  | -       | 1.04    | -       |
|           | Century Panels Ltd                    | 150.32       | 1.55    | -                                      | -       | -                                     | -       | -  | -       | 150.32  | 1.55    |
| <b>17</b> | <b>Dividend Paid</b>                  |              |         |  |         |                                       |         |  |         |         |         |
|           | Sri Sajjan Bhajanka                   | -            | -       | 362.46                                 | 261.64  | -                                     | -       | -  | -       | 362.46  | 261.64  |
|           | Sri Sanjay Agarwal                    | -            | -       | 373.21                                 | 248.80  | -                                     | -       | -  | -       | 373.21  | 248.80  |
|           | Smt. Divya Agarwal                    | -            | -       | -                                      | -       | 251.25                                | 167.50  | -  | -       | 251.25  | 167.50  |
|           | Sri Vishnu Khemani                    | -            | -       | 281.80                                 | 127.87  | -                                     | -       | -  | -       | 281.80  | 127.87  |
|           | Smt. Santosh Bhajanka                 | -            | -       | -                                      | -       | 222.74                                | 154.50  | -  | -       | 222.74  | 154.50  |
|           | Others                                | -            | -       | 170.73                                 | 93.82   | 185.32                                | 177.66  | 589.94   | 393.29  | 945.98  | 664.77  |
| <b>18</b> | <b>Director's Remuneration Paid #</b> |              |         |  |         |                                       |         |  |         |         |         |
|           | Sri Sajjan Bhajanka                   | -            | -       | 426.14                                 | 397.26  | -                                     | -       | -  | -       | 426.14  | 397.26  |
|           | Sri Sanjay Agarwal                    | -            | -       | 426.14                                 | 397.26  | -                                     | -       | -  | -       | 426.14  | 397.26  |
|           | Sri Prem Kumar Bhajanka               | -            | -       | 486.23                                 | 573.00  | -                                     | -       | -  | -       | 486.23  | 573.00  |
|           | Sri Vishnu Khemani                    | -            | -       | 412.78                                 | 290.63  | -                                     | -       | -  | -       | 412.78  | 290.63  |
|           | Sri Ajay Baldawa                      | -            | -       | 485.75                                 | 600.00  | -                                     | -       | -  | -       | 485.75  | 600.00  |
|           | Smt. Nikita Bansal                    | -            | -       | 326.14                                 | 210.90  | -                                     | -       | -  | -       | 326.14  | 210.90  |
|           | Sri Keshav Bhajanka                   | -            | -       | 326.14                                 | 210.90  | -                                     | -       | -  | -       | 326.14  | 210.90  |
|           | Sri Rajesh Kumar Agarwal              | -            | -       | 90.00                                  | 90.00   | -                                     | -       | -  | -       | 90.00   | 90.00   |
| <b>19</b> | <b>Director's Sitting Fees</b>        |              |         |  |         |                                       |         |  |         |         |         |
|           | Sri Naresh Pachisia                   | -            | -       | 3.50                                   | 3.50    | -                                     | -       | -  | -       | 3.50    | 3.50    |
|           | Smt. Ratnabali Kakkar                 | -            | -       | 2.50                                   | -       | -                                     | -       | -  | -       | 2.50    | -       |
|           | Sri Amit Kiran Deb                    | -            | -       | 2.50                                   | 2.50    | -                                     | -       | -  | -       | 2.50    | 2.50    |
|           | Smt. Mamta Binani                     | -            | -       | -                                      | 3.50    | -                                     | -       | -  | -       | -       | 3.50    |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 38. Related Party Disclosure: (contd.)

(₹ in Lacs)

| SI No.    | Type of Transactions                     | Subsidiaries |            | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |         | Total      |            |
|-----------|--|--------------|------------|--|---------|---------------------------------------|---------|--|---------|------------|------------|
|           |  | 2022-23      | 2021-22    | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22 | 2022-23    | 2021-22    |
|           | Sri J. P. Dua                            | -            | -          | 3.75                                   | 3.50    | -                                     | -       | -  | -       | 3.75       | 3.50       |
|           | Sri Vijay Chhibber                       | -            | -          | 2.50                                   | 3.25    | -                                     | -       | -  | -       | 2.50       | 3.25       |
|           | Sri Debanjan Mandal                      | -            | -          | 2.00                                   | 2.50    | -                                     | -       | -  | -       | 2.00       | 2.50       |
|           | Sri Sunil Mitra                          | -            | -          | 2.50                                   | 3.50    | -                                     | -       | -  | -       | 2.50       | 3.50       |
|           | Sri Probir Roy                           | -            | -          | 4.00                                   | 3.50    | -                                     | -       | -  | -       | 4.00       | 3.50       |
| <b>20</b> | <b>Director's Commission</b>             |              |            |  |         |                                       |         |  |         |            |            |
|           | Sri Naresh Pachisia                      | -            | -          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00       | 4.00       |
|           | Smt. Ratnabali Kakkar                    | -            | -          | 4.00                                   | -       | -                                     | -       | -  | -       | 4.00       | -          |
|           | Sri Amit Kiran Deb                       | -            | -          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00       | 4.00       |
|           | Smt. Mamta Binani                        | -            | -          | -                                      | 4.00    | -                                     | -       | -  | -       | -          | 4.00       |
|           | Sri J. P. Dua                            | -            | -          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00       | 4.00       |
|           | Sri Vijay Chhibber                       | -            | -          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00       | 4.00       |
|           | Sri Debanjan Mandal                      | -            | -          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00       | 4.00       |
|           | Sri Sunil Mitra                          | -            | -          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00       | 4.00       |
|           | Sri Probir Roy                           | -            | -          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00       | 4.00       |
| <b>21</b> | <b>Salary Paid</b>                       |              |            |  |         |                                       |         |  |         |            |            |
|           | Sri Arun Kumar Julasaria #               | -            | -          | 133.29                                 | 133.21  | -                                     | -       | -  | -       | 133.29     | 133.21     |
|           | Sri Sundeep Jhunjhunwala #               | -            | -          | 43.52                                  | 40.39   | -                                     | -       | -  | -       | 43.52      | 40.39      |
|           | Others                                   | -            | -          | -                                      | -       | 34.56                                 | 75.90   | -  | -       | 34.56      | 75.90      |
| <b>22</b> | <b>Advance Given</b>                     |              |            |  |         |                                       |         |  |         |            |            |
|           | Sri Abhishek Rathi                       | -            | -          | -                                      | -       | -                                     | 6.00    | -  | -       | -          | 6.00       |
|           | Sri Arun Kumar Julasaria                 | -            | -          | 5.91                                   | -       | -                                     | -       | -  | -       | 5.91       | -          |
|           | Sri Sundeep Jhunjhunwala                 | -            | -          | -                                      | 5.00    | -                                     | -       | -  | -       | -          | 5.00       |
| <b>23</b> | <b>Advance Received back</b>             |              |            |  |         |                                       |         |  |         |            |            |
|           | Sri Arun Kumar Julasaria                 | -            | -          | 5.91                                   | -       | -                                     | -       | -  | -       | 5.91       | -          |
|           | Sri Abhishek Rathi                       | -            | -          | -                                      | -       | -                                     | 6.00    | -  | -       | -          | 6.00       |
|           | Sri Sundeep Jhunjhunwala                 | -            | -          | -                                      | 5.00    | -                                     | -       | -  | -       | -          | 5.00       |
| <b>24</b> | <b>Corporate Guarantee Given</b>         |              |            |  |         |                                       |         |  |         |            |            |
|           | Century Panels Ltd*                      | 30,000.00    | -          | -                                      | -       | -                                     | -       | -  | -       | 30,000.00  | -          |
| <b>25</b> | <b>Balance Outstanding on account of</b> |              |            |  |         |                                       |         |  |         |            |            |
| <b>A</b>  | <b>Receivable/(Payable)</b>              |              |            |  |         |                                       |         |  |         |            |            |
|           | Auro Sundram Ply & Door Pvt. Ltd.        | (2,117.21)   | (1,391.52) | -                                      | -       | -                                     | -       | -  | -       | (2,117.21) | (1,391.52) |
|           | Century Panels Ltd                       | 13.70        | 94.92      | -                                      | -       | -                                     | -       | -  | -       | 13.70      | 94.92      |
|           | Aegis Business Ltd.                      | -            | -          | -                                      | -       | -                                     | -       | 0.12   | 0.12    | 0.12       | 0.12       |
|           | Centuryply Myanmar Pvt. Ltd.             | -            | 69.78      | -                                      | -       | -                                     | -       | -  | -       | -          | 69.78      |
|           | Smt. Yash Bala Bhajanka                  | -            | -          | -                                      | -       | (0.03)                                | (0.04)  | -  | -       | (0.03)     | (0.04)     |
|           | Century Led Ltd.                         | -            | -          | -                                      | -       | -                                     | -       | (0.77)   | (0.76)  | (0.77)     | (0.76)     |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 38. Related Party Disclosure: (contd.)

(₹ in Lacs)

| SI No.   | Type of Transactions                                | Subsidiaries |          | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |         | Total     |          |
|----------|---|--------------|----------|--|---------|---------------------------------------|---------|--|---------|-----------|----------|
|          |   | 2022-23      | 2021-22  | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22 | 2022-23   | 2021-22  |
|          | Century Gabon SURAL                                 | 1,192.92     | 1,342.16 | -                                      | -       | -                                     | -       | -  | -       | 1,192.92  | 1,342.16 |
|          | Star Cement Ltd.                                    | -            | -        | -                                      | -       | -                                     | -       | 13.26  | 23.67   | 13.26     | 23.67    |
|          | Amul Boards Pvt. Ltd                                | -            | -        | -                                      | -       | -                                     | -       | -  | 5.00    | -         | 5.00     |
|          | Pacific Plywoods Pvt. Ltd.                          | -            | -        | -                                      | -       | -                                     | -       | (5.04)   | (5.04)  | (5.04)    | (5.04)   |
| <b>B</b> | <b>Loans Receivable/ (Payable) (Incl. interest)</b> |              |          |  |         |                                       |         |  |         |           |          |
|          | Century Ports Ltd                                   | 111.57       | -        | -                                      | -       | -                                     | -       | -  | -       | 111.57    | -        |
|          | Century MDF Ltd.                                    | 465.94       | -        | -                                      | -       | -                                     | -       | -  | -       | 465.94    | -        |
|          | Century Panels Ltd                                  | 10,396.50    | -        | -                                      | -       | -                                     | -       | -  | -       | 10,396.50 | -        |
| <b>C</b> | <b>Corporate Guarantee Given</b>                    |              |          |  |         |                                       |         |  |         |           |          |
|          | Century Panels Ltd *                                | 30,000.00    | -        | -                                      | -       | -                                     | -       | -  | -       | 30,000.00 | -        |
| <b>D</b> | <b>Director's Remuneration Payable</b>              |              |          |  |         |                                       |         |  |         |           |          |
|          | Sri Sajjan Bhajanka                                 | -            | -        | 131.92                                 | 171.84  | -                                     | -       | -  | -       | 131.92    | 171.84   |
|          | Sri Sanjay Agarwal                                  | -            | -        | 131.92                                 | 171.81  | -                                     | -       | -  | -       | 131.92    | 171.81   |
|          | Sri Prem Kumar Bhajanka                             | -            | -        | 168.57                                 | 257.85  | -                                     | -       | -  | -       | 168.57    | 257.85   |
|          | Sri Ajay Baldawa                                    | -            | -        | 100.64                                 | 128.30  | -                                     | -       | -  | -       | 100.64    | 128.30   |
|          | Sri Vishnu Khemani                                  | -            | -        | 129.78                                 | 109.38  | -                                     | -       | -  | -       | 129.78    | 109.38   |
|          | Sri Rajesh Kumar Agarwal                            | -            | -        | -                                      | 5.17    | -                                     | -       | -  | -       | -         | 5.17     |
|          | Smt. Nikita Bansal                                  | -            | -        | 133.65                                 | 69.36   | -                                     | -       | -  | -       | 133.65    | 69.36    |
|          | Sri Keshav Bhajanka                                 | -            | -        | 133.58                                 | 68.95   | -                                     | -       | -  | -       | 133.58    | 68.95    |
| <b>E</b> | <b>Director's Commission Payable</b>                |              |          |  |         |                                       |         |  |         |           |          |
|          | Smt. Ratnabali Kakkar                               | -            | -        | 4.00                                   | -       | -                                     | -       | -  | -       | 4.00      | -        |
|          | Sri Naresh Pachisia                                 | -            | -        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00      | 4.00     |
|          | Sri Amit Kiran Deb                                  | -            | -        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00      | 4.00     |
|          | Smt. Mamta Binani                                   | -            | -        | -                                      | 4.00    | -                                     | -       | -  | -       | -         | 4.00     |
|          | Sri J. P. Dua                                       | -            | -        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00      | 4.00     |
|          | Sri Vijay Chhibber                                  | -            | -        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00      | 4.00     |
|          | Sri Debanjan Mandal                                 | -            | -        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00      | 4.00     |
|          | Sri Sunil Mitra                                     | -            | -        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00      | 4.00     |
|          | Sri Probir Roy                                      | -            | -        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00      | 4.00     |
| <b>F</b> | <b>Salary Payable</b>                               |              |          |  |         |                                       |         |  |         |           |          |
|          | Sri Arun Kumar Julasaria                            | -            | -        | -                                      | 7.16    | -                                     | -       | -  | -       | -         | 7.16     |
|          | Sri Sundeep Jhunjhunwala                            | -            | -        | -                                      | 1.87    | -                                     | -       | -  | -       | -         | 1.87     |
|          | Others  | -            | -        | -                                      | -       | -                                     | 6.46    | -  | -       | -         | 6.46     |

# Remuneration of Key Management Personnel represents short term employee benefits, as the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

\* Pertains to Non Fund Based credit facilities.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 38. Related Party Disclosure: (contd.)

#### (c) Terms and conditions of transactions with related parties

1. The sales to/ purchases from/ services availed from/ services provided to related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Outstanding balances at the year-end from related parties are unsecured and interest free
3. Employee related recoverable balances are unsecured and interest free
4. The Company has provided loan to its subsidiary for its business activities. The loan was unsecured and was repayable on demand. The loan carries an interest @7.50% p.a.

### 39. Fair values measurements

#### Financial instruments by category:

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 |                  | 31 <sup>st</sup> March, 2022 |                  |
|--|------------------------------|------------------|------------------------------|------------------|
|  | FVTPL                        | Amortised cost   | FVTPL                        | Amortised cost   |
| <b>Non-current financial assets</b>      |                              |                  |                              |                  |
| (i) Investments                          | 13.25                        | -                | 30.64                        | -                |
| (ii) Other Financial Assets              | -                            | 1,176.65         | -                            | 1,399.43         |
| <b>Current financial assets</b>          |                              |                  |                              |                  |
| (i) Trade receivable                     | -                            | 38,468.12        | -                            | 34,887.10        |
| (ii) Cash and cash equivalents           | -                            | 1,026.25         | -                            | 780.38           |
| (iii) Bank balances other than above     | -                            | 24,937.58        | -                            | 24,146.75        |
| (iv) Loans                               | -                            | 11,124.00        | -                            | 330.00           |
| (v) Other current financial assets       | -                            | 3,450.30         | -                            | 3,458.61         |
| <b>Total Financial assets</b>            | <b>13.25</b>                 | <b>80,182.90</b> | <b>30.64</b>                 | <b>65,002.27</b> |
| <b>Non-current financial liabilities</b> |                              |                  |                              |                  |
| (i) Borrowings                           | -                            | 17.78            | -                            | 31.12            |
| (ii) Lease liabilities                   | -                            | 1,080.70         | -                            | 1,293.02         |
| <b>Current financial liabilities</b>     |                              |                  |                              |                  |
| (i) Borrowings                           | -                            | 26,448.83        | -                            | 19,605.67        |
| (ii) Trade payables                      | -                            | 28,362.22        | -                            | 25,453.48        |
| (iii) Lease liabilities                  | -                            | 210.97           | -                            | 485.85           |
| (iv) Other current financial liabilities | -                            | 9,529.73         | -                            | 10,033.94        |
| <b>Total Financial liabilities</b>       | <b>-</b>                     | <b>65,650.23</b> | <b>-</b>                     | <b>56,903.08</b> |

#### Notes:-

- 1) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- 2) Finance income and finance cost by instrument category wise classification :-
  - i) Interest income of ₹2,043.39 Lacs (P.Y. ₹1,036.03 Lacs) on financial instrument at amortised cost.
  - ii) Interest expense of ₹922.29 Lacs (P.Y. ₹472.20 Lacs) on borrowing at amortised cost.
- 3) Investment in subsidiaries are being carried at cost hence not reported.
- 4) Investment through FVTPL is being valued at level 2 in current year as well as previous year.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 40. Financial Risk Management-Objectives and Policies

The Company's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investment in subsidiaries at cost and deposits.

The Company is exposed to market risk and credit risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (i) 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 risk of interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments.

##### a. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

##### Foreign Currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency 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 assets and liabilities.

| Change in Foreign Currency Rates | Effect on Profit before Tax<br>(₹ in Lacs) |                                       |
|----------------------------------|--|---------------------------------------|
|                                  | As on<br>31 <sup>st</sup> March, 2023      | As on<br>31 <sup>st</sup> March, 2022 |
| 5%                               | (537.24)                                   | (743.97)                              |
| -5%                              | 537.24                                     | 743.97                                |

##### b. 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.

##### 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 variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

|                              | Increase/ Decrease<br>in basis points | Effect on Profit<br>before Tax (₹ in Lacs) |
|------------------------------|---------------------------------------|--|
| 31 <sup>st</sup> March, 2023 | +50                                   | (115.26)                                   |
|                              | -50                                   | 115.26                                     |
| 31 <sup>st</sup> March, 2022 | +50                                   | (80.22)                                    |
|                              | -50                                   | 80.22                                      |

#### (ii) Credit Risks

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).

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 40. Financial Risk Management-Objectives and Policies (contd.)

#### Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 10 as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

Refer note no 10 for ageing of trade receivable as of 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents, various deposits, and financial instruments such as derivative contracts. The Company manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Company's treasury department authorizes, manages, and oversees new transactions with parties with whom the Company has no previous relationship.

Furthermore, the Company limits its exposure to credit risk of financial guarantee contracts by strictly evaluating their necessity based on internal decision making processes, such as the approval of the board of directors.

#### Credit risk exposure

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. The maximum exposure to credit risk as of 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are as follows:

|                           | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---------------------------|------------------------------|------------------------------|
|                           | (₹ in Lacs)                  |                              |
| <b>Non Current</b>        |                              |                              |
| Investments In Others     | 13.25                        | 30.64                        |
| Other financial assets    | 1,176.65                     | 1,399.43                     |
| <b>Current</b>            |                              |                              |
| Cash and cash equivalents | 1,026.25                     | 780.38                       |
| Other Bank balances       | 24,937.58                    | 24,146.75                    |
| Loans                     | 11,124.00                    | 330.00                       |
| Trade receivable (Net)    | 38,468.12                    | 34,887.10                    |
| Other financial assets    | 3,450.30                     | 3,458.61                     |
|                           | 80,196.15                    | 65,032.91                    |

#### Impairment losses on financial assets

Refer the table below for reconciliation of loss allowance in respect of Trade Receivables:

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
|  | (₹ in Lacs)                  |                              |
| <b>Trade Receivables (measured under life time excepted credit loss model)</b> |                              |                              |
| Loss Allowance at the beginning of the year                                    | 1061.60                      | 895.76                       |
| Add: Loss Allowance provided during the year                                   | -                            | 165.84                       |
| <b>Loss Allowance at the end of the year</b>                                   | <b>1061.60</b>               | <b>1061.60</b>               |

### (iii) Liquidity Risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

#### Availability of Liquidity is as follows

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
|  | (₹ in Lacs)                  |                              |
| <b>Particulars</b>                             |                              |                              |
| Cash and Cash Equivalent                       | 1,026.25                     | 780.38                       |
| Availability under committed credit facilities | 2,793.50                     | 2,938.25                     |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 40. Financial Risk Management-Objectives and Policies (contd.)

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

| (₹ in Lacs)                                   |                  |              |           |           |           |                  |
|---|------------------|--------------|-----------|-----------|-----------|------------------|
| Particulars                                   | Less than 1 Year | 1-2 Years    | 2-3 Years | 3-5 Years | > 5 years | Total            |
| <b>Year ended 31<sup>st</sup> March, 2023</b> |                  |              |           |           |           |                  |
| Borrowings                                    | 26,448.83        | 17.78        | -         | -         | -         | 26,466.61        |
| Other financial liabilities                   | 9,529.73         | -            | -         | -         | -         | 9,529.73         |
| Trade payables                                | 28,362.23        | -            | -         | -         | -         | 28,362.23        |
|   | <b>64,340.79</b> | <b>17.78</b> | -         | -         | -         | <b>64,358.57</b> |
| <b>Year ended 31<sup>st</sup> March, 2022</b> |                  |              |           |           |           |                  |
| Borrowings                                    | 19,605.67        | 31.12        | -         | -         | -         | 19636.79         |
| Other financial liabilities                   | 10,033.94        | -            | -         | -         | -         | 10033.94         |
| Trade payables                                | 25,453.48        | -            | -         | -         | -         | 25,453.48        |
|   | <b>55,093.09</b> | <b>31.12</b> | -         | -         | -         | <b>55,124.21</b> |

Note: For maturity profile of Lease Liabilities, Refer Note 44.

### 41. The Company's Segment Information as at and for the year ended 31<sup>st</sup> March, 2023 are as below:

| (₹ in Lacs) |   |               |             |             |                |              |            |               |
|-------------|---|---------------|-------------|-------------|----------------|--------------|------------|---------------|
| Sl          |   | Plywood       | Laminate    | MDF         | Particle Board | CFS Services | Others     | Total         |
| <b>a</b>    | <b>Revenue(Gross)</b>   |               |             |             |                |              |            |               |
|             | External Sales  | 2,01,193.13   | 65,759.86   | 64,013.58   | 17,417.29      | 8,099.17     | 5,582.39   | 3,62,065.42   |
|             |   | (1,58,381.19) | (57,465.70) | (56,088.76) | (15,080.72)    | (7,761.68)   | (5,309.73) | (3,00,087.78) |
|             | Inter-segment Sales   | -             | -           | -           | -              | 153.26       | 465.45     | 618.71        |
|             |   | -             | -           | -           | -              | (150.59)     | (374.97)   | (525.56)      |
|             | Total Revenue(Gross)  | 2,01,193.13   | 65,759.86   | 64,013.58   | 17,417.29      | 8,252.43     | 6,047.84   | 3,62,684.13   |
|             |   | (1,58,381.19) | (57,465.70) | (56,088.76) | (15,080.72)    | (7,912.27)   | (5,684.70) | (3,00,613.34) |
| <b>b</b>    | <b>Result</b>   |               |             |             |                |              |            |               |
|             | <b>Segment Results</b>  | 20,752.62     | 9,264.72    | 16,274.72   | 4,363.04       | 1,287.91     | 474.82     | 52,417.83     |
|             |   | (22,311.13)   | (8,633.67)  | (16,520.31) | (3,755.30)     | (771.97)     | (733.03)   | (52,725.41)   |
|             | Unallocated Income/<br>(Expenses) (Net of<br>unallocated expenses/<br>income) |               |             |             |                |              |            | (1,471.00)    |
|             |   |               |             |             |                |              |            | (-3745.25)    |
|             | Operating Profit  |               |             |             |                |              |            | 50,946.83     |
|             |   |               |             |             |                |              |            | (48,980.16)   |
|             | Finance Cost  |               |             |             |                |              |            | 1,536.32      |
|             |   |               |             |             |                |              |            | (961.00)      |
|             | Tax Expense   |               |             |             |                |              |            | 12,726.61     |
|             |   |               |             |             |                |              |            | (15,492.04)   |
|             | Net Profit  |               |             |             |                |              |            | 36,683.90     |
|             |   |               |             |             |                |              |            | (32,527.12)   |
|             | <b>Other Information</b>  |               |             |             |                |              |            |               |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 41. The Company's Segment Information as at and for the year ended 31<sup>st</sup> March, 2023 are as below: (contd.)

| (₹ in Lacs) |                                       |             |             |             |                |              |            |               |
|-------------|---------------------------------------|-------------|-------------|-------------|----------------|--------------|------------|---------------|
| Sl          |                                       | Plywood     | Laminate    | MDF         | Particle Board | CFS Services | Others     | Total         |
| <b>a</b>    | <b>Total Assets</b>                   |             |             |             |                |              |            |               |
|             | Segment Assets                        | 86,782.07   | 35,930.29   | 76,528.03   | 12,936.13      | 5,630.91     | 1,462.31   | 2,19,269.74   |
|             |                                       | (85,238.16) | (33,622.18) | (55,478.62) | (6,831.11)     | (4,539.27)   | (2,729.31) | (1,88,438.65) |
|             | Unallocated Corporate/Other Assets    |             |             |             |                |              |            | 44,416.96     |
|             |                                       |             |             |             |                |              |            | (33,023.12)   |
|             | Total                                 |             |             |             |                |              |            | 2,63,686.70   |
|             |                                       |             |             |             |                |              |            | (2,21,461.77) |
| <b>b</b>    | <b>Total Liabilities</b>              |             |             |             |                |              |            |               |
|             | <b>Segment Liabilities</b>            | 25,833.11   | 8,283.69    | 5,662.73    | 672.19         | 2,432.98     | 624.71     | 43,509.41     |
|             |                                       | (26,012.16) | (7,214.52)  | (4,648.38)  | (1,118.16)     | (3,012.96)   | (393.55)   | (42,399.73)   |
|             | Unallocated /Other Liabilities        |             |             |             |                |              |            | 30380.57      |
|             |                                       |             |             |             |                |              |            | (22,575.02)   |
|             | Total                                 |             |             |             |                |              |            | 73,889.98     |
|             |                                       |             |             |             |                |              |            | (64974.75)    |
| <b>c</b>    | <b>Capital Expenditure</b>            | 7,440.96    | 2,638.91    | 9,311.06    | 3,722.21       | 1,866.42     | 6.41       | 24,985.97     |
|             |                                       | (5,346.75)  | (947.99)    | (16,264.04) | (179.13)       | (62.75)      | (2.91)     | (22,803.57)   |
|             | Unallocated Capital Expenditure       |             |             |             |                |              |            | -             |
|             |                                       |             |             |             |                |              |            | -             |
| <b>d</b>    | <b>Depreciation/ Amortisation</b>     | 1,773.42    | 1,310.04    | 2,055.18    | 564.36         | 880.03       | 2.89       | 6,585.92      |
|             |                                       | (1,307.98)  | (1,190.02)  | (1,966.06)  | (536.82)       | (1,100.31)   | (2.69)     | (6,103.88)    |
|             | Unallocated Depreciation              |             |             |             |                |              |            | 651.87        |
|             |                                       |             |             |             |                |              |            | (649.07)      |
| <b>e</b>    | <b>Geographical Segment</b>           |             |             |             |                |              |            |               |
|             | i. Revenue (Gross)                    |             |             |             |                |              |            | 3,46,274.28   |
|             | India                                 |             |             |             |                |              |            | (2,86,322.77) |
|             | Overseas                              |             |             |             |                |              |            | 15,791.14     |
|             |                                       |             |             |             |                |              |            | (13,765.01)   |
|             | ii. Carrying amount of Segment Assets |             |             |             |                |              |            |               |
|             | India                                 |             |             |             |                |              |            | 2,12,191.54   |
|             |                                       |             |             |             |                |              |            | (1,74,999.68) |
|             | Overseas                              |             |             |             |                |              |            | 7,078.20      |
|             |                                       |             |             |             |                |              |            | (13,438.97)   |

Note:- Previous years figures are in bracket

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 41. The Company's Segment Information as at and for the year ended 31<sup>st</sup> March, 2023 are as below: (contd.)

#### Notes:

(a) Business Segments: The reportable 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). Accordingly, the Company has identified following business segments:

|                      |  |
|----------------------|--|
| Plywood              | - Plywood, Block-Board, Veneer & Timber                  |
| Laminate             | - Decorative Laminates                                   |
| MDF                  | - Plain & Pre-laminated Medium Density Fibre Boards      |
| Plain Particle Board | - Plain & Pre-laminated Particle Board                   |
| CFS Services         | - Container Freight Stations services                    |
| Others               | - Mainly Trading of Chemicals and New Age Panel Products |

(b) The Company recognised revenue at point in time.

(c) Company's Property Plant and Equipment (PPE) are located only in India. Hence separate figures for same have not been furnished.

(d) During the year there is no revenue from a single customer which is more than 10% of company's revenue.

(e) Investment in subsidiaries have been considered as a part of segment assets in line with the reporting to CODM

**42.** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

### 43. Earning per Share (EPS)

In terms of Ind AS- 33 on "Earning Per Share" the calculation of EPS is given below: -

|  | 2022-23      | 2021-22      |
|--|--------------|--------------|
| Profit as per the Statement of Profit & Loss ( ₹ In Lacs)            | 36,683.90    | 32,527.12    |
| Profit available for Equity Shareholders( ₹ In Lacs)                 | 36,683.90    | 32,527.12    |
| Weighted average number of Equity Shares outstanding during the year | 22,21,72,990 | 22,21,72,990 |
| Nominal value of equity shares (₹)                                   | 1            | 1            |
| Basic and Diluted earnings per share (EPS) (₹)                       | 16.51        | 14.64        |

### 44. Leases

a) The Company has lease contracts for land. The Company's obligations under leases are secured by the lessor's title to the leased assets.

b) The Company has elected to apply IND AS 116 to its leases with modified retrospective approach. Under this approach, the company has recognised lease liabilities and corresponding right of use assets. In the statement of profit and loss for the year ended, depreciation expenses on right of use assets and finance cost for interest accrued on such lease liability has been recognized.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 44. Leases (contd.)

c) Movement in lease liabilities during the year ended 31<sup>st</sup> March, 2023

(₹ in Lacs)

| Particulars                           | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---------------------------------------|------------------------------|------------------------------|
| Balance at the beginning              | 1,778.87                     | 2,275.16                     |
| Additions                             | -                            | -                            |
| Interest cost accrued during the year | 117.44                       | 161.77                       |
| Deletions                             | -                            | -                            |
| Payment of lease liabilities          | 604.64                       | 658.06                       |
| Balance at the end                    | <b>1,291.67</b>              | <b>1,778.87</b>              |

d) Amount recognized in Profit or Loss

(₹ in Lacs)

| Particulars                                 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| Interest expense on lease liabilities       | 117.44                       | 161.77                       |
| Depreciation expense of right-of-use assets | 540.79                       | 604.41                       |
| <b>Total</b>                                | <b>658.23</b>                | <b>766.18</b>                |

e) Future payment of lease liabilities on an undiscounted basis

(₹ in Lacs)

| Particulars  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| Less than one year   | 309.23                       | 603.29                       |
| One to five years  | 415.85                       | 628.15                       |
| More than five years   | 2,333.49                     | 2,431.59                     |
| <b>Total undiscounted Lease Liabilities</b>                              | <b>3,058.57</b>              | <b>3,663.03</b>              |
| <b>Lease liabilities included in the statement of financial position</b> |                              |                              |
| Current Lease liabilities  | 210.97                       | 485.85                       |
| Non - Current Lease liabilities  | 1,080.70                     | 1,293.02                     |

f) The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the Balance Sheet.

45. Charity and Donations includes ₹200.00 Lacs (P.Y.: ₹100.00 Lacs) paid to political parties.

46. During the year the company has disposed of its entire investment in its 100% owned foreign subsidiary Centuryply Myanmar Private Limited and incurred a loss of ₹4,925.09 Lacs. The said subsidiary was running a unit in Myanmar for procuring timber from local sources and converting same to veneer, which is raw material for manufacturing plywood. Thus unit was meant for ensuring quality raw-material supply for company's plywood units in India. However due to political disturbances and adverse business situation in Myanmar the subsidiary had to close down its operations and entire investment in subsidiary is disposed off.

47. The Scheme of Arrangement between the Company and Century Infra Limited and their shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder ("Scheme of Arrangement" or "Scheme") was approved by the Board of Directors of the Company at their meeting on 20<sup>th</sup> July, 2022. The Scheme, inter alia, provides for transfer of the Container Freight Station Services Undertaking (as defined in the Scheme) from the Company to Century Infra Limited, a wholly owned subsidiary of the Company, as a going concern on slump sale basis for a lump sum consideration on the terms and conditions as detailed in the Scheme. The Appointed Date for the Scheme is 1<sup>st</sup> April, 2022.

The Company received the Observation Letter dated 10<sup>th</sup> October, 2022 from both the Stock Exchanges i.e. BSE Limited and National Stock Exchanges of India Limited whereby the exchanges have given their in-principal approval with 'No adverse observations' / 'No Objection' remarks on the Scheme. Upon receipt of Observation Letter from Stock Exchanges, the Scheme was filed with National Company Law Tribunal, Kolkata Bench (NCLT). Pursuant to the NCLT Order dated 10<sup>th</sup> February 2022, respective meetings of Shareholders and Unsecured Creditors of the Company were held on 20<sup>th</sup> March, 2023 whereby the Scheme was approved with requisite majority.

The Company petition for sanctioning the Scheme has been filed with the Hon'ble NCLT, Kolkata Bench and is subject to requisite statutory and regulatory approval. Pending such approvals, no accounting effect of the above-mentioned Scheme has been given in the financial statements for the year ended 31<sup>st</sup> March, 2023.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 48. Additional disclosures relating to the requirement of revised Schedule III.

- (i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) Century Plyboards (India) Limited has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) Century Plyboards (India) Limited has complied with the number of layers prescribed under the Companies Act, 2013.
- (iv) There is no undisclosed income under the Income Tax Act, 1961 for the year ending 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 which needs to be recorded in the books of account.
- (v) Century Plyboards (India) Limited has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- (vii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

#### (viii) Relationship with struck off companies

Disclosure related to relationship of the Company with a company which is struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956 as at 31 March, 2023 are as follows:

(₹ in Lacs)

| Sl. No. | Name of struck off Company                  | Nature of transactions with struck off company | Balance outstanding as at 31 <sup>st</sup> March, 2023 | Balance outstanding as at 31 <sup>st</sup> March, 2022 | Relationship with the struck off company, if any |
|---------|---|--|--|--|--|
| 1       | IDS Increation India Pvt Ltd. *             | Sales of goods                                 | 1.95   | 1.95   | Customer   |
| 2       | Perfect Logicare Pvt.Ltd.                   | Sale of Services                               | (0.08)   | (0.08)   | Customer   |
| 3       | Seeds And Grains India Pvt. Ltd.            | Sales of services                              | -  | -  | Customer   |
| 4       | Okia Global Pvt. Ltd.                       | Sales of services                              | -  | -  | Customer   |
| 5       | Elbi Consultancy (India) Pvt. Ltd.          | Procurement of services                        | -  | (0.01)   | Vendor   |
| 6       | Print Express Pvt..Ltd.                     | Purchase of goods                              | (0.63)   | (6.46)   | Vendor   |
| 7       | RBC Bearing Pvt. Ltd.                       | Purchase of goods                              | -  | -  | Vendor   |
| 8       | Deepika Electronics & Engineering Pvt. Ltd. | Procurement of services                        | -  | (0.43)   | Vendor   |

The above information is provided only for those struck off companies with whom transactions have taken place during the year ended 31<sup>st</sup> March, 2023 and year ended 31<sup>st</sup> March, 2022.

\* No transactions entered during 2022-23 and 2021-22, only balance outstanding of earlier years.

Details of other struck off entities holding equity shares in the Company is as below:

| Sl. No. | Name of struck off Company         | No. of Shares held | Paid-up (₹) as at 31 <sup>st</sup> March, 2023 | Paid-up (₹) as at 31 <sup>st</sup> March, 2022 | Relationship with the struck off company, if any |
|---------|------------------------------------|--------------------|--|--|--|
| 1       | Emmel Financial Services Pvt. Ltd. | 700                | 700.00   | -  | Equity shareholder                               |
| 2       | Mridul Securities Pvt. Ltd.        | 5                  | 5.00   | 5.00   | Equity shareholder                               |
| 3       | Dreams Comtrade Pvt. Ltd.          | 150                | 150.00   | 150.00   | Equity shareholder                               |

None of the above struck off companies are related parties.

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 48. Additional disclosures relating to the requirement of revised Schedule III. (contd.)

- (ix) During the year ended 31<sup>st</sup> March, 2023 the Company has provided Loans to 3 subsidiaries amounting to ₹19073 Lacs (₹2089.77 Lacs), which is repayable on demand total amount outstanding on 31<sup>st</sup> March, 2023 is ₹10874 Lacs (₹ NIL) which represent 97.75% (NIL) of the total Loans.
- (x) As explained in note no.47 the Company has filed a company petition with Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench on 31<sup>st</sup> March, 2023 with respect to the Scheme of Arrangement between the Company ('Transferor Company') and its wholly owned subsidiary i.e. Century Infra Limited ('Transferee Company') and their respective shareholders and creditors which is pending for approval by the Hon'ble NCLT. The financial statements of the Company have been prepared without giving impact of the Scheme of Arrangement as the approval of Hon'ble NCLT is awaited. The Scheme will be given effect on receipt of requisite regulatory approvals and filing of such approvals with the Registrar of Companies.
- (xi) **Utilisation of Borrowed Fund & Share Premium:**
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### (xii) Ratio Analysis and its elements

| Ratio                            | Numerator   | Denominator   | Current Period | Previous Period | % Variance |
|----------------------------------|---|---|----------------|-----------------|------------|
|                                  |   |   | Ratio          | Ratio           |            |
| Current ratio                    | Current Assets  | Current Liabilities   | 1.95           | 1.92            | 1.53%      |
| Debt-equity ratio                | Total Debt  | Shareholder's Equity  | 0.14           | 0.13            | 11.13%     |
| Debt service coverage ratio      | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. | Debt service = Interest & Lease Payments + Principal Repayments | 10.13          | 9.40            | 7.80%      |
| Return on equity ratio           | Net Profits after taxes – Preference Dividend (if any)  | Average Shareholder's Equity                                    | 21.19%         | 22.99%          | -7.84%     |
| Inventory turnover ratio         | Sales   | Average inventory = (Opening + Closing balance / 2)             | 7.74           | 7.79            | -0.52%     |
| Trade receivables turnover ratio | Net Credit Sales = Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bill's receivables.   | Average trade debtors = (Opening + Closing balance / 2)         | 9.83           | 9.24            | 6.45%      |
| Trade payables turnover ratio    | Net Credit Purchases = Net credit purchases consist of gross credit purchases minus purchase return   | Average Trade Payables  | 9.36           | 9.22            | 1.60%      |

## Notes to Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 48. Additional disclosures relating to the requirement of revised Schedule III. (contd.)

| Ratio                      | Numerator   | Denominator  | Current Period | Previous Period | % Variance |
|----------------------------|---|--|----------------|-----------------|------------|
|                            |   |  | Ratio          | Ratio           |            |
| Net capital turnover ratio | Net Sales=Net sales shall be calculated as total sales minus sales returns. | “Working Capital =Working capital shall be calculated as current assets minus current liabilities. “ | 5.49           | 5.35            | 2.64%      |
| Net profit ratio           | Net profit shall be after tax   | Net Sales =Net sales shall be calculated as total sales minus sales returns.                         | 10.17%         | 10.90%          | -6.72%     |
| Return on capital employed | Earning before interest and taxes   | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability                          | 23.26%         | 27.55%          | -15.57%    |
| Return on investment       | Earning before interest and taxes   | Average Total Assets   | 21.00%         | 24.48%          | -14.21%    |

### 49. Subsequent event

The Board has recommended a dividend of ₹1.00 per share (100% per share of face value of ₹1 each) for the financial year ended 31<sup>st</sup> March, 2023, subject to shareholders approval at annual general meeting.

50. Previous year's figures have been rearranged and/or regrouped, wherever necessary.

51. The financial statements have been approved by the Audit Committee at its meeting held on 15<sup>th</sup> May, 2023 and by the Board of Directors on the same date.

As per our attached report of even date

#### For Singhi & Co.

Firm Registration No.- 302049E  
Chartered Accountants

#### Rajiv Singhi

Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

#### Sajjan Bhajanka

Chairman & Managing Director  
DIN:00246043

#### Arun Kumar Julasaria

Chief Financial Officer

#### Sanjay Agarwal

CEO & Managing Director  
DIN:00246132

#### Sundeep Jhunjunwala

Company Secretary

# Consolidated Financial Statements

# Independent Auditor's Report

To

The Members of

**Century Plyboards (India) Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of **Century Plyboards (India) Limited** ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") comprising the consolidated balance sheet as at 31<sup>st</sup> March, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as ("the consolidated financial statements"))
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2023, their consolidated total comprehensive income (comprising consolidated profit and consolidated other comprehensive income) their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 consolidated financial statements' section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules there under, 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 and the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph 15 & 16 of the 'Other Matter' below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context:

| Descriptions of Key Audit Matter   | How we addressed the matter in our audit  |
|--|---|
| <p><b>A Valuation of Inventories</b></p> <p>Refer to note 11 to the consolidated financial statements. The Holding Company is having Inventory of ₹52897.34 Lakh as on 31<sup>st</sup> March, 2023. Inventories are to be valued as per Ind AS 2. As described in the accounting policies in note 2.2 (l) to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions against inventory of stores, raw material, finished goods and work in progress based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. To ensure that all inventories owned by the entity are recorded and recorded inventories exist as at the year-end and valuation has been done correctly</p> | <p>We obtained assurance over the appropriateness of the holding company's management's assumptions applied in calculating the value of the inventories and related provisions by:</p> <ul style="list-style-type: none"> <li>Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification.</li> <li>Verify that the adequate cut off procedure has been applied to ensure that purchased inventory and sold inventory are correctly accounted.</li> <li>Reviewing the document and other record related to physical verification of inventories done by the holding company's management during the year.</li> <li>Verify that inventories are valued in accordance with Ind AS 2.</li> <li>Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> </ul> <p><b>Our Conclusion:</b></p> <p>Based on the audit procedures performed we did not identify any material exceptions in the Inventory valuation.</p> |
| <p><b>B. Revenue Recognition</b></p> <p>The accuracy of amounts recorded as revenue is an inherent risk due to the complexity involve.</p> <p>The application of revenue recognition accounting standards Ind AS 115 is complex and involves a number of judgments and estimates. Refer note no 2.4(f) - to Critical accounting judgments including those involving estimations and Revenue recognition. Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the holding Company's performance obligation under a contract with customer.</p>  | <p>As part of our audit, we understood the Holding Company's policies and processes, control mechanisms and methods in relation to the revenue recognition and evaluated the design and operative effectiveness of the financial controls from the above through our test of control procedures.</p> <ul style="list-style-type: none"> <li>Tested a sample of sales transactions for compliance with the Holding Company's accounting principles to assess the completeness, occurrence and accuracy of revenue recorded</li> <li>Performing procedures to ensure that the revenue recognition criteria adopted by Holding Company for all major revenue streams is appropriate and in line with the Holding Company's accounting policies.</li> <li>We tested the holding company's system generated reports, based on which revenue is accrued at the year end, and performed tests of details on the revenue recognised and accounts receivable balances at the year end.</li> <li>Our tests of detail focused on transactions occurring within proximity of the year end and obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents or system generated reports. We considered the appropriateness and accuracy of any cut-off adjustments.</li> </ul>   |

| Descriptions of Key Audit Matter   | How we addressed the matter in our audit   |
|--|--|
| <p>Due to the holding Company's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts and incentive schemes to be recognised based on sales made during the year is material and considered to be complex and judgmental. In view of the complexity of the revenue recognition and the judgments and estimates involved the recognition of revenue and provisions of discounts and incentives expenses was a matter of most significance to our audit.</p> | <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of the holding Company's controls over computation of incentives and pay out against the corresponding liability</li> <li>• Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately.</li> <li>• Performed retrospective review of the holding company's management's estimate by comparing utilisation of incentives with previously recognised corresponding liability. We also considered the developments during the year and subsequent to the year-end that would significantly affect the measurement of the year end incentive liability.</li> <li>• Assessed and reviewed the disclosures made by the Holding Company in the consolidated financial statements.</li> </ul> <p><b>Our conclusion:</b></p> <p>Based on the audit procedures performed we did not identify any material exceptions in the recognition of revenue and incentives and discount expenses.</p> |

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

5. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual reports, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the Holding Company and take appropriate action as applicable under the relevant laws and regulations.

### Management's Responsibility for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Indian

Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting fraud and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control 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 Holding 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 Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements of such entities included in the

consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.
13. We also provide those charged with governance of the Holding Company 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.
14. From the matters communicated with those charged with governance of the Holding Company, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2023 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.

### Other Matters

15. We did not audit the standalone financial statements and financial information's of nine domestic subsidiaries (including step down subsidiaries) whose financial statements / financial information reflects total assets of ₹2083.41 lakh (before consolidation adjustments) and net assets ₹872.87 lakh (before consolidation adjustments) as at 31<sup>st</sup> March, 2023 and total revenue of ₹3.99 lakh (before consolidation adjustments), total net loss after tax of ₹31.88 lakh (before consolidation adjustments), total comprehensive loss of ₹31.88 lakh (before consolidation adjustments) and net cash inflow of ₹9.82 lakh for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been

furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

16. We did not audit the consolidated financial statements /standalone financial statements and financial information's of five foreign subsidiaries (including step-down subsidiaries), whose financial statements/financial information reflect total assets of ₹5511.84 lakh (before consolidation adjustments) and total net assets of ₹4203.25 lakh as at 31<sup>st</sup> March, 2023, total revenue of ₹4488.33 lakh (before consolidation adjustments), total net loss after tax of ₹3420.47 lakh (before consolidation adjustments), total comprehensive loss of ₹3420.47 lakh (before consolidation adjustments) and net cash inflow of ₹140.34 lakh for the year ended on that date as considered in the consolidated financial statements. This financial statements / financial information is audited as per the local law of the respective country and have been converted by the management of the Holding Company into Ind-AS compliant financial statements. Our opinion on the consolidated financial statements in so far as relates to the amounts included in respect of such subsidiaries is based solely on the audited financial statement under their local GAAP and have been converted by holding company's management in to India GAAP and certified by the holding company's management.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the converted Indian GAAP financial statements certified by the holding company's management.

### Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) 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.
18. As required by section 143 (3) of the Act, we report that:
- 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 of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor.
  - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flow statement dealt with by this report are in agreement

with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
- On the basis of the written representations received from the directors of the Holding Company's on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls with reference to consolidated financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act.

- With respect to the other matters to be included in the Auditors' 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:
  - The consolidated financial statements disclose the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2023 on the consolidated financial position of the group— Refer Note 34(ii) to the consolidated financial statements.
  - The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2023 for which there were material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries incorporated in India during the year ended 31<sup>st</sup> March, 2023.
  - (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the

Act have represented to us and to other auditors of such subsidiaries, that, to the best of their knowledge and belief, as disclosed in the note to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries, to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note to accounts, no funds have been received by the Company or any of such subsidiaries, from any persons or entities, including foreign entities ('Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been

audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under iv (a) and (b) contain any material mis-statement.

- v. (a) The final dividend proposed in the previous year, declared, and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable. None of the Subsidiaries companies incorporated in India have declared and paid dividend during the year.
- (b) The Board of Directors of the Holding Company has proposed dividend for the year, which is subject to the approval of the Members of the Holding company at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable. None of the Subsidiaries companies incorporated in India have proposed dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiaries companies incorporated in India with effect from 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No. - 302049E

**Rajiv Singhi**  
Partner

Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

Membership No. - 053518  
UDIN - 23053518BGZCFT6264

## Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the Members of Century Plyboards (India) Limited on the consolidated financial statements as of and for the year ended 31<sup>st</sup> March, 2023)

xxi. According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:-

| SL No | Name of Company                         | CIN                   | Holding Company/<br>Subsidiary Company | Clause no of<br>CARO reporting |
|-------|---|-----------------------|--|--------------------------------|
| 1.    | Century Plyboards (India) Limited       | L20101WB1982PLC034435 | Holding Company                        | 3(ii)(b)                       |
| 2.    | Auro Sundram Ply & Door Private Limited | U20211UR2005PTC032621 | Subsidiary Company                     | 3(ii)(b)                       |
| 3.    | Century MDF Limited                     | U20296WB2012PLC181050 | Subsidiary Company                     | 3(xvii)                        |
| 4.    | Century Infra Limited                   | U63030WB2021PLC250586 | Subsidiary Company                     | 3(xvii)                        |
| 5.    | Ara Suppliers Private Limited           | U51109WB2006PTC110351 | Subsidiary Company                     | 3(xvii)                        |
| 6.    | Arham Sales Private Limited             | U51909WB2006PTC111570 | Subsidiary Company                     | 3(xvii)                        |
| 7.    | Adonis Vyaper Private Limited           | U52190WB2006PTC111573 | Subsidiary Company                     | 3(xvii)                        |
| 8.    | Apnapan Vinnyog Private Limited         | U52190WB2006PTC111571 | Subsidiary Company                     | 3(xvii)                        |
| 9.    | Century Infotech Limited                | U72900WB1997PLC086118 | Subsidiary Company                     | 3(xvii)                        |
| 10.   | Century Panels Limited                  | U20299WB2020PLC236573 | Subsidiary Company                     | 3(xvii)                        |
| 11.   | Century Ports Limited                   | U63030WB2022PLC253201 | Subsidiary Company                     | 3(xvii)                        |
| 12.   | Asis Plywood Limited                    | U74990UR2005PLC013324 | Step Down Subsidiary                   | 3(xiv), 3(xvii)                |

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No. - 302049E

Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

**Rajiv Singhi**  
Partner  
Membership No. - 053518  
UDIN - 23053518BGZCFT6264

## Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 18(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditor’s Report of even date to the Members of Century Plyboards (India) Limited on the consolidated financial statements as of and for the year ended 31<sup>st</sup> March, 2023)

### Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Holding Company, as of and for the year ended 31<sup>st</sup> March, 2023, we have audited the internal financial of **Century Plyboards (India) Limited** (“the Holding Company”) and its subsidiaries, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries companies to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of adequacy of the internal financial control with reference to consolidated financial statements is applicable, which are Company’s incorporated in India, are responsible for establishing and maintaining internal financial control based on internal financial controls criteria established by the respective Companies 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.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company and its Subsidiaries, which are Companies incorporated in India, internal financial controls with reference to these consolidated financial statements 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with respect to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

### Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company’s internal financial control with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to these consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements 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 the Holding Company and its subsidiaries which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal financial control over financial reporting criteria established by the Holding 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.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to these consolidated financial statements in so far as it relates to standalone/consolidated financial statements of nine subsidiaries (including step down subsidiaries), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect in this matter.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No. - 302049E

**Rajiv Singhi**  
Partner

Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

Membership No. - 053518  
UDIN - 23053518BGZCFT6264



# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023

(₹ in Lacs)

|   | NOTES | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|-------|------------------------------|------------------------------|
| <b>A ASSETS</b>   |       |                              |                              |
| <b>Non Current Assets</b>   |       |                              |                              |
| Property, Plant and Equipment (including right of use assets)                         | 3     | 1,06,096.06                  | 76,840.10                    |
| Capital Work-in-Progress  | 3     | 23,621.30                    | 17,659.81                    |
| Investment Property   | 5     | 610.16                       | 610.16                       |
| Goodwill  | 4     | 128.49                       | 128.49                       |
| Intangible Assets   | 4     | 44.84                        | 69.11                        |
| Financial Assets  |       |                              |                              |
| Investments   | 6     | 13.25                        | 30.64                        |
| Other financial assets  | 8     | 1,228.07                     | 1,446.55                     |
| Deferred Tax Assets   | 9     | 22.14                        | 5.96                         |
| Other non-current assets  | 10    | 10,416.07                    | 4,721.48                     |
| <b>Total Non Current Assets</b>   |       | <b>1,42,180.38</b>           | <b>1,01,512.30</b>           |
| <b>Current Assets</b>   |       |                              |                              |
| Inventories   | 11    | 52,897.34                    | 52,639.27                    |
| Financial Assets  |       |                              |                              |
| Trade Receivables   | 12    | 39,033.58                    | 35,243.86                    |
| Cash and cash equivalents   | 13    | 1,413.21                     | 1,701.98                     |
| Bank Balances other than Cash and cash equivalents                                    | 13    | 26,408.01                    | 24,400.70                    |
| Loans   | 7     | 250.00                       | 330.00                       |
| Other financial assets  | 8     | 3,400.39                     | 3,948.58                     |
| Current Tax Assets  | 24A   | 337.24                       | 703.38                       |
| Other current assets  | 10    | 5,706.01                     | 2,567.24                     |
| <b>Total Current Assets</b>   |       | <b>1,29,445.78</b>           | <b>1,21,535.01</b>           |
| <b>TOTAL ASSETS</b>   |       | <b>2,71,626.16</b>           | <b>2,23,047.31</b>           |
| <b>B EQUITY AND LIABILITIES</b>   |       |                              |                              |
| <b>Equity</b>   |       |                              |                              |
| Equity Share Capital  | 14    | 2,225.27                     | 2,225.27                     |
| Other Equity  | 15    | 1,89,206.72                  | 1,53,458.77                  |
| <b>Equity attributable to owners of the parent</b>                                    |       | <b>1,91,431.99</b>           | <b>1,55,684.04</b>           |
| Non Controlling Interest  |       | (370.12)                     | (264.84)                     |
| <b>Total Equity</b>   |       | <b>1,91,061.87</b>           | <b>1,55,419.20</b>           |
| <b>Liabilities</b>  |       |                              |                              |
| <b>Non Current Liabilities</b>  |       |                              |                              |
| Financial Liabilities   |       |                              |                              |
| Borrowings  | 16    | 186.52                       | 199.86                       |
| Lease Liabilities   | 17    | 1,120.67                     | 1,334.81                     |
| Other non-current liabilities   | 18    | 86.35                        | 145.48                       |
| Deferred Tax Liability  | 9     | 2,790.69                     | 1,679.88                     |
| Provisions  | 23    | 697.36                       | 1,200.82                     |
| <b>Total Non Current Liabilities</b>  |       | <b>4,881.59</b>              | <b>4,560.85</b>              |
| Current Liabilities   |       |                              |                              |
| Financial Liabilities   |       |                              |                              |
| Borrowings  | 19    | 31,154.66                    | 21,621.30                    |
| Lease Liabilities   | 17    | 212.79                       | 487.51                       |
| Trade Payables  |       |                              |                              |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises                     | 20    | 1,375.38                     | 725.09                       |
| Total Outstanding Dues of Creditor other than Micro Enterprises and Small Enterprises | 20    | 26,110.25                    | 24,553.86                    |
| Other Financial Liabilities   | 21    | 11,815.00                    | 10,230.69                    |
| Contract Liability  | 21A   | 1,015.13                     | 1,247.01                     |
| Other Current Liabilities   | 22    | 3,123.99                     | 3,283.67                     |
| Provisions  | 23    | 849.59                       | 711.80                       |
| Current tax liabilities   | 24B   | 25.91                        | 206.33                       |
| <b>Total Current Liabilities</b>  |       | <b>75,682.70</b>             | <b>63,067.26</b>             |
| <b>Total Liabilities</b>  |       | <b>80,564.29</b>             | <b>67,628.11</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |       | <b>2,71,626.16</b>           | <b>2,23,047.31</b>           |
| <b>Significant Accounting Policies, Key Judgements, Estimates and Assumptions</b>     | 2     |                              |                              |

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

3-53

As per our attached report of even date

**For Singhi & Co.**

Firm Registration No. - 302049E  
Chartered Accountants

**Rajiv Singhi**

Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

**Sajjan Bhajanka**  
Chairman & Managing Director  
DIN:00246043

**Arun Kumar Julasaria**  
Chief Financial Officer

**Sanjay Agarwal**  
CEO & Managing Director  
DIN:00246132

**Sundeep Jhunjhunwala**  
Company Secretary

# Statement of Consolidated Profit and Loss for the year ended 31<sup>st</sup> March, 2023

(₹ in Lacs)

|  | NOTES | 2022-23            | 2021-22            |
|--|-------|--------------------|--------------------|
| <b>INCOME</b>  |       |                    |                    |
| Revenue from Operations  | 25    | 3,64,656.68        | 3,02,702.44        |
| Other Income   | 26    | 4,768.97           | 2,307.29           |
| <b>Total Income</b>  |       | <b>3,69,425.65</b> | <b>3,05,009.73</b> |
| <b>EXPENSES</b>  |       |                    |                    |
| Cost of Materials Consumed   | 27    | 1,50,290.51        | 1,30,225.68        |
| Purchase of Stock-in-Trade   | 28    | 36,535.82          | 30,410.47          |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress                | 28    | 4,794.30           | (10,428.25)        |
| Employee Benefits Expense  | 29    | 47,491.07          | 41,755.02          |
| Finance Cost   | 30    | 1,697.84           | 1,143.13           |
| Depreciation and Amortisation Expense  | 31    | 7,750.80           | 7,428.17           |
| Other Expenses   | 32    | 69,678.61          | 57,654.96          |
| <b>Total Expenses</b>  |       | <b>3,18,238.95</b> | <b>2,58,189.18</b> |
| <b>Profit before Tax</b>   |       | <b>51,186.70</b>   | <b>46,820.55</b>   |
| <b>Tax Expenses</b>  |       |                    |                    |
| Current Tax  |       | 11,678.19          | 12,140.45          |
| (Add)/Less: Tax provision for earlier years written back/(off)                               |       | -                  | 154.71             |
| Net Current Tax Expense  |       | 11,678.19          | 12,295.16          |
| Deferred Tax   |       | 1,103.48           | 3,209.49           |
| <b>Total Tax Expenses</b>  |       | <b>12,781.67</b>   | <b>15,504.65</b>   |
| <b>Profit for the year before non controlling interest</b>                                   |       | <b>38,405.03</b>   | <b>31,315.90</b>   |
| <b>Other Comprehensive Income (OCI)</b>  |       |                    |                    |
| Items that will not to be reclassified to Statement of Profit and Loss:                      |       |                    |                    |
| Re-Measurement gain/(loss) on defined benefit plans  |       | (37.06)            | (451.23)           |
| Income tax related to above  |       | 8.83               | 159.52             |
| Items that will be reclassified to Statement of Profit and Loss:                             |       |                    |                    |
| Exchange difference in respect of Non integral foreign operations                            |       | 779.21             | 211.66             |
| <b>Other Comprehensive Income for the year, net of tax</b>                                   |       | <b>750.98</b>      | <b>(80.05)</b>     |
| <b>Total Comprehensive Income for the year</b>   |       | <b>39,156.01</b>   | <b>31,235.85</b>   |
| <b>Profit for the year</b>   |       |                    |                    |
| Attributable to:   |       |                    |                    |
| Equity holders of the Parent   |       | 38,329.56          | 31,305.55          |
| Non-controlling interests  |       | 75.47              | 10.35              |
| Other Comprehensive Income/(Loss) for the period attributable to:                            |       |                    |                    |
| - Owners of the Company  |       | 744.42             | (87.55)            |
| - Non Controlling Interest   |       | 6.56               | 7.50               |
| <b>Total Comprehensive Income for the year</b>   |       |                    |                    |
| Attributable to:   |       |                    |                    |
| Equity holders of the Parent   |       | 39,073.98          | 31,218.00          |
| Non-controlling interests  |       | 82.03              | 17.85              |
| <b>Earnings per equity share (nominal value of share ₹1/- (Previous Year ₹1/-))</b>          |       |                    |                    |
| <b>Basic and Diluted (₹)</b>   | 44    | 17.25              | 14.09              |
| <b>Significant Accounting Policies and Key Judgements, Estimates and Assumptions</b>         | 2     |                    |                    |
| <b>The accompanying notes form an integral part of the Consolidated Financial Statements</b> | 3-53  |                    |                    |

As per our attached report of even date

**For Singhi & Co.**Firm Registration No. - 302049E  
Chartered Accountants**Rajiv Singhi**Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

**Sajjan Bhajanka**Chairman & Managing Director  
DIN:00246043**Arun Kumar Julasaria**

Chief Financial Officer

**Sanjay Agarwal**CEO & Managing Director  
DIN:00246132**Sundeep Jhunjhunwala**

Company Secretary

## Consolidated Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2023

(₹ in Lacs)

| Particulars  | 2022-23            | 2021-22            |
|--|--------------------|--------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                    |                    |                    |
| <b>Net Profit before Tax</b>   | 51,186.70          | 46,820.55          |
| Adjustments for :  |                    |                    |
| Depreciation/Amortisation  | 7,750.80           | 7,428.17           |
| Finance Cost   | 1,697.84           | 1,143.13           |
| (Profit)/Loss on disposal of Property, Plant and Equipment                       | 1,600.89           | 16.13              |
| (Profit) on Sale of Current Investments  | (130.94)           | (147.67)           |
| Irrecoverable Debts Written Off/(net)  | 780.92             | 320.59             |
| Provision for Doubtful Debts provided / (written back)                           | -                  | 165.83             |
| Unspent Liabilities Written Back   | (1,425.60)         | (0.08)             |
| Unrealised Foreign Exchange Fluctuations Loss/Gain                               | 383.30             | 58.99              |
| Interest Income from financial assets at amortised cost                          | (2,072.57)         | (1,036.10)         |
| <b>Operating Profit before Working Capital Changes</b>                           | <b>59,771.34</b>   | <b>54,769.54</b>   |
| <b>Adjustments for :</b>   |                    |                    |
| (Increase)/Decrease in Trade Receivables   | (4,556.76)         | (5,242.30)         |
| (Increase)/Decrease in Inventories   | (258.07)           | (15,722.40)        |
| (Increase)/Decrease in Financial Assets  | (2,577.98)         | 4.86               |
| (Increase)/Decrease in Other Assets  | 354.33             | 141.55             |
| Increase/(Decrease) in Long Term Provisions                                      | (503.46)           | 373.97             |
| Increase/(Decrease) in Short Term Provisions                                     | 137.79             | (460.66)           |
| Increase/(Decrease) in Financial Liabilities                                     | (571.04)           | 227.78             |
| Increase/(Decrease) in Other Liabilities   | (305.21)           | (79.60)            |
| Increase/(Decrease) in Trade Payables  | 3,607.89           | 4,440.81           |
| <b>Cash Generated from Operations</b>  | <b>55,098.83</b>   | <b>38,453.55</b>   |
| Direct Taxes paid (Net)  | (11,312.05)        | (10,835.12)        |
| <b>Net Cash Flow from Operating Activities</b>                                   | <b>43,786.78</b>   | <b>27,618.43</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                    |                    |                    |
| Proceeds/(Outflow) from margin Money Deposit                                     | (1,404.49)         | (234.35)           |
| Proceeds/(Outflow) from Fixed Deposit  | (604.32)           | (17,670.19)        |
| Purchase of Property, Plant and Equipment  | (49,065.39)        | (28,256.70)        |
| Sale of Property, Plant and Equipment  | 764.88             | 2,496.93           |
| Purchase of Current Investment   | 148.33             | 11,196.70          |
| Loans (Given)/Refunds (Net)  | 80.00              | 127.63             |
| Interest Received  | 2,121.69           | 354.78             |
| <b>Net Cash Flow (used) in Investing Activities</b>                              | <b>(47,959.30)</b> | <b>(31,985.20)</b> |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                    |                    |                    |
| Repayment of Long Term Loans   | (2,463.38)         | (2,993.07)         |
| Proceeds from Short Term Borrowings  | 11,610.40          | 10,626.42          |
| Repayment of Short Term Borrowings   | -                  | (265.04)           |
| Principle Payment of Lease Liability   | (488.86)           | (497.79)           |
| Interest Paid (Including Interest Capitalized)                                   | (1,293.77)         | (1,032.63)         |
| Other Borrowing Cost Paid  | (147.84)           | (125.55)           |
| Dividend Paid  | (3,332.59)         | (2,225.44)         |
| <b>Net Cash Flow from Financing Activities</b>                                   | <b>3,883.96</b>    | <b>3,486.90</b>    |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents ( A + B + C)</b>         | <b>(288.56)</b>    | <b>(879.87)</b>    |
| Cash & Cash Equivalents - Opening Balance as on 1 <sup>st</sup> April            | 1,701.98           | 2,581.85           |
| Effect of Exchange Variation on Cash & Cash Equivalents                          | (0.21)             | -                  |
| <b>Cash &amp; Cash Equivalents - Closing Balance as on 31<sup>st</sup> March</b> | <b>1,413.21</b>    | <b>1,701.98</b>    |

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

## Consolidated Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2023

### Notes:

- 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'
- Reconciliation between opening and closing balance's of liabilities arising from financing activities.

(₹ in Lacs)

| Particulars   | Liabilities from financing activities |                    |                 |
|---|---------------------------------------|--------------------|-----------------|
|   | Non-Current Borrowings *              | Current Borrowings | Lease Liability |
| <b>Balance as at 1<sup>st</sup> April, 2021</b>                 | <b>5,519.11</b>                       | <b>8,784.53</b>    | <b>2,320.11</b> |
| Interest accrued but not due as at 1 <sup>st</sup> April, 2021  | (7.64)                                | 33.45              |                 |
| Cash Flow (Net)   | (2,993.07)                            | 10,361.38          | (497.79)        |
| Other Changes/Reclassification                                  | -                                     | -                  | -               |
| Non Cash Changes  |                                       |                    |                 |
| Forex   | 137.20                                | 12.01              | -               |
| Finance Cost  | 244.51                                | 345.91             |                 |
| Interest & Other Borrowing Cost Paid                            | (240.44)                              | (310.54)           |                 |
| Interest accrued but not due as at 31 <sup>st</sup> March, 2022 | 3.57                                  | (68.82)            | -               |
| <b>Balance as at 31<sup>st</sup> March, 2022</b>                | <b>2,663.24</b>                       | <b>19,157.92</b>   | <b>1,822.32</b> |
| Interest accrued but not due as at 1 <sup>st</sup> April, 2022  | 3.57                                  | (68.82)            | -               |
| Cash Flow (Net)   | (2,463.38)                            | 11,610.40          | (488.86)        |
| Non Cash Changes  |                                       |                    |                 |
| Forex   | -                                     | 373.00             | -               |
| Finance Cost  | 210.86                                | 710.97             | -               |
| Interest & Other Borrowing Cost Paid                            | (207.41)                              | (930.98)           | -               |
| Interest accrued but not due as at 31 <sup>st</sup> March, 2023 | 0.12                                  | 151.19             | -               |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>                | <b>199.86</b>                         | <b>31,141.32</b>   | <b>1,333.46</b> |

\* Non Current Borrowings includes current maturities of Long term debts & Vehicle loan obligations.

- Previous year's figures have been rearranged and/or regrouped, wherever necessary

As per our attached report of even date

### For Singhi & Co.

Firm Registration No.- 302049E

Chartered Accountants

### Rajiv Singhi

Partner

Membership No. 053518

Place: Kolkata

Date: 15<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

### Sajjan Bhajanka

Chairman & Managing Director

DIN:00246043

### Sanjay Agarwal

CEO & Managing Director

DIN:00246132

### Arun Kumar Julasaria

Chief Financial Officer

### Sundeep Jhunjunwala

Company Secretary

# Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023

## A) Equity Share Capital

|   | Nos.                | ₹ in lacs       |
|---|---------------------|-----------------|
| <b>On 1<sup>st</sup> April, 2021*</b>           | <b>22,21,72,990</b> | <b>2,225.27</b> |
| Changes in equity share capital during the year | -                   | -               |
| <b>Balance at 31<sup>st</sup> March, 2022*</b>  | <b>22,21,72,990</b> | <b>2,225.27</b> |
| Changes in equity share capital during the year | -                   | -               |
| <b>Balance at 31<sup>st</sup> March, 2023*</b>  | <b>22,21,72,990</b> | <b>2,225.27</b> |

\* Includes amount ₹3.54 lacs received on forfeited shares (FY 2001-02)

## B) Other Equity

| Particulars   | Reserves and Surplus         |                      |                    |                            |                 |                 | Equity attributable to owners of the company | Non Controlling Interest | Total Equity       |
|---|------------------------------|----------------------|--------------------|----------------------------|-----------------|-----------------|--|--------------------------|--------------------|
|   | Securities Premium (Note 15) | Amalgamation Reserve | Retained Earnings  | Capital Redemption Reserve | General Reserve | Capital Reserve |  |                          |                    |
| <b>Balance at 31<sup>st</sup> March, 2021</b>                     | <b>1,892.77</b>              | <b>317.40</b>        | <b>1,20,107.64</b> | <b>50.00</b>               | <b>990.19</b>   | <b>262.41</b>   | <b>1,24,514.96</b>                           | <b>(120.38)</b>          | <b>1,24,394.58</b> |
| Profit for the year   | -                            | -                    | 31,305.54          | -                          | -               | -               | 31,305.54                                    | 10.35                    | 31,315.89          |
| Other Comprehensive Income for the year, net of tax               | -                            | -                    | (291.71)           | -                          | -               | -               | (291.71)                                     | -                        | (291.71)           |
| On acquisition of subsidiary during the year                      | -                            | -                    | -                  | -                          | -               | -               | -  | (154.81)                 | (154.81)           |
| Exchange difference in respect of Non integral foreign operations | -                            | -                    | -                  | -                          | -               | -               | 211.66                                       | -                        | 211.66             |
| Loss on acquisition of additional shares in Century Infotech Ltd. | -                            | -                    | (59.95)            | -                          | -               | -               | (59.95)                                      | -                        | (59.95)            |
| Final Dividend for the year 2020-21                               | -                            | -                    | (2,221.73)         | -                          | -               | -               | (2,221.73)                                   | -                        | (2,221.73)         |
| <b>Balance at 31<sup>st</sup> March, 2022</b>                     | <b>1,892.77</b>              | <b>317.40</b>        | <b>1,48,839.79</b> | <b>50.00</b>               | <b>990.19</b>   | <b>262.41</b>   | <b>1,53,458.77</b>                           | <b>(264.84)</b>          | <b>1,53,193.93</b> |
| <b>Adjustments</b>  |                              |                      |                    |                            |                 |                 |  |                          |                    |
| Profit for the year   | -                            | -                    | 38,329.56          | -                          | -               | -               | 38,329.56                                    | 75.47                    | 38,405.03          |
| Other Comprehensive Income for the year, net of tax               | -                            | -                    | (28.23)            | -                          | -               | -               | (28.23)                                      | -                        | (28.23)            |

# Consolidated Statement of Changes in Equity

(₹ in lacs)

for the year ended 31<sup>st</sup> March, 2023

| Particulars  | Reserves and Surplus         |                      |                    |                            |                 |                 | Other Comprehensive Income (OCI)-Foreign Currency Translation Reserve | Equity attributable to owners of the company | Non Controlling Interest | Total Equity       |
|--|------------------------------|----------------------|--------------------|----------------------------|-----------------|-----------------|---|--|--------------------------|--------------------|
|  | Securities Premium (Note 15) | Amalgamation Reserve | Retained Earnings  | Capital Redemption Reserve | General Reserve | Capital Reserve |   |  |                          |                    |
| Transfer to retained earning on account of loss of control in subsidiary | -                            | -                    | (1,390.68)         | -                          | -               | -               | -   | (1,390.68)                                   | (180.75)                 | (1,571.43)         |
| Exchange difference in respect of Non integral foreign operations        | -                            | -                    | -                  | -                          | -               | -               | 779.21  | 779.21                                       | -                        | 779.21             |
| Adjustment on cession of subsidiaries                                    | -                            | -                    | -                  | -                          | -               | -               | 1,390.68  | 1,390.68                                     | -                        | 1,390.68           |
| Final Dividend for the year 2021-22                                      | -                            | -                    | (3,332.59)         | -                          | -               | -               | -   | (3,332.59)                                   | -                        | (3,332.59)         |
| Changes in Non Controlling Interest for further issue of capital         | -                            | -                    | -                  | -                          | -               | -               | -   | -  | -                        | -                  |
| <b>Balance at 31<sup>st</sup> March, 2023</b>                            | <b>1,892.77</b>              | <b>317.40</b>        | <b>1,82,417.85</b> | <b>50.00</b>               | <b>990.19</b>   | <b>262.41</b>   | <b>3,276.10</b>   | <b>1,89,206.72</b>                           | <b>(370.12)</b>          | <b>1,88,836.60</b> |

The accompanying notes are an integral part of the Consolidated financial statements .

As per our attached report of even date

**For Singhi & Co.**

Firm Registration No.- 302049E

Chartered Accountants

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

Chairman & Managing Director  
DIN:00246043

**Sanjay Agarwal**

CEO & Managing Director  
DIN:00246132

**Rajiv Singhi**

Partner

Membership No. 053518

Place: Kolkata

Date: 15<sup>th</sup> May, 2023

**Arun Kumar Julasaria**

Chief Financial Officer

**Sundeep Jhunjhunwala**

Company Secretary

# Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

## 1. Corporate Information

The consolidated financial statements comprise financial statements of Century Plyboards (India) Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 31<sup>st</sup> March, 2023. The Holding Company is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India Ltd. and BSE Limited. The Company is primarily engaged in manufacturing and sale of Plywood, Laminates, Decorative Veneers, Medium Density Fiber boards (MDF), Pre-laminated Boards, Particle Board and Flush Doors and providing Container Freight Station services (CFS). The Holding Company presently has manufacturing facilities near Kolkata, Karnal, Guwahati, Hoshiarpur, Kandla and Chennai. Container Freight station is located near Syama Prasad Mookerjee Port, Kolkata.

## 2. Significant Accounting Policies, Key Judgements, Estimates and Assumptions

### 2.1 Basis of Preparation

#### 2.1.1 Compliance with Ind AS

These consolidated financial Statements relate to Century Plyboards (India) Limited. The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended and other relevant provision of the Act, to the extent possible and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statement..

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value as described in accounting policies regarding financial instruments.

The consolidated financial statements have been prepared under the historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value:

- Financial instruments - Measured at fair value;
- Plan assets under defined benefit plans - Measured at fair value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statement is determined on such a basis, except for share-based payment transactions, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements are presented in Indian Rupees which is the Functional Currency and all values are rounded to nearest Lakhs with two decimal except when otherwise indicated.

# Notes to Consolidated Financial Statements

 as at and for the year ended 31<sup>st</sup> March, 2023

## Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at 31<sup>st</sup> March, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31<sup>st</sup> March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as on the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

## Consolidation Procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill or capital reserve.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including any goodwill) and liabilities of the subsidiary.
- De-recognises the carrying amount of any non-controlling interests.
- De-recognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.2 Summary of Significant Accounting Policies

#### a) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

#### b) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

obligations or made payments on behalf of the associate or joint venture. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### c) Current versus Non-Current Classification

The Group 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 Group 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 Group's normal operating cycle.
- Held primarily for the purpose of trading.
- 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 Group 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 Group has identified twelve months as its operating cycle.

### d) Revenue Recognition

The Group derives revenue principally from sale of Plywood, Laminates, MDF, Particle boards, Decorative Veneers, Flush Doors and CFS services. The Group recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Group recognises revenue for such services when the performance obligation is completed.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

For incentives offered to customers/dealers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

In case of related party transactions where related party meets the definition of customer (i.e. a party that has contracted with the Group to obtain goods or services that are an output of the Group's ordinary activity in exchange for consideration) and the transactions are within the scope of the standard then the revenue is recognised based on the principles of Ind AS 115.

Export incentives and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

### **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.

### **Dividends**

Dividend Income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### **Insurance Claims**

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

### **e) Government Grants**

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Standalone Statement of Profit and Loss in the period in which they become receivable.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

### **f) 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

### g) Property, Plant and Equipment

Property, Plant and Equipment (PPE) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Expenditure directly attributable to expansion projects are capitalised. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not related to the project nor are incidental thereto, are charged to Statement of Profit and Loss.

Effective 1<sup>st</sup> April, 2018, depreciation on property, plant and equipment is provided under Straight Line method except for certain subsidiaries which are providing under written down value method at the rates determined based on useful lives of the respective assets and residual values which is in line with those indicated in Schedule II of The Companies Act, 2013.

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                      |

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 derecognised.

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.

### h) 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 Group 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.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

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

Intangible assets (Computer Software) are amortised on a Straight Line method over a period of 3 years.

### i) **Investment Property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

All other repair and maintenance costs are recognised in profit or loss as incurred.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

### j) **Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing 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.

### k) **Leases**

#### **The Group as lessor**

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### **The Group as lessee**

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

#### **Lease Liability**

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

### Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

### 1) Inventories

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

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- (i) Raw materials, Stores and Spares:** These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. 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:** These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.
- (iii) Traded goods:** These are valued at lower of cost and net realisable value. 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### **m) Impairment of Non-Financial Assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **n) Retirement and Other Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the group recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

The Group has no obligations other than the contribution payable to the respective funds.

Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation made at the end of each financial year by a qualified actuary using projected unit credit method. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

The Group treats accumulated leaves expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group does not have an unconditional right to defer the settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

### **o) Foreign Currency Translation**

The Group's consolidated financial statements are presented in INR, which is also the Holding company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded in reporting currency by the Group at spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit and loss, respectively).

On consolidation of subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

### p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Classification of financial assets-

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

#### Financial Assets

##### (i) Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date, i.e., the date that the asset is delivered to or by the Group which generally coincides with the trade date.

##### (ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (a) Debt Instruments at Amortised Cost
- (b) Equity instruments at fair value through Other Comprehensive Income
- (c) Equity instruments at fair value through profit or loss (FVTPL)

##### (a) Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the Group.

##### (b) Equity instruments at fair value through Other Comprehensive Income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met-

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

For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at Fair Value through Other Comprehensive Income ("FVTOCI"), then all fair value changes on the instrument, excluding dividends, are recognized in the OC. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### (c) Equity instruments at fair value through profit or loss (FVTPL)

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### (iii) De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when the rights to receive cash flows from the asset have expired.

### (iv) Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

## Financial liabilities

### Financial liabilities and equity instruments issued by the Group

- (a) Classification as debt or equity- Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.
- (b) Equity instruments An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.
- (c) Compound instruments -The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured.

### (i) Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### (ii) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### (iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### (iv) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (v) Derivative Financial Instruments- Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments, such as forward contracts, interest rate swaps, etc. to hedge its foreign currency risks and interest rate risks and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### q) Fair Value Measurement

The Group measures financial instruments, such as, quoted investments at fair value at each balance sheet date.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

- (i) **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) **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 recognised in the financial statements at fair value on recurring basis, the Group determines whenever transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period and discloses the same.

### r) 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.

### s) Cash Dividend to Equity Holders

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### t) Earning per Share

An earning per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### u) Operating Segment

The Group's operating business segments are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. All operating segments operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) (Managing Director & CEO) to make decisions about resources to be allocated to the segments and assess their performance. The analysis of geographical segments is based on the areas in which major operating divisions of the group operate.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### v) Provisions (other than for employee benefits)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted at a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

### w) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

## 2.3 Measurement of fair value

- a. **Financial instruments** - The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.
- b. **Marketable and non-marketable equity securities** - Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.
- c. **Derivatives** - Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant

## 2.4 Critical accounting judgment and key sources of estimation uncertainty

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explain areas that are considered more critical, involving a higher degree of judgment and complexity.

- a. **Impairment of non-current assets** - Ind AS 36 requires that the group assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the group's market capitalization, significant changes in the group's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind AS 36, goodwill and certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the group's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The group uses internal business plans, quoted market prices and the group's best estimate of commodity prices, currency rates, discount rates and other relevant information. The group does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

increased by expected inflation and market recovery towards previously observed volumes.

### b. Defined Benefit Plans

The cost of the employment benefits such as gratuity and leave obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note No. 33

- c. Taxes** – The group calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.
- d. Useful lives of depreciable/ amortisable assets (tangible and intangible)** - Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment
- e. Expected Credit Loss Model** - The group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial Assets. The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. As a practical expedient, the group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.
- f. Significant judgments when applying Ind AS 115** – Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. . The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer/dealer. The Group makes estimates related to customer performance and sales volume to determine the total amounts earned and incentive to be recorded as deductions. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of control to the customer, acceptance of delivery by the customer, etc.

### 2.5 Recent Pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31<sup>st</sup> March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1<sup>st</sup> April, 2023, as below:

#### IND AS1, Presentation of Financial Statements-

Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statement.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### **IND AS 8, Accounting policies, Change in Accounting Estimates and Errors-**

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.

- A company develops an accounting estimate to achieve the objective set out by an accounting policy.
- Accounting estimates include: a) Selection of a measurement technique (estimation or valuation technique) b) Selecting the inputs to be used when applying the chosen measurement technique.

The amendments will help entities to distinguish between accounting policies and accounting estimates. The Company does not expect this amendment to have any significant impact in its financial statements.

### **IND AS12, Income Taxes-**

Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision. The Company is evaluating the impact, if any, in its financial statements.

The Group has evaluated the above and concluded that there is no material impact on the financial statements of the Group.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 3. Property, Plant and Equipment (including right of use assets)

| COST OR DEEMED COST                      | Land Freehold    | Land Right Of Use | Factory Buildings | Non-Factory Buildings on Freehold Land | Non-Factory Buildings on Leasehold Land | Storage Yard on Lease Hold Land | Plant & Machinery | Electrical Installations | Furniture & Fixtures | Office Equipments | Computers       | Vehicles        | Total              | (₹ in Lacs) |  |
|--|------------------|-------------------|-------------------|--|---|---------------------------------|-------------------|--------------------------|----------------------|-------------------|-----------------|-----------------|--------------------|-------------|--|
|  |                  |                   |                   |  |   |                                 |                   |                          |                      |                   |                 |                 |                    |             |  |
| <b>At 1<sup>st</sup> April, 2021</b>     | 8,075.04         | 3,486.36          | 16,883.20         | 11,313.04                              | 1,158.56                                | 2,440.82                        | 56,770.06         | 3,866.52                 | 2,576.34             | 1,636.63          | 1,002.03        | 3,456.70        | 1,12,665.31        |             |  |
| <b>Additions</b>                         | 723.94           | -                 | 1,588.68          | 706.30                                 | -                                       | -                               | 5,290.35          | 434.37                   | 158.52               | 90.03             | 149.19          | 472.20          | 9,613.58           |             |  |
| Foreign Currency Translation Adjustment  | (20.74)          | -                 | 6.53              | -                                      | -                                       | -                               | (391.28)          | (70.12)                  | 0.24                 | 0.54              | 0.28            | (2.32)          | (476.87)           |             |  |
| Disposals / deductions / adjustment      | -                | -                 | -                 | -                                      | -                                       | -                               | 760.05            | 82.71                    | 3.88                 | 20.28             | 54.41           | 232.65          | 1,153.98           |             |  |
| <b>At 31<sup>st</sup> March, 2022</b>    | <b>8,778.24</b>  | <b>3,486.36</b>   | <b>18,478.41</b>  | <b>12,019.34</b>                       | <b>1,158.56</b>                         | <b>2,440.82</b>                 | <b>60,909.08</b>  | <b>4,148.06</b>          | <b>2,731.23</b>      | <b>1,706.92</b>   | <b>1,097.09</b> | <b>3,693.93</b> | <b>1,20,648.04</b> |             |  |
| Additions                                | 1,901.37         | 5,297.45          | 1,958.84          | 459.76                                 | -                                       | -                               | 27,159.24         | 1,321.42                 | 293.90               | 100.64            | 363.11          | 270.80          | 39,126.53          |             |  |
| Foreign Currency Translation Adjustment  | 58.35            | -                 | 47.79             | -                                      | -                                       | -                               | 257.26            | -                        | 1.28                 | 0.17              | 0.10            | 6.89            | 371.84             |             |  |
| Disposals / deductions / adjustment      | 349.68           | -                 | 757.01            | 0.16                                   | 1.58                                    | -                               | 1,882.39          | 227.80                   | 53.46                | 51.31             | 153.05          | 255.31          | 3,731.75           |             |  |
| <b>At 31<sup>st</sup> March, 2023</b>    | <b>10,388.28</b> | <b>8,783.81</b>   | <b>19,728.03</b>  | <b>12,478.94</b>                       | <b>1,156.98</b>                         | <b>2,440.82</b>                 | <b>86,443.19</b>  | <b>5,241.68</b>          | <b>2,972.95</b>      | <b>1,756.42</b>   | <b>1,307.25</b> | <b>3,716.31</b> | <b>1,56,414.66</b> |             |  |
| <b>Accumulated Depreciation</b>          |                  |                   |                   |  |   |                                 |                   |                          |                      |                   |                 |                 |                    |             |  |
| <b>As at 1<sup>st</sup> April, 2021</b>  | -                | <b>1,210.29</b>   | <b>3,576.63</b>   | <b>1,891.50</b>                        | <b>709.87</b>                           | <b>2,186.80</b>                 | <b>21,916.64</b>  | <b>1,601.88</b>          | <b>770.67</b>        | <b>926.39</b>     | <b>607.63</b>   | <b>1,889.45</b> | <b>37,287.75</b>   |             |  |
| Charge for the Year                      | -                | 607.51            | 663.78            | 393.41                                 | 216.06                                  | 24.42                           | 4,200.68          | 314.75                   | 235.78               | 245.45            | 155.35          | 351.93          | 7,409.12           |             |  |
| Foreign Currency Translation Adjustment  | -                | -                 | 3.92              | -                                      | -                                       | -                               | 59.96             | 3.23                     | 0.45                 | 0.36              | 0.21            | (1.02)          | 67.12              |             |  |
| Disposals / deductions                   | -                | -                 | -                 | -                                      | -                                       | -                               | 641.86            | 43.96                    | 3.22                 | 16.37             | 48.35           | 202.29          | 956.05             |             |  |
| <b>As at 31<sup>st</sup> March, 2022</b> | -                | <b>1,817.80</b>   | <b>4,244.34</b>   | <b>2,284.91</b>                        | <b>925.93</b>                           | <b>2,211.22</b>                 | <b>25,535.41</b>  | <b>1,875.90</b>          | <b>1,003.68</b>      | <b>1,155.83</b>   | <b>714.85</b>   | <b>2,038.07</b> | <b>43,807.94</b>   |             |  |
| charge for the Year                      | -                | 543.84            | 670.46            | 402.15                                 | 88.41                                   | 24.42                           | 4,637.87          | 330.46                   | 250.15               | 240.80            | 186.75          | 368.77          | 7,744.08           |             |  |
| Foreign Currency Translation Adjustment  | -                | -                 | 5.99              | -                                      | -                                       | -                               | 139.60            | -                        | 0.59                 | 0.09              | 0.10            | 5.19            | 151.56             |             |  |
| Disposals / deductions                   | -                | -                 | 168.28            | 0.03                                   | 0.31                                    | -                               | 667.47            | 116.38                   | 39.75                | 40.41             | 140.49          | 211.86          | 1,384.98           |             |  |
| <b>At 31<sup>st</sup> March, 2023</b>    | -                | <b>2,361.64</b>   | <b>4,752.51</b>   | <b>2,687.03</b>                        | <b>1,014.03</b>                         | <b>2,235.64</b>                 | <b>29,645.41</b>  | <b>2,089.98</b>          | <b>1,214.67</b>      | <b>1,356.31</b>   | <b>761.21</b>   | <b>2,200.17</b> | <b>50,318.60</b>   |             |  |
| <b>Carrying Values</b>                   |                  |                   |                   |  |   |                                 |                   |                          |                      |                   |                 |                 |                    |             |  |
| <b>As at 31<sup>st</sup> March, 2021</b> | <b>8,075.04</b>  | <b>2,276.07</b>   | <b>13,306.57</b>  | <b>9,421.54</b>                        | <b>448.69</b>                           | <b>254.02</b>                   | <b>34,853.42</b>  | <b>2,264.64</b>          | <b>1,805.67</b>      | <b>710.24</b>     | <b>394.40</b>   | <b>1,567.25</b> | <b>75,377.56</b>   |             |  |
| <b>As at 31<sup>st</sup> March, 2022</b> | <b>8,778.24</b>  | <b>1,668.56</b>   | <b>14,234.08</b>  | <b>9,734.43</b>                        | <b>232.63</b>                           | <b>229.60</b>                   | <b>35,373.68</b>  | <b>2,272.16</b>          | <b>1,727.55</b>      | <b>551.09</b>     | <b>382.24</b>   | <b>1,655.86</b> | <b>76,840.10</b>   |             |  |
| <b>As at 31<sup>st</sup> March, 2023</b> | <b>10,388.28</b> | <b>6,422.17</b>   | <b>14,975.52</b>  | <b>9,791.91</b>                        | <b>142.95</b>                           | <b>205.18</b>                   | <b>56,797.78</b>  | <b>3,151.70</b>          | <b>1,758.28</b>      | <b>400.11</b>     | <b>546.04</b>   | <b>1,516.14</b> | <b>1,06,096.06</b> |             |  |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 3. Property, Plant and Equipment (including right of use assets) (contd.)

#### Capital Work in Progress

(₹ in Lacs)

| <b>COST OR DEEMED COST</b>            | <b>Total</b>     |
|---------------------------------------|------------------|
| <b>At 1<sup>st</sup> April, 2021</b>  | 2,849.12         |
| Additions                             | 17,117.99        |
| Disposals / deductions / adjustment   | 2,307.30         |
| <b>At 31<sup>st</sup> March, 2022</b> | <b>17,659.81</b> |
| Additions                             | 22,173.96        |
| Disposals / deductions / adjustment   | 16,212.47        |
| <b>At 31<sup>st</sup> March, 2023</b> | <b>23,621.30</b> |

#### Ageing of Capital Work in Progress (CWIP).

##### As at 31<sup>st</sup> March, 2023

(₹ in Lacs)

| <b>CWIP</b>                    | <b>Amount in CWIP for a period of</b> |                  |                  |                          | <b>Total</b> |
|--------------------------------|---------------------------------------|------------------|------------------|--------------------------|--------------|
|                                | <b>Less than 1 year</b>               | <b>1-2 years</b> | <b>2-3 Years</b> | <b>More than 3 years</b> |              |
| Projects in progress           | 22,324.05                             | 1,149.46         | 43.77            | 104.02                   | 23,621.30    |
| Projects temporarily suspended | -                                     | -                | -                | -                        | -            |

##### As at 31<sup>st</sup> March, 2022

(₹ in Lacs)

| <b>CWIP</b>                    | <b>Amount in CWIP for a period of</b> |                  |                  |                          | <b>Total</b> |
|--------------------------------|---------------------------------------|------------------|------------------|--------------------------|--------------|
|                                | <b>Less than 1 year</b>               | <b>1-2 years</b> | <b>2-3 Years</b> | <b>More than 3 years</b> |              |
| Projects in progress *         | 17,500.24                             | 33.40            | 102.40           | -                        | 17,636.04    |
| Projects temporarily suspended | -                                     | -                | -                | 23.77                    | 23.77        |

\* Includes ₹15387.76 lacs incurred during the current year on expansion project of Holding Company against which approved budget ₹28675.00 lacs due for completion by September 2022.

#### Notes :

- a) There are no projects as on the reporting period which have exceeded cost as compared to its original plan or where completion is overdue.

### 4. Intangible Assets

(₹ in Lacs)

|  | <b>Computer Software</b> | <b>Goodwill</b> | <b>Total</b>  |
|--|--------------------------|-----------------|---------------|
| <b>COST</b>                              |                          |                 |               |
| <b>At 1<sup>st</sup> April, 2021</b>     | 415.23                   | 128.49          | 543.72        |
| Addition                                 | 11.99                    | -               | 11.99         |
| Written Off/Disposed                     | 1.07                     | -               | 1.07          |
| <b>As at 31<sup>st</sup> March, 2022</b> | <b>426.15</b>            | <b>128.49</b>   | <b>554.64</b> |
| Addition                                 | 1.50                     | -               | 1.50          |
| Written Off/Disposed                     | 51.90                    | -               | 51.90         |
| <b>As at 31<sup>st</sup> March, 2023</b> | <b>375.75</b>            | <b>128.49</b>   | <b>504.24</b> |
| <b>Amortisation</b>                      |                          |                 |               |
| <b>As at 1<sup>st</sup> April, 2021</b>  | 338.93                   | -               | 338.93        |
| Charge for the Year                      | 19.05                    | -               | 19.05         |
| Written Off/Disposed                     | 0.94                     | -               | 0.94          |
| <b>As at 31<sup>st</sup> March, 2022</b> | <b>357.04</b>            | <b>-</b>        | <b>357.04</b> |
| charge for the Year                      | 6.72                     | -               | 6.72          |
| Written Off/Disposed                     | 32.85                    | -               | 32.85         |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 4. Intangible Assets (contd.)

(₹ in Lacs)

|  | Computer Software | Goodwill      | Total         |
|--|-------------------|---------------|---------------|
| <b>As at 31<sup>st</sup> March, 2023</b> | <b>330.91</b>     | <b>-</b>      | <b>330.91</b> |
| <b>Net Block</b>                         |                   |               |               |
| <b>As at 31<sup>st</sup> March, 2021</b> | 76.30             | 128.49        | 204.79        |
| <b>As at 31<sup>st</sup> March, 2022</b> | 69.11             | 128.49        | 197.61        |
| <b>As at 31<sup>st</sup> March, 2023</b> | <b>44.84</b>      | <b>128.49</b> | <b>173.33</b> |

#### Notes :

- Contractual commitments for acquisition of Property, Plant & Equipments is disclosed in Refer Note no 34(i)
- For assets pledged against borrowings Refer Note no.:16 & 19
- Company has not revalued its Property, Plant and Equipment during the period ending 31<sup>st</sup> March, 2023 and also during the previous period ending 31<sup>st</sup> March, 2022.
- The Company does not have any Immovable Property whose title deeds are not held in the name of the company during the period ending 31<sup>st</sup> March, 2023 and also as on 31<sup>st</sup> March, 2022
- Company has not revalued its Intangible assets during the period ending 31<sup>st</sup> March, 2023 and also during the previous period ending 31<sup>st</sup> March, 2022
- Capital work in progress during the year mainly comprises plant & machinery and building, related to expansion project( p.y normal capex expenditure related to plant & machinery).

### 5. Investment Property (Land)

(₹ in Lacs)

| Particulars   | Amount        |
|---|---------------|
| <b>Opening balance at 1<sup>st</sup> April, 2021</b>  | 610.16        |
| Addition  | -             |
| <b>Closing balance at 31<sup>st</sup> March, 2022</b> | <b>610.16</b> |
| Addition  | -             |
| <b>Closing balance at 31<sup>st</sup> March, 2023</b> | <b>610.16</b> |

These valuations are based on valuations performed by Parameswar Sharma, an accredited independent valuer holding recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

#### Reconciliation of fair value:

(₹ in Lacs)

| Particulars   | Amount        |
|---|---------------|
| <b>Opening balance at 1<sup>st</sup> April, 2021</b>  | 864.00        |
| Fair value difference                                 | 48.00         |
| <b>Closing balance at 31<sup>st</sup> March, 2022</b> | <b>912.00</b> |
| Fair value difference                                 | 36.00         |
| <b>Closing balance at 31<sup>st</sup> March, 2023</b> | <b>948.00</b> |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 6. Investments

(₹ in Lacs)

|   | Face Value per share | No of Shares as at 31 <sup>st</sup> March, 2023 | No of Shares as at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|----------------------|---|---|------------------------------------|------------------------------------|
| <b>Non-Current Investments at fair value through profit or loss (FVTPL)</b> |                      |   |   |                                    |                                    |
| <b>Unquoted Equity Instruments</b>  |                      |   |   |                                    |                                    |
| <b>(i) Investments In Others (at FVTPL)</b>                                 |                      |   |   |                                    |                                    |
| OPG Power Generation Pvt Ltd  | 10                   | -   | 64300   | -                                  | 7.39                               |
| Watsun Infrabuild Pvt. Ltd.   | 10                   | 115000  | 215000  | 11.50                              | 21.50                              |
| Association of Indian Panelboard Manufacturer                               | 10                   | 500   | 500   | 0.50                               | 0.50                               |
| Indian Laminate Manufacturer's Association                                  | 1000                 | 125   | 125   | 1.25                               | 1.25                               |
| <b>Sub Total</b>  |                      |   |   | <b>13.25</b>                       | <b>30.64</b>                       |
| <b>Aggregate amount of unquoted investment</b>                              |                      |   |   | <b>13.25</b>                       | <b>30.64</b>                       |

### 7. Loans (at amortised cost)

(₹ in Lacs)

|                       | Non Current                  |                              | Current                      |                              |
|-----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                       | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Loans:</b>         |                              |                              |                              |                              |
| - To a Body corporate | -                            | -                            | 250.00                       | 330.00                       |
| <b>Total</b>          | <b>-</b>                     | <b>-</b>                     | <b>250.00</b>                | <b>330.00</b>                |

### DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

(₹ in Lacs)

| Name of the Company                         | Nature of Transactions | Balance as on                |                              | Maximum Amount Outstanding at any time during the Year |                              |
|---|------------------------|------------------------------|------------------------------|--|------------------------------|
|   |                        | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023                           | 31 <sup>st</sup> March, 2022 |
| Good View Agencies Pvt. Ltd.                | Loans                  | -                            | 80.00                        | 80.00  | 80.00                        |
| Fine Wood Products Pvt.Ltd.                 | Loans                  | -                            | -                            | -  | 20.00                        |
| Tiru Complex LLP                            | Loans                  | -                            | -                            | -  | 50.00                        |
| Auro Sundram International Pvt. Ltd.        | Loans                  | 250.00                       | 250.00                       | 250.00   | 250.00                       |
| Channel Financing to Dealers & Distributors | Guarantee              | 832.89                       | 960.21                       | 960.21   | 960.21                       |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 8. Other Financial Assets (at Amortised Cost)

(₹ in Lacs)

|   | Non Current                  |                              | Current                      |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Unsecured Considered Good</b>              |                              |                              |                              |                              |
| Advances recoverable in cash or kind          | -                            | -                            | 909.95                       | 1,258.28                     |
| Interest accrued on Loans, Deposits etc       | -                            | -                            | 646.02                       | 695.14                       |
| Insurance Claim Receivable                    | -                            | -                            | 58.12                        | 29.44                        |
| Central/State Government Subsidies Receivable | -                            | -                            | 614.02                       | 829.63                       |
| Security Deposits                             | 1,228.07                     | 1,446.55                     | 768.14                       | 564.55                       |
| Other Receivables                             | -                            | -                            | 404.14                       | 571.54                       |
| <b>Total</b>                                  | <b>1,228.07</b>              | <b>1,446.55</b>              | <b>3,400.39</b>              | <b>3,948.58</b>              |

### 9. Income Tax and Deferred Tax

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| <b>(i) Total tax recognised in Statement of Profit &amp; Loss</b>   |                              |                              |
| Current income tax  | 11,678.19                    | 12,140.45                    |
| Provision for tax for earlier year's written back   | -                            | 154.71                       |
| MAT credit written off during the year due adoption of new tax regime   | -                            | 3,057.65                     |
| Deferred Tax  | 1,103.48                     | 151.84                       |
| <b>Tax expense reported in the Statement of Profit or Loss</b>  | <b>12,781.67</b>             | <b>15,504.65</b>             |
| <b>OCI section</b>  |                              |                              |
| <b>Tax expense reported for Other Comprehensive Income (OCI)</b>  |                              |                              |
| Tax on net loss(gain) on remeasurement of defined benefit plan  | 8.83                         | 159.52                       |
|   | <b>8.83</b>                  | <b>159.52</b>                |
| <b>(ii) Deferred Tax Assets/(Liabilities)</b>   |                              |                              |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis             | 365.34                       | 818.90                       |
| Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | (3,423.21)                   | (2,765.96)                   |
| Provision for doubtful debts and advances   | 267.18                       | 267.18                       |
| <b>Deferred Tax Assets/(Liabilities)</b>  | <b>(2,790.69)</b>            | <b>(1,679.88)</b>            |
| <b>(iii) Deferred Tax Assets/(Liabilities)</b>  |                              |                              |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis             | (6.92)                       | 18.41                        |
| Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 29.06                        | (24.37)                      |
| <b>Deferred Tax Assets/(Liabilities)</b>  | <b>22.14</b>                 | <b>(5.96)</b>                |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 9. Income Tax and Deferred Tax (contd.)

#### (iv) Movement in deferred tax assets and liabilities:

| Particulars   | As at 1 <sup>st</sup> April, 2021 | MAT credit Utilised | Recognised in Statement of Profit & Loss | Recognised in OCI | As at 31 <sup>st</sup> March, 2022 | MAT credit Utilised | Recognised in Statement of Profit & Loss | Recognised in OCI | ₹ in Lacs                          |
|---|-----------------------------------|---------------------|--|-------------------|------------------------------------|---------------------|--|-------------------|------------------------------------|
|   |                                   |                     |  |                   |                                    |                     |  |                   | As at 31 <sup>st</sup> March, 2023 |
| <b>Deferred Tax Assets/(Liabilities)</b>  |                                   |                     |  |                   |                                    |                     |  |                   |                                    |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis           | 861.79                            | -                   | (202.41)                                 | 159.52            | 818.90                             | -                   | (462.39)                                 | 8.83              | 365.34                             |
| Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | (2,844.78)                        | -                   | 78.82                                    | -                 | (2,765.96)                         | -                   | (657.25)                                 | -                 | (3,423.21)                         |
| Provision for doubtful debts and advances   | 313.02                            | -                   | (45.84)                                  | -                 | 267.18                             | -                   | -  | -                 | 267.18                             |
| Minimum Alternate Tax Credit Entitlement  | 5,881.22                          | (2,823.57)          | (3,057.66)                               | -                 | -                                  | -                   | -  | -                 | -                                  |
| <b>Total Deferred Tax Assets/(Liabilities)</b>  | <b>4,211.25</b>                   | <b>(2,823.57)</b>   | <b>(3,227.09)</b>                        | <b>159.52</b>     | <b>(1,679.88)</b>                  | <b>-</b>            | <b>(1,119.64)</b>                        | <b>8.83</b>       | <b>(2,790.69)</b>                  |
| <b>Deferred Tax Assets/(Liabilities)</b>  |                                   |                     |  |                   |                                    |                     |  |                   |                                    |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis           | -                                 | -                   | (18.41)                                  | -                 | (18.41)                            | -                   | 11.47                                    | -                 | (6.92)                             |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting                | (11.64)                           | -                   | 36.01                                    | -                 | 24.37                              | -                   | 4.69                                     | -                 | 29.06                              |
| <b>Total Deferred Tax Assets/(Liabilities)</b>  | <b>(11.64)</b>                    | <b>-</b>            | <b>17.60</b>                             | <b>-</b>          | <b>5.96</b>                        | <b>-</b>            | <b>16.16</b>                             | <b>-</b>          | <b>22.14</b>                       |

(v) The Group has reviewed its income tax treatments in order to determine whether they could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements. As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities. After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 10. Other Assets

(₹ in Lacs)

|   | Non Current                  |                              | Current                      |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Capital Advances Against Plant Property and Equipment | 10,298.31                    | 4,591.72                     | 164.56                       | -                            |
| Advance to Vendors                                    | 5.02                         | 0.71                         | 3,189.77                     | 949.72                       |
| Deposits against Demand under Disputes                | -                            | -                            | 62.93                        | 62.93                        |
| Balance with Statutory/Government Authorities         | 21.62                        | 0.60                         | 1,676.55                     | 1,004.06                     |
| Prepaid Expenses                                      | 91.12                        | 128.45                       | 612.20                       | 550.53                       |
| <b>Total</b>  | <b>10,416.07</b>             | <b>4,721.48</b>              | <b>5,706.01</b>              | <b>2,567.24</b>              |

### 11. Inventories

(₹ in Lacs)

|  | NOTES | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|-------|------------------------------|------------------------------|
| <b>(At Lower of Cost or Net Realisable Value)</b>                            |       |                              |                              |
| Raw Materials  | 27    | 26,943.92                    | 22,080.86                    |
| Work-in-Progress   | 28    | 4,872.97                     | 5,393.98                     |
| Stock in Trade   | 28    | 2,901.29                     | 4,730.98                     |
| Finished Goods   | 28    | 13,732.92                    | 16,176.52                    |
| Stores & Spares Parts, etc   |       | 4,446.24                     | 4,256.93                     |
| <b>Total</b>   |       | <b>52,897.34</b>             | <b>52,639.27</b>             |
| <b>Note:-</b>  |       |                              |                              |
| The above includes Stock-in-Transit  |       |                              |                              |
| Raw Materials  |       | 1,011.50                     | 1,822.23                     |
| Stock in Trade   |       | 40.40                        | 128.93                       |
| Inventories are pledged against the cash credit limit obtained by the Group. |       |                              |                              |

### 12. Trade Receivables

(₹ in Lacs)

|  | Current                      |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| <b>Trade Receivables</b>   |                              |                              |
| - Trade Receivables considered good - Secured  | 1,565.13                     | 1,646.80                     |
| - Trade Receivables considered good - Unsecured  | 37,464.31                    | 33,804.61                    |
| - Trade Receivables which have significant increase in credit risk                       | 1,065.74                     | 854.05                       |
|  | <b>40,095.18</b>             | <b>36,305.46</b>             |
| Less: Loss Allowance on Trade Receivables considered good - Unsecured                    | 684.23                       | 854.05                       |
| Less: Loss Allowance on Trade Receivables which have significant increase in credit risk | 377.37                       | 207.55                       |
|  | <b>1,061.60</b>              | <b>1,061.60</b>              |
| <b>Net Total Debtors</b>   | <b>39,033.58</b>             | <b>35,243.86</b>             |
| - Receivables from related parties (Refer Note 39)                                       | -                            | -                            |
| - Others   | 39,033.58                    | 35,243.86                    |
| <b>Total Trade Receivables</b>   | <b>39,033.58</b>             | <b>35,243.86</b>             |

Trade receivables are pledged against the cash credit limit obtained by the Holding Company.

Trade receivables are non-interest bearing and are generally on terms of 0-45 days.

No debts are due from Directors or other officers of the Company.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 12. Trade Receivables (contd.)

The ageing of trade receivable as on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are as follows:

|  | Outstanding from due date of payment as on 31 <sup>st</sup> March, 2023 |                 |                   |               |              |                   | Total            |
|--|---|-----------------|-------------------|---------------|--------------|-------------------|------------------|
|  | Not Due   | Upto 6 months   | 6 months - 1 year | 1-2 years     | 2-3 years    | More than 3 years |                  |
| <b>Undisputed</b>                              |   |                 |                   |               |              |                   |                  |
| Considered good                                | 34,163.14   | 4,809.78        | 134.12            | 112.94        | 32.15        | 154.76            | 39,406.89        |
| Which have significant increase in credit risk | -   | -               | -                 | -             | -            | -                 | -                |
| Credit impaired                                | -   | -               | -                 | -             | -            | -                 | -                |
| <b>Disputed</b>                                |   |                 |                   |               |              |                   |                  |
| Considered good                                | -   | -               | -                 | -             | -            | 4.06              | 4.06             |
| Which have significant increase in credit risk | -   | -               | 10.56             | 93.29         | 60.05        | 520.33            | 684.23           |
| Credit impaired                                | -   | -               | -                 | -             | -            | -                 | -                |
| <b>Total Gross Debtors</b>                     | <b>34,163.14</b>  | <b>4,809.78</b> | <b>144.68</b>     | <b>206.23</b> | <b>92.20</b> | <b>679.15</b>     | <b>40,095.18</b> |
| Less: Loss allowance                           |   |                 |                   |               |              |                   | 1,061.60         |
| <b>Total</b>                                   |   |                 |                   |               |              |                   | <b>39,033.58</b> |

(₹ in Lacs)

|  | Outstanding from due date of payment as on 31 <sup>st</sup> March, 2022 |                 |                   |               |               |                   | Total            |
|--|---|-----------------|-------------------|---------------|---------------|-------------------|------------------|
|  | Not Due   | Upto 6 months   | 6 months - 1 year | 1-2 years     | 2-3 years     | More than 3 years |                  |
| <b>Undisputed</b>                              |   |                 |                   |               |               |                   |                  |
| Considered good                                | 31,807.62   | 3,263.22        | 192.23            | 99.07         | 48.81         | 40.46             | 35,451.41        |
| Which have significant increase in credit risk | -   | -               | -                 | -             | -             | -                 | -                |
| Credit impaired                                | -   | -               | -                 | -             | -             | -                 | -                |
| <b>Disputed</b>                                |   |                 |                   |               |               |                   |                  |
| Considered good                                | -   | -               | -                 | -             | -             | -                 | -                |
| Which have significant increase in credit risk | -   | 68.12           | 17.16             | 96.07         | 92.21         | 580.49            | 854.05           |
| Credit impaired                                | -   | -               | -                 | -             | -             | -                 | -                |
| <b>Total Gross Receivables</b>                 | <b>31,807.62</b>  | <b>3,331.34</b> | <b>209.39</b>     | <b>195.14</b> | <b>141.02</b> | <b>620.95</b>     | <b>36,305.46</b> |
| Less: Loss allowance                           |   |                 |                   |               |               |                   | 1,061.60         |
| <b>Total</b>                                   |   |                 |                   |               |               |                   | <b>35,243.86</b> |

(₹ in Lacs)

### 13. Cash and Bank Balances

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| <b>(i) Cash and Cash Equivalents</b>                      |                              |                              |
| Cash on hand  | 85.06                        | 103.00                       |
| <b>Balances with Banks</b>                                |                              |                              |
| On Current accounts                                       | 1,277.74                     | 1,484.70                     |
| Deposits with Original Maturity of less than three months | -                            | 100.00                       |
| Cheques/Drafts on hand                                    | 50.41                        | 14.28                        |
|   | <b>1,413.21</b>              | <b>1,701.98</b>              |

(₹ in Lacs)

Note: There is no repatriation restrictions with regard to cash and cash equivalent as at the end of the reporting period and prior periods

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 13. Cash and Bank Balances (contd.)

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| <b>(ii) Bank Balances other than Cash and cash equivalents</b>                             |                              |                              |
| Fixed Deposits with Original Maturity of more than 3 months but less than 12 months        | 24,604.51                    | 24,000.19                    |
| Margin Money Deposits with Original Maturity of more than 3 months but less than 12 months | 1,784.72                     | 380.23                       |
| Unpaid Dividend Account  | 18.78                        | 20.28                        |
| <b>Total</b>   | <b>26,408.01</b>             | <b>24,400.70</b>             |

### 14. Equity Share Capital

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| <b>Authorised</b>   |                              |                              |
| 65,05,00,000 (65,05,00,000 as at 31 <sup>st</sup> March, 2022) Equity Shares of ₹1/- each | 6,505.00                     | 6,505.00                     |
| 15,00,000 (15,00,000 as at 31 <sup>st</sup> March, 2022) Preference Shares of ₹10/- each  | 150.00                       | 150.00                       |
| 50,000 (50,000 as at 31 <sup>st</sup> March, 2022) Preference Shares of ₹100/- each       | 50.00                        | 50.00                        |
| <b>Total</b>  | <b>6,705.00</b>              | <b>6,705.00</b>              |
| <b>Issued</b>   |                              |                              |
| <b>Issued equity shares of INR 1 each</b>   |                              |                              |
| 22,35,52,990 (22,35,52,990 as at 31 <sup>st</sup> March, 2022) Equity Shares of ₹1/- each | 2,235.53                     | 2,235.53                     |
| <b>Total</b>  | <b>2,235.53</b>              | <b>2,235.53</b>              |
| <b>Subscribed and Paid up</b>   |                              |                              |
| 22,21,72,990 (22,21,72,990 as at 31 <sup>st</sup> March, 2022) Equity Shares of ₹1/- each | 2,221.73                     | 2,221.73                     |
| Add: Amount received on forfeited shares(FY 2001-02)                                      | 3.54                         | 3.54                         |
| <b>Total</b>  | <b>2,225.27</b>              | <b>2,225.27</b>              |

- a) There is no change in number of shares in current year and previous year.  
b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity Shares                             | 31 <sup>st</sup> March, 2023 |                 | 31 <sup>st</sup> March, 2022 |                 |
|---|------------------------------|-----------------|------------------------------|-----------------|
|   | No. of Shares                | ₹ in Lacs       | No. of Shares                | ₹ in Lacs       |
| At the Beginning of the year              | 22,21,72,990                 | 2,221.73        | 22,21,72,990                 | 2,221.73        |
| Issued during the year                    | -                            | -               | -                            | -               |
| <b>Outstanding at the end of the year</b> | <b>22,21,72,990</b>          | <b>2,221.73</b> | <b>22,21,72,990</b>          | <b>2,221.73</b> |

- c) Details of shares held by promoters/promoter group:

| Promoter name                         | As at 31 <sup>st</sup> March, 2023 |                   |                          | As at 31 <sup>st</sup> March, 2022 |                   |
|---------------------------------------|------------------------------------|-------------------|--------------------------|------------------------------------|-------------------|
|                                       | No. of shares                      | % of total shares | % Change during the year | No. of shares                      | % of total shares |
| <b>Promoters Name</b>                 |                                    |                   |                          |                                    |                   |
| Sajjan Bhajanka                       | 2,41,64,037                        | 10.88             | -                        | 2,41,64,037                        | 10.88             |
| Sanjay Agarwal                        | 2,48,80,460                        | 11.20             | -                        | 2,48,80,460                        | 11.20             |
| Vishnu Khemani                        | 1,87,86,900                        | 8.46              | -                        | 1,87,86,900                        | 8.46              |
| Prem Kumar Bhajanka                   | 46,72,561                          | 2.10              | -                        | 46,72,561                          | 2.10              |
| Rajesh Kumar Agarwal                  | 40,53,882                          | 1.82              | -                        | 40,53,882                          | 1.82              |
| <b>Promoters Group</b>                |                                    |                   |                          |                                    |                   |
| Divya Agarwal                         | 1,67,49,750                        | 7.54              | -                        | 1,67,49,750                        | 7.54              |
| Santosh Bhajanka                      | 1,48,49,500                        | 6.68              | (0.27)                   | 1,54,49,500                        | 6.95              |
| Yash Bala Bhajanka                    | 31,49,132                          | 1.42              | -                        | 31,49,132                          | 1.42              |
| Bhawna Agarwal                        | 31,44,816                          | 1.42              | -                        | 31,44,816                          | 1.42              |
| Sumitra Devi Agarwal                  | 17,16,150                          | 0.77              | -                        | 17,16,150                          | 0.77              |
| Hari Prasad Agarwala And Others (Huf) | 16,08,890                          | 0.72              | -                        | 16,08,890                          | 0.72              |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 14. Equity Share Capital (contd.)

| Promoter name                   | As at 31 <sup>st</sup> March, 2023 |                   |                          | As at 31 <sup>st</sup> March, 2022 |                   |
|---------------------------------|------------------------------------|-------------------|--------------------------|------------------------------------|-------------------|
|                                 | No. of shares                      | % of total shares | % Change during the year | No. of shares                      | % of total shares |
| Sonu Kajaria                    | 8,63,500                           | 0.39              | 0.09                     | 6,63,500                           | 0.30              |
| Shraddha Agarwal                | 8,00,000                           | 0.36              | 0.09                     | 6,00,000                           | 0.27              |
| Payal Agrawal                   | 8,00,000                           | 0.36              | 0.09                     | 6,00,000                           | 0.27              |
| Keshav Bhajanka                 | 25,00,000                          | 1.13              | -                        | 25,00,000                          | 1.13              |
| Nancy Choudhary                 | 95,000                             | 0.04              | -                        | 95,000                             | 0.04              |
| Nikita Bansal                   | 69,200                             | 0.03              | -                        | 69,200                             | 0.03              |
| Sanjana Bhajanka                | 50,000                             | 0.02              | -                        | 50,000                             | 0.02              |
| Sri Ram Vanijya Pvt.Ltd.        | 85,02,180                          | 3.83              | -                        | 85,02,180                          | 3.83              |
| Brijdham Merchants Pvt.Ltd.     | 77,43,990                          | 3.49              | -                        | 77,43,990                          | 3.49              |
| Sumangal International Pvt.Ltd. | 76,66,800                          | 3.45              | -                        | 76,66,800                          | 3.45              |
| Sumangal Business Pvt.Ltd.      | 68,31,240                          | 3.07              | -                        | 68,31,240                          | 3.07              |
| Sri Ram Merchants Pvt.Ltd.      | 67,39,870                          | 3.03              | -                        | 67,39,870                          | 3.03              |
| Auroville Investments Pvt.Ltd.  | 18,45,000                          | 0.83              | -                        | 18,45,000                          | 0.83              |
| <b>Total</b>                    | <b>16,22,82,858</b>                | <b>73.04</b>      |                          | <b>16,22,82,858</b>                | <b>73.04</b>      |

#### d) Details of Shareholders holding more than 5% shares in the company

| Equity Shares         | 31 <sup>st</sup> March, 2023 |           | 31 <sup>st</sup> March, 2022 |           |
|-----------------------|------------------------------|-----------|------------------------------|-----------|
|                       | No. of Shares                | % holding | No. of Shares                | % holding |
| Sri Sajjan Bhajanka   | 2,41,64,037                  | 10.88%    | 2,41,64,037                  | 10.88%    |
| Sri Sanjay Agarwal    | 2,48,80,460                  | 11.20%    | 2,48,80,460                  | 11.20%    |
| Sri Vishnu Khemani    | 1,87,86,900                  | 8.46%     | 1,87,86,900                  | 8.46%     |
| Smt. Divya Agarwal    | 1,67,49,750                  | 7.54%     | 1,67,49,750                  | 7.54%     |
| Smt. Santosh Bhajanka | 1,48,49,500                  | 6.68%     | 1,54,49,500                  | 6.95%     |

As per records of the Company, including its register of members as at 31<sup>st</sup> March, 2023, the above shareholding represents legal ownerships of shares.

#### e) Terms/Rights attached to the Equity Shares

The company has only one class of equity shares having par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in case of interim dividend. 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 in proportion to their shareholdings.

- f) The Company does not have any Holding/ Ultimate Holding Company. As such, no shares are held by them or their Subsidiaries/ Associates
- g) There are NIL (Previous year NIL) shares reserved for issue under option and contracts/commitment for the sale of shares/ disinvestment.
- h) During the period of five years immediately preceding the reporting date:
- No shares were issued for consideration other than cash
  - No bonus shares were issued
  - No shares were bought back
- i) There are NIL (Previous year NIL) securities convertible into Equity/ Preference Shares.
- j) There are NIL (Previous year NIL) calls unpaid including calls unpaid by Directors and Officers as on the balance sheet date.
- k) No shares were forfeited during the year or during the previous year 138000 equity shares of ₹10/- each (post split 1380000 equity shares of ₹1/- each) on which ₹3.54 lacs had been paid up, were forfeited in the year 2001-2002

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 15. Other Equity

(₹ in Lacs)

|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|--|------------------------------------|------------------------------------|
| Capital Reserve  | 262.41                             | 262.41                             |
| Amalgamation Reserve   | 317.40                             | 317.40                             |
| Securities Premium   | 1,892.77                           | 1,892.77                           |
| <b>Foreign Currency Translation Reserve</b>  |                                    |                                    |
| Balance at the beginning of the year   | 1,106.21                           | 894.55                             |
| Add: Exchnage difference in respect of Non integral foreign operations                           | 779.21                             | 211.66                             |
| Less : Transferred to retained earning on account of loss of control in Subsidiary               | (1390.68)                          | -                                  |
| Balance at the end of the year   | <b>494.74</b>                      | <b>1,106.21</b>                    |
| General Reserve  | 990.19                             | 990.19                             |
| Capital Redemption Reserve   | 50.00                              | 50.00                              |
| <b>Retained Earnings</b>   |                                    |                                    |
| Balance at the beginning of the year   | 1,48,839.79                        | 1,20,107.64                        |
| Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax) | (28.23)                            | (291.71)                           |
| Add : Transferred from FCTR on account of loss of control in Subsidiary                          | 1390.68                            |                                    |
| Add: Profit for the year   | 38,329.56                          | 31,305.54                          |
| Less: Appropriations   |                                    |                                    |
| Final Equity Dividend ₹1.50 (₹1.00) per share FY 21-22 (FY 20-21)                                | 3,332.59                           | 2,221.73                           |
| Loss on acquisition of additional shares in Century Infotech Ltd.                                | -                                  | 59.95                              |
| <b>Total Appropriations</b>  | <b>3,332.59</b>                    | <b>2,281.68</b>                    |
| <b>Balance at the end of the year</b>  | <b>1,85,199.21</b>                 | <b>1,48,839.79</b>                 |
| <b>Total</b>   | <b>1,89,206.72</b>                 | <b>1,53,458.77</b>                 |

**Amalgamation Reserve:-** This reserve was created on amalgamation of Shyam Century Ferrous Limited with the holding company during the financial year 2005-2006.

**Securities Premium :-** This Securities premium had been created on issue of shares by way of public issue and right issue.

**Foreign Currency Translation Reserve:-** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognized directly in the other comprehensive income and accumulated in foreign currency translation reserve.

**General Reserve:-** General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purpose. General reserve is created by a transfer from one component to equity to another and is not an item of other comprehensive income.

**Capital Redemption Reserve:-** This reserve was created for redemption of preference shares by group in FY 2012-2013.

**Retained Earnings:-** Amount of retained earnings represents accumulated profit and losses of the group as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for remeasurement gain loss on defined benefit plan.

### 16. Borrowings (at Amortised Cost)

(₹ in Lacs)

|   | <b>Non Current Portion</b>         |                                    | <b>Current Maturities</b>          |                                    |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|   | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| <b>Term Loans (Secured)</b>             |                                    |                                    |                                    |                                    |
| Indian Rupee Loan from Banks            | 168.74                             | 168.74                             | -                                  | -                                  |
| <b>Foreign Currency Loan from Banks</b> | -                                  | -                                  | 0.00                               | 2,447.42                           |
| Other Loans and Advances (Secured)      |                                    |                                    |                                    |                                    |
| Auto, Car/Vehicle Loan                  |                                    |                                    |                                    |                                    |
| - From banks                            | 17.78                              | 29.47                              | 11.69                              | 11.27                              |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 16. Borrowings (at Amortised Cost) (contd.)

(₹ in Lacs)

|  | Non Current Portion          |                              | Current Maturities           |                              |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| - From Bodies Corporate                                  | -                            | 1.65                         | 1.65                         | 4.69                         |
|  | <b>186.52</b>                | <b>199.86</b>                | <b>13.34</b>                 | <b>2,463.38</b>              |
| Current Maturities of Long Term Debts (Refer Note No.19) | -                            | -                            | (13.34)                      | (2463.38)                    |
| <b>Total</b>   | <b>186.52</b>                | <b>199.86</b>                | <b>-</b>                     | <b>-</b>                     |

#### Notes:-

- Foreign currency term loan of ₹ NIL (31<sup>st</sup> March, 2022 : ₹1594.56 Lacs) carried interest @6 months SOFR + 1.30% p.a (31<sup>st</sup> March, 2022 @6 months SOFR + 1.30% p.a.). The loan is repayable in 16 quarterly installments by 31<sup>st</sup> March, 2023 and is secured/to be secured by 1<sup>st</sup> charge on all the fixed assets pertaining to the Plywood Unit at Bishnupur, West Bengal on pari passu basis with other term lenders.
- Foreign currency term loan of ₹ NIL Lacs (31<sup>st</sup> March, 2022 : ₹852.86 lacs) carries interest @ 6 Months SOFR + 1.25% p.a. (31<sup>st</sup> March, 2022 @ 6 Months SOFR + 1.25% p.a.). The Loan is repayable in 16 equal quarterly instalments commencing from January 2019 & ending by October 2022 and is secured/to be secured by 1<sup>st</sup> charge on all the Fixed Assets of the Plywood Unit at Bishnupur West Bengal on pari passu basis with other term lenders.
- Term loan of ₹168.74 Lacs(31 March, 2022: ₹168.74 Lacs) carries interest @ 9.25% p.a. (31<sup>st</sup> March, 2022 : @ 9.25% p.a.). The Loan is repayable after 12 months of principal moratorium in 36 monthly installment and is secured by 1<sup>st</sup> charge on Industrial Property Unit at Raipur Industrial area, Roorkee.
- Auto,Car/Vehicle loans are secured by hypothecation of the assets purchased there against and carry interest between 7.25% p.a to 8.50% p.a (8.41% to 9.05%p.a)

### 17. Lease Liabilities

(₹ in Lacs)

|                                       | Non Current                  |                              | Current                      |                              |
|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                       | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Lease Liabilities (Refer Note no. 35) | 1,120.67                     | 1,334.81                     | 212.79                       | 487.51                       |
| <b>Total</b>                          | <b>1,120.67</b>              | <b>1,334.81</b>              | <b>212.79</b>                | <b>487.51</b>                |

### 18. Other Non Current Liabilities

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| <b>Deferred Revenue</b>   |                              |                              |
| At 1 <sup>st</sup> April  | 215.06                       | 274.33                       |
| Released to the statement of profit and loss  | 59.13                        | 59.27                        |
| At 31 <sup>st</sup> March   | <b>155.93</b>                | <b>215.06</b>                |
| Current (Amount Disclosed under the head Other Current Liabilities) (Refer Note No. 22) | 69.58                        | 69.58                        |
| Non-current   | 86.35                        | 145.48                       |

The deferred revenue relates to the asset related government grant received in earlier years, the same has been accounted for as deferred revenue and proportionately recognised in Statement of Profit and Loss.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 19. Short Term Borrowings(At Amortised Cost)

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| <b>Loans repayable on demand</b>                         |                              |                              |
| Cash Credit from banks (Secured)                         | 5,327.17                     | 2,517.05                     |
| Short Term Loan ( Unsecured )                            | 31.46                        | -                            |
| <b>Other Loans and advances</b>                          |                              |                              |
| Buyers Credit from banks (Secured)                       |                              |                              |
| - For Capital Expenditure                                | 9,298.77                     | 5,580.54                     |
| - For Raw Materials                                      | 7,433.92                     | 6,325.37                     |
| Packing Credit (Secured)                                 | 9,050.00                     | 4,734.96                     |
| Current Maturities of Long Term Debts (Refer Note No.16) | 13.34                        | 2,463.38                     |
| <b>Total</b>   | <b>31,154.66</b>             | <b>21,621.30</b>             |

#### Notes:-

- Cash Credit and Buyer's Credit from banks amounting to ₹12761.09 lacs (31<sup>st</sup> March, 2022 : ₹8842.42 lacs ) are secured by way of first charge on current assets (both present and future) of the group.
- Buyer's Credit for Capex from banks amounting to ₹9298.77 lacs (31<sup>st</sup> March, 2022 : ₹5580.54 lacs) are secured by way of 1<sup>st</sup> charge on all the Fixed Assets of the Unit located at Bishnupur West Bengal on pari passu basis with other term lenders.
- The cash credit is repayable on demand and carries interest @ 6.05% to 9.65% (31<sup>st</sup> March, 2022 : 6.05% to 7.40% ) p.a.
- Buyers credit carries interest @ SOFR plus 0.25% to 0.65% (2021-22 : 0.45% to 1.99%) p.a. for raw-materials and @ SOFR plus 0.75% to 0.90% (2021-22 : 0.25% to 0.77%) p.a. for capital expenditure and is repayable in 90-180 days.
- Rate of Interest for Packing Credit is 2.08% to 6.55% p.a (2021-22 1.05% to 4.65% p.a.)
- No company incorporated in India which has been included in these consolidated financial statements has been declared willful defaulter by any bank, financial institution or any lender during the current and previous year.

### 20. Trade Payables (At Amortised Cost)

(₹ in Lacs)

|                                       | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---------------------------------------|------------------------------|------------------------------|
| - Dues to Micro and Small Enterprises | 1,375.38                     | 725.09                       |
| - Dues to Others                      | 26,110.25                    | 24,553.86                    |
| <b>Total</b>                          | <b>27,485.63</b>             | <b>25,278.95</b>             |

Trade payables and acceptances are non-interest bearing and are normally settled on 30 day terms.

For terms and conditions with related parties, Refer Note No.39

#### (a) Trade Payables Ageing Schedule

(₹ in Lacs)

|   | Outstanding as on 31 <sup>st</sup> March, 2023 from due date of payment |           |             |           |           |                   | Total     |
|---|---|-----------|-------------|-----------|-----------|-------------------|-----------|
|   | Unbilled Due  | Not Due   | Upto 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |           |
| Undisputed dues of micro enterprises and small enterprises                      | -   | 1,375.38  | -           | -         | -         | -                 | 1,375.38  |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 6,121.63  | 14,304.26 | 5,420.61    | 164.38    | 27.61     | 71.76             | 26,110.25 |
| Disputed dues of micro enterprises and small enterprises                        | -   | -         | -           | -         | -         | -                 | -         |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 20. Trade Payables (At Amortised Cost) (contd.)

(₹ in Lacs)

|   | Outstanding as on 31 <sup>st</sup> March, 2023 from due date of payment |                  |                 |               |              |                   | Total            |
|---|---|------------------|-----------------|---------------|--------------|-------------------|------------------|
|   | Unbilled Due  | Not Due          | Upto 1 Year     | 1-2 Years     | 2-3 Years    | More than 3 Years |                  |
| Disputed dues of creditors other than micro enterprises and small enterprises | -   | -                | -               | -             | -            | -                 | -                |
| <b>Total</b>  | <b>6,121.63</b>   | <b>15,679.64</b> | <b>5,420.61</b> | <b>164.38</b> | <b>27.61</b> | <b>71.76</b>      | <b>27,485.63</b> |

(₹ in Lacs)

|   | Outstanding as on 31 <sup>st</sup> March, 2022 from due date of payment |                  |                 |              |              |                   | Total            |
|---|---|------------------|-----------------|--------------|--------------|-------------------|------------------|
|   | Unbilled Due  | Not Due          | Upto 1 Year     | 1-2 Years    | 2-3 Years    | More than 3 Years |                  |
| Undisputed dues of micro enterprises and small enterprises                      | -   | 725.09           | -               | -            | -            | -                 | 725.09           |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 4,234.27  | 17,018.46        | 3,083.57        | 66.32        | 41.75        | 109.49            | 24,553.86        |
| Disputed dues of micro enterprises and small enterprises                        | -   | -                | -               | -            | -            | -                 | -                |
| Disputed dues of creditors other than micro enterprises and small enterprises   | -   | -                | -               | -            | -            | -                 | -                |
| <b>Total</b>  | <b>4,234.27</b>   | <b>17,743.55</b> | <b>3,083.57</b> | <b>66.32</b> | <b>41.75</b> | <b>109.49</b>     | <b>25,278.95</b> |

### 21. Other Financial Liabilities

(₹ in Lacs)

|   | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
| Trade Deposits  | 2,398.39                     | 2,173.08                     |
| Interest accrued but not due on Borrowings  | 273.62                       | 17.39                        |
| Unpaid Dividend (To be deposited in Investor Education and Protection Fund as and when due) | 18.78                        | 20.28                        |
| Capital Creditors   | 3,481.41                     | 1,580.79                     |
| Employee related liabilities  | 5,642.80                     | 6,439.15                     |
| <b>Total</b>  | <b>11,815.00</b>             | <b>10,230.69</b>             |

### 21A. Contract Liability

(₹ in Lacs)

|                         | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|-------------------------|------------------------------|------------------------------|
| Advances from Customers | 1,015.13                     | 1,247.01                     |
| <b>Total</b>            | <b>1,015.13</b>              | <b>1,247.01</b>              |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 22. Other Current Liabilities

(₹ in Lacs)

|                                     | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|-------------------------------------|------------------------------------|------------------------------------|
| Statutory Dues Payable *            | 3,054.41                           | 3,214.09                           |
| Deferred Revenue (Refer Note No.18) | 69.58                              | 69.58                              |
| <b>Total</b>                        | <b>3,123.99</b>                    | <b>3,283.67</b>                    |

\* Includes ₹ Nil (₹1425.10 lacs) net of payments pertaining to Entry tax on entry of certain goods into a local area of the State of West Bengal.

### 23. Provisions

(₹ in Lacs)

|  | Non Current                        |                                    | Current                            |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| <b>Provision for Employee Benefits</b> |                                    |                                    |                                    |                                    |
| Gratuity                               | 697.36                             | 1,197.21                           | 7.43                               | 5.25                               |
| Leave Encashment                       | -                                  | 3.61                               | 842.16                             | 706.55                             |
| <b>Total</b>                           | <b>697.36</b>                      | <b>1,200.82</b>                    | <b>849.59</b>                      | <b>711.80</b>                      |

### 24A. Current Tax Assets

(₹ in Lacs)

|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|--|------------------------------------|------------------------------------|
| Advance Tax and TDS/TCS receivable ( Net of Provision for tax) | 337.24                             | 703.38                             |
| <b>Total</b>   | <b>337.24</b>                      | <b>703.38</b>                      |

### 24B. Current Tax liabilities

(₹ in Lacs)

|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|--|------------------------------------|------------------------------------|
| Provision for Taxation ( Net of Advance Tax) | 25.91                              | 206.33                             |
| <b>Total</b>                                 | <b>25.91</b>                       | <b>206.33</b>                      |

### 25. Revenue from Operations

(₹ in Lacs)

|                                 | <b>2022-23</b>     | <b>2021-22</b>     |
|---------------------------------|--------------------|--------------------|
| <b>Revenue from Operations</b>  |                    |                    |
| Sale of Products                | 3,54,999.04        | 2,93,075.40        |
| Income from Services            | 8,084.99           | 7,752.43           |
| Other Operating revenue         |                    |                    |
| Scrap Sales                     | 393.46             | 292.84             |
| Export Incentives               | 604.37             | 740.33             |
| Indirect Tax Subsidy            | 443.73             | 798.66             |
| Miscellaneous Income            | 131.09             | 42.78              |
| <b>Total</b>                    | <b>3,64,656.68</b> | <b>3,02,702.44</b> |
| <b>Details of Products Sold</b> |                    |                    |
| Plywood & Block board           | 1,97,466.30        | 1,52,777.66        |
| Laminates                       | 65,401.39          | 56,738.03          |
| Pre-Laminated Particle Boards   | 15,218.50          | 12,056.56          |
| Veneer                          | 6,430.60           | 7,381.23           |
| Particle Board                  | 2,522.23           | 3,201.02           |
| <b>Traded Goods Sold</b>        |                    |                    |
| Medium Density Fibre Board      | 63,577.99          | 55,339.41          |
| Agri Products                   | 1,369.04           | 999.78             |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 25. Revenue from Operations (contd.)

|  | (₹ in Lacs)        |                    |
|--|--------------------|--------------------|
|  | <b>2022-23</b>     | <b>2021-22</b>     |
| Phenol                                 | 543.21             | 380.85             |
| Others                                 | 2,469.78           | 4,200.86           |
| <b>Total</b>                           | <b>3,54,999.04</b> | <b>2,93,075.40</b> |
| <b>Details of Income from Services</b> |                    |                    |
| Container Freight Station Services     | 8,084.99           | 7,752.43           |
| <b>Total</b>                           | <b>8,084.99</b>    | <b>7,752.43</b>    |

### Reconciliation of Revenue from sale of products with the contracted price

|   | (₹ in Lacs)                        |                                    |
|---|------------------------------------|------------------------------------|
|   | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| Contracted Price                            | 3,70,794.48                        | 3,07,408.55                        |
| Less: Trade discounts, volume rebates, etc. | 15,795.44                          | 14,333.15                          |
| <b>Sale of products</b>                     | <b>3,54,999.04</b>                 | <b>2,93,075.40</b>                 |

1. Refer note 42 for disaggregated revenue information
2. Other Information
  - a) The Group satisfies its performance obligation on shipment/delivery as per terms of contract.
  - b) The contract does not have any financing component.

### 26. Other Income

|   | (₹ in Lacs)     |                 |
|---|-----------------|-----------------|
|   | <b>2022-23</b>  | <b>2021-22</b>  |
| Interest Income from financial assets at amortised cost | 1,918.21        | 1,034.55        |
| Interest Income on loan given to Subsidiaries           | 154.36          | 1.55            |
| Insurance and Other Claims                              | 143.68          | 277.28          |
| Unspent/Unclaimed liabilities written back              | 1,425.60        | 0.08            |
| Profit on Plant Property and Equipment Sold /Discarded  | 828.41          | 143.05          |
| Bad Debts Recovered                                     | 17.04           | 9.39            |
| Foreign Exchange Fluctuations (Net)                     | 46.01           | 607.75          |
| Net gain on loss of control in Subsidiary               | 130.94          | 147.67          |
| Miscellaneous Receipts                                  | 49.59           | 30.84           |
| Government Grant  | 55.13           | 55.13           |
| <b>Total</b>  | <b>4,768.97</b> | <b>2,307.29</b> |

### 27. Cost of Materials Consumed

|   | (₹ in Lacs)        |                    |
|---|--------------------|--------------------|
|   | <b>2022-23</b>     | <b>2021-22</b>     |
| Inventories at the beginning of the year  | 22,080.86          | 17,345.38          |
| Add : Purchases                           | 1,55,153.57        | 1,34,961.16        |
|   | 1,77,234.43        | 1,52,306.54        |
| Less : Inventories at the end of the year | 26,943.92          | 22,080.86          |
| <b>Cost of Materials Consumed</b>         | <b>1,50,290.51</b> | <b>1,30,225.68</b> |
| <b>Details of Material Consumed</b>       |                    |                    |
| Timber Logs                               | 11,953.02          | 9,307.00           |
| Veneer                                    | 55,440.88          | 49,102.41          |
| Chemicals                                 | 39,564.51          | 36,693.02          |
| Paper                                     | 23,836.56          | 20,674.37          |
| Waste Wood                                | 19,334.69          | 14,369.18          |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 27. Cost of Materials Consumed (contd.)

(₹ in Lacs)

|  | 2022-23            | 2021-22            |
|--|--------------------|--------------------|
| Particle Board                               | 160.85             | 79.70              |
| <b>Total</b>                                 | <b>1,50,290.51</b> | <b>1,30,225.68</b> |
| <b>Details of Closing Stock of Materials</b> |                    |                    |
| Timber Logs                                  | 2,818.96           | 1,439.66           |
| Veneer                                       | 11,483.71          | 9,897.98           |
| Chemicals                                    | 2,952.73           | 2,910.48           |
| Paper  | 8,877.98           | 7,223.85           |
| Particle Board                               | 16.46              | 2.92               |
| Waste Wood                                   | 794.08             | 605.97             |
| <b>Total</b>                                 | <b>26,943.92</b>   | <b>22,080.86</b>   |

### 28. Purchase of Stock-in-Trade and Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lacs)

|  | 2022-23          | 2021-22            |
|--|------------------|--------------------|
| <b>Inventories at the beginning of the year</b>                                      |                  |                    |
| Stock in Trade   | 4,730.98         | 3,332.28           |
| Finished Goods   | 16,176.52        | 9,314.47           |
| Work-in-Progress   | 5,393.98         | 3,226.48           |
|  | <b>26,301.48</b> | <b>15,873.23</b>   |
| <b>Inventories at the end of the year</b>  |                  |                    |
| Stock in Trade   | 2,901.29         | 4,730.98           |
| Finished Goods   | 13,732.92        | 16,176.52          |
| Work-in-Progress   | 4,872.97         | 5,393.98           |
|  | <b>21,507.18</b> | <b>26,301.48</b>   |
| <b>Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b> | <b>4,794.30</b>  | <b>(10,428.25)</b> |
| <b>Details of Purchase of Stock in Trade</b>   |                  |                    |
| Plywood and Block boards   | 28,623.39        | 20,322.80          |
| Veneer   | 3,715.15         | 5,294.83           |
| Chemicals  | 894.64           | 741.92             |
| Pest Control Kits  | 103.58           | 10.62              |
| Phenol   | 532.66           | 373.35             |
| Others   | 2,666.39         | 3,666.95           |
| <b>Total</b>   | <b>36,535.82</b> | <b>30,410.47</b>   |
| <b>Details of Inventories at the end of the year</b>                                 |                  |                    |
| <b>Stock in Trade</b>  |                  |                    |
| Plywood and Block board  | 2,222.02         | 1,781.92           |
| Chemicals  | 97.99            | 79.58              |
| Pest Control Kits  | 63.90            | 36.60              |
| Veneer   | 82.81            | 1,366.63           |
| Others   | 434.58           | 1,466.25           |
| <b>Total</b>   | <b>2,901.29</b>  | <b>4,730.98</b>    |
| <b>Finished Goods at the end of the year</b>   |                  |                    |
| Plywood and Block board  | 3,790.40         | 6,182.15           |
| Laminates  | 6,567.08         | 6,027.97           |
| Pre-Laminated Particle Boards  | 114.39           | 4.89               |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 28. Purchase of Stock-in-Trade and Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (contd.)

|  | (₹ in Lacs)      |                  |
|--|------------------|------------------|
|  | 2022-23          | 2021-22          |
| Medium Density Fibre board                     | 1,427.96         | 1,349.05         |
| Veneer   | 1,833.08         | 2,612.46         |
| <b>Total</b>                                   | <b>13,732.92</b> | <b>16,176.52</b> |
| <b>Work-in-Progress at the end of the year</b> |                  |                  |
| Plywood and Block board                        | 3,545.36         | 4,014.25         |
| Laminates                                      | 952.18           | 989.56           |
| Medium Density Fibre Board                     | 157.47           | 163.66           |
| Pre-Laminated Particle Boards                  | 217.96           | 226.51           |
| <b>Total</b>                                   | <b>4,872.97</b>  | <b>5,393.98</b>  |

### 29. Employee Benefits Expense

|   | (₹ in Lacs)      |                  |
|---|------------------|------------------|
|   | 2022-23          | 2021-22          |
| <b>Employee Benefits Expense</b>                    |                  |                  |
| Salaries, Wages, Bonus etc                          | 44,159.58        | 38,952.55        |
| Contribution to Provident, Gratuity and other Funds | 2,693.89         | 2,301.73         |
| Employees Welfare Expenses                          | 637.60           | 500.74           |
| <b>Total</b>  | <b>47,491.07</b> | <b>41,755.02</b> |

### 30. Finance Cost

|  | (₹ in Lacs)     |                 |
|--|-----------------|-----------------|
|  | 2022-23         | 2021-22         |
| Interest Expenses  | 1,076.90        | 763.69          |
| Exchange difference to the extent considered as an adjustment to borrowing costs | 473.10          | 253.89          |
| Other Borrowing cost   | 147.84          | 125.55          |
| <b>Total</b>   | <b>1,697.84</b> | <b>1,143.13</b> |

\* Expenses reported above are net of Finance Costs amounting to ₹481.90 lacs (P.Y. ₹6.06 lacs) transferred to Capital Work-in Progress.

Interest paid to Income tax department ₹35.92 lacs (P.Y. ₹3.63 lacs)

### 31. Depreciation and Amortisation Expense

|   | (₹ in Lacs)     |                 |
|---|-----------------|-----------------|
|   | 2022-23         | 2021-22         |
| Depreciation on Tangible Assets (Refer Note No.3)   | 7,737.36        | 7,409.12        |
| Amortisation of Intangible Assets (Refer Note No.3) | 13.44           | 19.05           |
| <b>Total</b>  | <b>7,750.80</b> | <b>7,428.17</b> |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 32. Other Expenses

(₹ in Lacs)

|   | 2022-23          | 2021-22          |
|---|------------------|------------------|
| Stores & Spare parts consumed   | 4,573.41         | 3,915.65         |
| Power and Fuel  | 11,924.76        | 10,619.18        |
| Insurance   | 664.72           | 700.27           |
| Rent  | 1,216.16         | 1,124.59         |
| Rates & Taxes   | 441.38           | 456.10           |
| Repairs & Maintenance   |                  |                  |
| -Property   | 260.13           | 483.41           |
| -Plant and Equipment  | 1,960.05         | 1,471.70         |
| -Others   | 1,025.88         | 798.79           |
| Transport & Freight   | 15,758.07        | 14,520.08        |
| Commission on Sales   | 1,153.19         | 1,181.61         |
| Advertisement, Publicity and Sales Promotion  | 15,127.21        | 11,971.62        |
| Communication Expenses  | 324.52           | 269.87           |
| Directors' Sitting Fees and Commission  | 55.25            | 57.75            |
| Auditors' Remuneration  | 55.40            | 61.51            |
| Corporate Social Responsibility Activities (refer note 38)  | 747.26           | 508.95           |
| Charity and Donations   | 449.49           | 300.29           |
| Foreign Exchange Fluctuations (Net)   | 188.44           | -                |
| Loss on Plant Property and Equipment Sold /Discarded  | 2,429.30         | 159.18           |
| Irrecoverable Debts, Advances written off   | 780.92           | 320.59           |
| Provision for Doubtful Debts  | -                | 165.84           |
| Professional Fees   | 3,089.09         | 3,231.20         |
| Miscellaneous Expenses  | 7,453.98         | 5,336.78         |
| <b>Total</b>  | <b>69,678.61</b> | <b>57,654.96</b> |
| Audit Fees  | 38.25            | 46.70            |
| For Other Services (includes fees for review of quarterly financial results ₹12 Lacs (PY. ₹12 Lacs) | 16.30            | 14.55            |
| Reimbursement of Expenses   | 0.85             | 0.26             |
|   | <b>55.40</b>     | <b>61.51</b>     |

### 33. Gratuity and Other Post Employment Benefit Plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Group also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 33. Gratuity and Other Post Employment Benefit Plans (contd.)

#### Defined Benefit Plan - Gratuity

##### I. Expenses Recognised in the Statement of Profit & Loss

|  | (₹ in Lacs)                        |                                    |
|--|------------------------------------|------------------------------------|
|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| 1. Current / Past Service Cost                       | 547.20                             | 459.80                             |
| 2. Net Interest expense                              | 43.21                              | 34.99                              |
| Components of defined benefit cost recognised in P/L | <b>590.41</b>                      | <b>494.79</b>                      |
| 3. Re-measurement - Due to Financial Assumptions     | (147.46)                           | (106.77)                           |
| 4. Re-measurement - Due to Experience Adjustments    | 181.60                             | 567.78                             |
| 5. Re-measurement - Due to Demographic Assumptions   | -                                  | -                                  |
| 6. Return on Plan Assets (Excluding Interest Income) | 2.92                               | (9.78)                             |
| Components of defined benefit cost recognised in OCI | <b>37.06</b>                       | <b>451.23</b>                      |
| <b>Total Expense</b>                                 | <b>627.47</b>                      | <b>946.02</b>                      |

##### II. Net Asset/ (Liability) recognised in the Balance Sheet

|  | (₹ in Lacs)                        |                                    |
|--|------------------------------------|------------------------------------|
|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| 1. Present Value of Defined Benefit Obligation | 6139.33                            | 5560.12                            |
| 2. Fair Value of Plan Assets                   | 5434.54                            | 4357.66                            |
| 3. Net Asset / (Liability)                     | <b>(704.79)</b>                    | <b>(1202.46)</b>                   |

##### III. Change in Obligation during the Year

|   | (₹ in Lacs)                        |                                    |
|---|------------------------------------|------------------------------------|
|   | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| 1. Present Value of Defined Benefit Obligation at the beginning of the year | 5560.12                            | 4647.08                            |
| 2. Current Service Cost/Plan amendments/Past cost                           | 547.20                             | 459.80                             |
| 3. Interest Cost  | 360.81                             | 288.47                             |
| 4. Benefits Paid  | (362.94)                           | (298.02)                           |
| 5. Re-measurements - Due to Financial Assumptions                           | (147.46)                           | (106.77)                           |
| 6. Re-measurements - Due to Experience Adjustments                          | 181.60                             | 569.56                             |
| 7. Re-measurement - Due to Demographic Assumptions                          | -                                  | -                                  |
| 8. Present Value of Defined Benefit Obligation at the end of the year       | <b>6139.33</b>                     | <b>5560.12</b>                     |

##### IV. Change in the Fair Value of Plan Assets during the year

|  | (₹ in Lacs)                        |                                    |
|--|------------------------------------|------------------------------------|
|  | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| 1. Plan assets at the beginning of the year                      | 4357.66                            | 3822.83                            |
| 2. Interest Income   | 317.61                             | 253.48                             |
| 3. Contribution by employer                                      | 1125.13                            | 569.59                             |
| 4. Actual Benefit Paid   | (362.94)                           | (298.02)                           |
| 5. Re-measurement - Return on Assets (Excluding Interest Income) | (2.92)                             | 9.78                               |
| 6. Closing Fair Value of Plan Assets                             | <b>5434.54</b>                     | <b>4357.66</b>                     |

##### V. The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets

|                          | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|--------------------------|------------------------------------|------------------------------------|
| Investments with insurer | 100%                               | 100%                               |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 33. Gratuity and Other Post Employment Benefit Plans (contd.)

#### VI. Actuarial Assumptions

|   | (₹ in Lacs)   |   |
|---|---|---|
|   | <b>31<sup>st</sup> March, 2023</b>                                | <b>31<sup>st</sup> March, 2022</b>                                |
| 1. Discount Rate                          | 7.10%   | 6.40%   |
| 2. Expected rate of return on plan assets | 6.00%   | 6.70%   |
| 3. Mortality rate                         | Indian Assured<br>Lives Mortality<br>(2006-08)<br>(modified) Ult. | Indian Assured<br>Lives Mortality<br>(2006-08)<br>(modified) Ult. |
| 4. Salary increase                        | 6%  | 6%  |
| 5. Withdrawal rates                       | 1% - 8%   | 1% - 8%   |

VII. The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VIII. A quantitative sensitivity analysis for significant assumption is as shown below:

|                    | (₹ in Lacs)                        |                    |                                    |                    |
|--------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| Assumptions        | <b>31<sup>st</sup> March, 2023</b> |                    | <b>31<sup>st</sup> March, 2022</b> |                    |
|                    | <b>Discount Rate</b>               |                    | <b>Discount Rate</b>               |                    |
| Sensitivity level  | <b>1% increase</b>                 | <b>1% increase</b> | <b>1% increase</b>                 | <b>1% increase</b> |
| Impact on Gratuity | (360.75)                           | 408.05             | (353.02)                           | 388.96             |

|                    | (₹ in Lacs)                        |                    |                                    |                    |
|--------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| Assumptions        | <b>31<sup>st</sup> March, 2023</b> |                    | <b>31<sup>st</sup> March, 2022</b> |                    |
|                    | <b>Future Salary</b>               |                    | <b>Future Salary</b>               |                    |
| Sensitivity level  | <b>1% increase</b>                 | <b>1% increase</b> | <b>1% increase</b>                 | <b>1% increase</b> |
| Impact on Gratuity | 399.05                             | (361.22)           | 381.14                             | (343.55)           |

|                    | (₹ in Lacs)                        |                    |                                    |                    |
|--------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| Assumptions        | <b>31<sup>st</sup> March, 2023</b> |                    | <b>31<sup>st</sup> March, 2022</b> |                    |
|                    | <b>Withdrawal Rates</b>            |                    | <b>Withdrawal Rates</b>            |                    |
| Sensitivity level  | <b>1% increase</b>                 | <b>1% increase</b> | <b>1% increase</b>                 | <b>1% increase</b> |
| Impact on Gratuity | 22.61                              | (24.36)            | 11.85                              | (13.12)            |

Sensitivities due to mortality are not material and hence impact of change is not calculated.

The sensitivity analyses 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 end of the reporting period.

#### IX. Maturity Profile of Defined Benefit Obligations

|              | (₹ in Lacs)                                  |  |
|--------------|--|--|
|              | <b>As on<br/>31<sup>st</sup> March, 2023</b> | <b>As on<br/>31<sup>st</sup> March, 2022</b> |
| Year 1       | 918.59                                       | 777.59                                       |
| Year 2       | 619.77                                       | 570.99                                       |
| Year 3       | 799.36                                       | 615.02                                       |
| Year 4       | 769.14                                       | 752.69                                       |
| Year 5       | 773.88                                       | 755.19                                       |
| Next 5 Years | 4364.11                                      | 3970.29                                      |

#### X. Contribution to Defined Benefit Plan

In 2023-24 the Group expects to contribute ₹580.15 Lacs (2021-22: ₹526.30 Lacs) to gratuity.

#### XI. Contribution to Defined Contribution Plan

The group's contribution towards Provident Fund is debited to statement of profit and loss and managed by Central Government. Contribution to Provident and Other Funds includes ₹1,612.18 Lacs (2021-22 - ₹1,352.81 Lacs) paid towards Defined Contribution Plans.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 34. Commitments and Contingencies

#### (i) Capital and Other Commitments

(₹ in Lacs)

|  | <b>As on<br/>31<sup>st</sup> March, 2023</b> | <b>As on<br/>31<sup>st</sup> March, 2022</b> |
|--|--|--|
| Commitment for Acquisition of Property, Plant & Equipment's (Net of Advance) | 15,512.46                                    | 5,586.55                                     |
| Letter of Credit issued by Banks   | 4,163.34                                     | 2,312.05                                     |

#### (ii) Contingent Liabilities

(₹ in Lacs)

|  | <b>As on<br/>31<sup>st</sup> March, 2023</b> | <b>As on<br/>31<sup>st</sup> March, 2022</b> |
|--|--|--|
| <b>Demands / Claims by various Government Authorities and Others not acknowledged as Debt:</b> |  |  |
| Excise Duty/Service Tax [Amount deposited : ₹51.82 Lacs (P.Y. ₹51.82 Lacs)]                    | 894.98                                       | 978.12                                       |
| Sales Tax / VAT* [Amount deposited : ₹1.19 Lacs (P.Y. ₹1.38 Lacs)]                             | 31.16  | 33.03  |
| Income Tax   | 1452.57                                      | 1428.58                                      |
| Channel Financing to Dealers & Distributors**  | 832.89                                       | 960.21                                       |
| Un-redeemed Bank Guarantees  | 699.43                                       | 739.14                                       |
| Interest on Mandi Tax  | 15.30  | 16.86  |

\* Contingent amount includes tax amount and interest quantified in the assessment order.

\*\* Reported to the extent balance outstanding amounting to ₹3,615.60 Lacs (P.Y. ₹5,004.00 Lacs) against Guarantees issued.

### 35. Leases.

- a) The Group has lease contracts for land. The Group's obligations under leases are secured by the lessor's title to the leased assets.
- b) The Group has elected to apply IND AS 116 to its leases with modified retrospective approach. Under this approach, the Group has recognised lease liabilities and corresponding right of use assets. In the statement of profit and loss for the year ended, operating lease expenses which were recognised as other expenses in the previous periods is now recognised as depreciation expenses on right of use assets and finance cost for interest accrued on such lease liability.
- c) Movement in lease liabilities during the year ended 31<sup>st</sup> March, 2023

(₹ in Lacs)

| <b>Particulars</b>                    | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|---------------------------------------|------------------------------------|------------------------------------|
| Balance at the beginning              | 1,822.32                           | 2,320.11                           |
| Additions                             | -                                  | -                                  |
| Interest cost accrued during the year | 121.78                             | 166.26                             |
| Deletions                             | -                                  | -                                  |
| Payment of lease liabilities          | 610.64                             | 664.05                             |
| <b>Balance at the end</b>             | <b>1333.46</b>                     | <b>1,822.32</b>                    |

- d) Amount recognized in Profit or Loss

(₹ in Lacs)

| <b>Particulars</b>                          | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|---|------------------------------------|------------------------------------|
| Interest expense on lease liabilities       | 121.78                             | 166.26                             |
| Depreciation expense of right-of-use assets | 543.84                             | 607.51                             |
| <b>Total</b>                                | <b>665.62</b>                      | <b>773.77</b>                      |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 35. Leases. (contd.)

- e) Future payment of lease liabilities on an undiscounted basis

(₹ in Lacs)

| Particulars  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| Less than one year   | 315.23                       | 609.29                       |
| One to five years  | 445.85                       | 658.15                       |
| More than five years   | 2,378.49                     | 2,482.59                     |
| <b>Total undiscounted Lease Liabilities</b>                              | <b>3,139.57</b>              | <b>3,750.23</b>              |
| <b>Lease liabilities included in the statement of financial position</b> |                              |                              |
| Current Lease liabilities  | 212.79                       | 487.51                       |
| Non - Current Lease liabilities  | 1120.67                      | 1,334.81                     |

- f) The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognized in the Balance Sheet.

### 36. Capital Management

The Group's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various shareholders but keep associated cost under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both the short term and long term. Net debt (total borrowing less current investment and cash & cash equivalent) to equity ratio is used to monitor capital. No changes were made to the objective, policies or process for managing capital during the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

|                       | As on<br>31 <sup>st</sup> March, 2023 | As on<br>31 <sup>st</sup> March, 2022 |
|-----------------------|---------------------------------------|---------------------------------------|
| Net Debt Equity Ratio | 0.16                                  | 0.12                                  |

### 37. Derivative Instruments and Unhedged Foreign Currency Exposure

- a) The particulars of hedged foreign currency exposures as on the balance sheet date are as follows:

(₹ in Lacs)

|                         | As on<br>31 <sup>st</sup> March, 2023 | As on<br>31 <sup>st</sup> March, 2022 |
|-------------------------|---------------------------------------|---------------------------------------|
| Hedged foreign currency | 822.20                                | -                                     |

- b) The particulars of unhedged foreign currency exposures as on the balance sheet date are as follows:

(₹ in Lacs)

| Nature of Item              | Currency | As on<br>31 <sup>st</sup> March, 2023 | As on<br>31 <sup>st</sup> March, 2022 |
|-----------------------------|----------|---------------------------------------|---------------------------------------|
| Foreign Currency Term Loans | USD      | -                                     | 2,447.42                              |
| Currency Swap Loan          | USD      | 699.30                                | 4,321.63                              |
| Buyer's Credit              | USD      | 10,898.23                             | 6848.58                               |
|                             | EUR      | 3,131.47                              | 735.70                                |
| Trade Receivables           | USD      | 1,348.40                              | 2,703.49                              |
| Trade Payables              | CNY      | -                                     | 45.49                                 |
|                             | EUR      | 1913.20                               | 1547.66                               |
|                             | JPY      | 152.45                                | 120.82                                |
|                             | USD      | 1465.65                               | 3554.19                               |

Trade Receivables of ₹2,170.60 Lacs (Trade Receivable of ₹2,703.49 Lacs as on 31<sup>st</sup> March, 2022) are naturally hedged

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

- 38.** The Holding Company has a Corporate Social Responsibility (“CSR”) committee as per the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder. The main areas for CSR activities are promoting education, healthcare, animal welfare and projects ensuring environment sustainability. Disclosures of Corporate Social Responsibility expenditure in line with the requirement of Guidance Note on “Accounting for Expenditure on Corporate Social Responsibility Activities” is as under:-

|   |  | (₹ in Lacs)    |                |
|---|--|----------------|----------------|
|   |  | <b>2022-23</b> | <b>2021-22</b> |
| Amount of CSR expenditure to be incurred during the year  |  | 692.49         | 501.34         |
| CSR expenditure (Revenue Nature) incurred during the year |  | 747.26         | 508.95         |
| Unspent CSR amount  |  | -              | -              |

| (₹ in Lacs)  |  |                                 |  |
|--|--|---------------------------------|--|
| Opening of (Excess)/<br>Shortfall Spend as on<br>1 <sup>st</sup> April, 2022 | Amount required to be<br>spent during the year | Amount spent during the<br>year | Closing Balance of (Excess)<br>/ Shortfall spend as on 31 <sup>st</sup><br>March, 2023 |
| (78.84)  | 692.49   | 747.26                          | (133.61)   |

During the current and previous year the Holding Company has not made any contribution to a Trust control by the Holding Company towards CSR expenses.

### 39. Related Party Disclosure:

#### a) Name of the Related Parties and Related Party Relationship:

| Key Management Personnel and<br>Directors |   |
|---|---|
|   | Sri Sajjan Bhajanka (Chairman & Managing Director)        |
|   | Sri Sanjay Agarwal (CEO & Managing Director)              |
|   | Sri Prem Kumar Bhajanka (Managing Director)               |
|   | Sri Vishnu Khemani (Managing Director)                    |
|   | Sri Ajay Baldawa (Executive Director)                     |
|   | Sri Keshav Bhajanka (Executive Director)                  |
|   | Smt. Nikita Bansal (Executive Director)                   |
|   | Sri Rajesh Kumar Agarwal (Executive Director)             |
|   | Ms. Ratanabali Kakkar (Independent Director)              |
|   | Sri J. P. Dua (Independent Director)                      |
|   | Sri Vijay Chhibber (Independent Director)                 |
|   | Sri Sunil Mitra (Independent Director)                    |
|   | Sri Debanjan Mandal (Independent Director)                |
|   | Sri Naresh Pachisia (Independent Director)                |
|   | Sri Probir Roy (Independent Director)                     |
|   | Sri Amit Kiran Deb (Independent Director)                 |
|   | Ms. Mamta Binani (Independent Director)-(upto 31.03.2022) |
|   | Sri Arun Kumar Julasaria (Chief Financial Officer)        |
|   | Sri Sundeep Jhunjhunwala (Company Secretary)              |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 39. Related Party Disclosure: (contd.)

#### Related Parties with whom Transactions have taken place during the Year:

| Relatives of Key Management Personnel                          |  |
|--|--|
| Smt. Santosh Bhajanka (Wife of Sri Sajjan Bhajanka)            |  |
| Smt. Divya Agarwal (Wife of Sri Sanjay Agarwal)                |  |
| Smt. Yash Bala Bhajanka (Wife of Sri Prem Kumar Bhajanka)      |  |
| Smt. Sudha Khemani (Wife of Sri Vishnu Khemani)                |  |
| Smt. Sumitra Devi Agarwal (Mother of Sri Rajesh Kumar Agarwal) |  |
| Smt. Shraddha Agarwal (Daughter of Sri Sajjan Bhajanka)        |  |
| Smt. Payal Agrawal (Daughter of Sri Sajjan Bhajanka)           |  |
| Smt. Sonu Kajaria (Daughter of Sri Sajjan Bhajanka)            |  |
| Smt. Bhawna Agarwal (Wife of Sri Rajesh Kumar Agarwal)         |  |
| Smt. Nancy Choudhury (Daughter of Sri Prem Kumar Bhajanka)     |  |
| Sri Surender Kumar Gupta (Brother of Sri Prem Kumar Bhajanka)  |  |
| Smt. Yashoda Baldawa (Mother of Sri Ajay Baldawa)              |  |
| Smt. Sanjana Bhajanka (Wife of Sri Keshav Bhajanka)            |  |
| Mr. Abhishek Rathi (Son-in-law of Mr. Ajay Baldawa)            |  |
| Hari Prasad Agarwala and Others (HUF)                          |  |
| Smt. Kriti Rathi (Daughter of Sri Ajay Baldawa)                |  |

#### Enterprises Owned / Influenced by Key Managerial Person or their Relatives:

|                                  |
|----------------------------------|
| Brijdham Merchants Pvt. Ltd.     |
| Star Cement Ltd.                 |
| Sri Ram Merchants Pvt. Ltd.      |
| Sri Ram Vanijya Pvt. Ltd.        |
| Sumangal Business Pvt. Ltd.      |
| Sumangal International Pvt. Ltd. |
| Auroville Investments Pvt. Ltd.  |
| Aegis Business Ltd.              |
| Pacific Plywoods Pvt. Ltd.       |
| Century Led Ltd.                 |
| Landmark Veneers Pvt. Ltd.       |
| Fox & Mandal LLP                 |
| Amul Boards Pvt. Ltd.            |

### 39. (b) Aggregated Related Party disclosure as at and for the Year ended 31<sup>st</sup> March, 2023.

(₹ in Lacs)

| Sl No.   | Type of Transactions                    | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |         | Total   |         |
|----------|---|--|---------|---------------------------------------|---------|--|---------|---------|---------|
|          |   | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22 | 2022-23 | 2021-22 |
| <b>1</b> | <b>Purchase of Raw Materials/Stores</b> |  |         |                                       |         |  |         |         |         |
|          | Amul Boards Pvt Ltd                     | -                                      | -       | -                                     | -       | -  | 19.26   | -       | 19.26   |
|          | Star Cement Ltd.                        | -                                      | -       | -                                     | -       | 32.08  | 25.79   | 32.08   | 25.79   |
|          | Landmark Veneers Pvt. Ltd.              | -                                      | -       | -                                     | -       | 79.97  | 224.70  | 79.97   | 224.70  |
|          | Century Led Ltd.                        | -                                      | -       | -                                     | -       | 9.86   | 21.30   | 9.86    | 21.30   |
| <b>2</b> | <b>Services Availed/ (Provided)</b>     |  |         |                                       |         |  |         |         |         |
|          | Aegis Business Ltd.                     | -                                      | -       | -                                     | -       | (1.20)   | (1.20)  | (1.20)  | (1.20)  |
|          | Aegis Business Ltd.                     | -                                      | -       | -                                     | -       | -  | 363.88  | -       | 363.88  |
|          | Smt Yash Bala Bhajanka                  | -                                      | -       | 14.26                                 | 14.74   | -  | -       | 14.26   | 14.74   |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 39. Related Party Disclosure: (contd.)

(₹ in Lacs)

| SI No.   | Type of Transactions                                | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |          | Total    |          |
|----------|---|--|---------|---------------------------------------|---------|--|----------|----------|----------|
|          |   | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22  | 2022-23  | 2021-22  |
|          | Sri Ajay Baldawa                                    | 2.22                                   | 2.03    | -                                     | -       | -  | -        | 2.22     | 2.03     |
|          | Star Cement Ltd                                     | -                                      | -       | -                                     | -       | (122.44)   | (117.60) | (122.44) | (117.60) |
|          | Century Led Ltd.                                    | -                                      | -       | -                                     | -       | (5.14)   | (4.46)   | (5.14)   | (4.46)   |
|          | Pacific Plywoods Pvt. Ltd.                          | -                                      | -       | -                                     | -       | 5.60   | 5.60     | 5.60     | 5.60     |
|          | Fox and Mandal LLP                                  | -                                      | -       | -                                     | -       | 6.31   | 8.25     | 6.31     | 8.25     |
| <b>3</b> | <b>Reimbursement Paid/ (Received)</b>               |  |         |                                       |         |  |          |          |          |
|          | Sri Sundeep Jhunjhunwala                            | 5.00                                   | 5.00    | -                                     | -       | -  | -        | 5.00     | 5.00     |
|          | Aegis Business Ltd.                                 | -                                      | -       | -                                     | -       | -  | (0.04)   | -        | (0.04)   |
|          | Century Led Ltd.                                    | -                                      | -       | -                                     | -       | -  | (0.95)   | -        | (0.95)   |
|          | Star Cement Ltd.                                    | -                                      | -       | -                                     | -       | -  | (0.87)   | -        | (0.87)   |
| <b>4</b> | <b>Loan taken</b>                                   |  |         |                                       |         |  |          |          |          |
|          | Brijdham Merchants Pvt. Ltd.                        | -                                      | -       | -                                     | -       | -  | 21.00    | -        | 21.00    |
|          | Sri Ram Vanijya Pvt. Ltd.                           | -                                      | -       | -                                     | -       | -  | 19.00    | -        | 19.00    |
|          | Sumangal Business Pvt. Ltd.                         | -                                      | -       | -                                     | -       | -  | 5.00     | -        | 5.00     |
|          | Sumangal International Pvt. Ltd.                    | -                                      | -       | -                                     | -       | -  | 5.00     | -        | 5.00     |
|          | Sri Keshav Bhajanka                                 | -                                      | 130.00  | -                                     | -       | -  | -        | -        | 130.00   |
|          | Sri Sajjan Bhajanka                                 | -                                      | 275.00  | -                                     | -       | -  | -        | -        | 275.00   |
|          | Sri Sanjay Agarwal                                  | -                                      | 420.00  | -                                     | -       | -  | -        | -        | 420.00   |
| <b>5</b> | <b>Loan Repaid (Including outstanding interest)</b> |  |         |                                       |         |  |          |          |          |
|          | Brijdham Merchants Pvt. Ltd.                        | -                                      | -       | -                                     | -       | -  | 21.00    | -        | 21.00    |
|          | Sri Ram Vanijya Pvt. Ltd.                           | -                                      | -       | -                                     | -       | -  | 19.00    | -        | 19.00    |
|          | Sumangal Business Pvt. Ltd.                         | -                                      | -       | -                                     | -       | -  | 5.00     | -        | 5.00     |
|          | Sumangal International Pvt. Ltd.                    | -                                      | -       | -                                     | -       | -  | 5.00     | -        | 5.00     |
|          | Sri Keshav Bhajanka                                 | -                                      | 130.00  | -                                     | -       | -  | -        | -        | 130.00   |
|          | Sri Sajjan Bhajanka                                 | -                                      | 275.00  | -                                     | -       | -  | -        | -        | 275.00   |
|          | Sri Sanjay Agarwal                                  | -                                      | 420.00  | -                                     | -       | -  | -        | -        | 420.00   |
| <b>6</b> | <b>Interest Paid</b>                                |  |         |                                       |         |  |          |          |          |
|          | Brijdham Merchants Pvt. Ltd.                        | -                                      | -       | -                                     | -       | -  | 0.87     | -        | 0.87     |
|          | Sri Ram Vanijya Pvt. Ltd.                           | -                                      | -       | -                                     | -       | -  | 0.04     | -        | 0.04     |
|          | Sumangal International Pvt. Ltd.                    | -                                      | -       | -                                     | -       | -  | 0.14     | -        | 0.14     |
|          | Sumangal Business Pvt. Ltd.                         | -                                      | -       | -                                     | -       | -  | 0.24     | -        | 0.24     |
|          | Sri Sajjan Bhajanka                                 | -                                      | 1.96    | -                                     | -       | -  | -        | -        | 1.96     |
|          | Sri Sanjay Agarwal                                  | -                                      | 9.54    | -                                     | -       | -  | -        | -        | 9.54     |
|          | Sri Keshav Bhajanka                                 | -                                      | 5.32    | -                                     | -       | -  | -        | -        | 5.32     |
| <b>7</b> | <b>Dividend Paid</b>                                |  |         |                                       |         |  |          |          |          |
|          | Sri Sajjan Bhajanka                                 | 362.46                                 | 261.64  | -                                     | -       | -  | -        | 362.46   | 261.64   |
|          | Sri Sanjay Agarwal                                  | 373.21                                 | 248.80  | -                                     | -       | -  | -        | 373.21   | 248.80   |
|          | Smt.Divya Agarwal                                   | -                                      | -       | 251.25                                | 167.50  | -  | -        | 251.25   | 167.50   |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 39. Related Party Disclosure: (contd.)

(₹ in Lacs)

| SI No.    | Type of Transactions                  | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |         | Total   |         |
|-----------|---------------------------------------|--|---------|---------------------------------------|---------|--|---------|---------|---------|
|           |                                       | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22 | 2022-23 | 2021-22 |
|           | Sri Vishnu Khemani                    | 281.80                                 | 127.87  | -                                     | -       | -  | -       | 281.80  | 127.87  |
|           | Smt Santosh Bhajanka                  | -                                      | -       | 222.74                                | 154.50  | -  | -       | 222.74  | 154.50  |
|           | Others                                | 170.73                                 | 93.82   | 185.32                                | 177.66  | 589.94   | 393.29  | 945.98  | 664.77  |
| <b>8</b>  | <b>Director's Remuneration Paid #</b> |  |         |                                       |         |  |         |         |         |
|           | Sri Sajjan Bhajanka                   | 426.14                                 | 397.26  | -                                     | -       | -  | -       | 426.14  | 397.26  |
|           | Sri Sanjay Agarwal                    | 426.14                                 | 397.26  | -                                     | -       | -  | -       | 426.14  | 397.26  |
|           | Sri Prem Kumar Bhajanka               | 486.23                                 | 573.00  | -                                     | -       | -  | -       | 486.23  | 573.00  |
|           | Sri Vishnu Khemani                    | 412.78                                 | 290.63  | -                                     | -       | -  | -       | 412.78  | 290.63  |
|           | Sri Ajay Baldawa                      | 485.75                                 | 600.00  | -                                     | -       | -  | -       | 485.75  | 600.00  |
|           | Smt. Nikita Bansal                    | 326.14                                 | 210.90  | -                                     | -       | -  | -       | 326.14  | 210.90  |
|           | Sri Keshav Bhajanka                   | 326.14                                 | 210.90  | -                                     | -       | -  | -       | 326.14  | 210.90  |
|           | Sri Rajesh Kumar Agarwal              | 90.00                                  | 90.00   | -                                     | -       | -  | -       | 90.00   | 90.00   |
| <b>8</b>  | <b>Director's Sitting Fees</b>        |  |         |                                       |         |  |         |         |         |
|           | Sri Naresh Pachisia                   | 3.50                                   | 3.50    | -                                     | -       | -  | -       | 3.50    | 3.50    |
|           | Smt. Ratnabali Kakkar                 | 2.50                                   | -       | -                                     | -       | -  | -       | 2.50    | -       |
|           | Sri Amit Kiran Deb                    | 2.50                                   | 2.50    | -                                     | -       | -  | -       | 2.50    | 2.50    |
|           | Smt. Mamta Binani                     | -                                      | 3.50    | -                                     | -       | -  | -       | -       | 3.50    |
|           | Sri J. P. Dua                         | 3.75                                   | 3.50    | -                                     | -       | -  | -       | 3.75    | 3.50    |
|           | Sri Vijay Chhibber                    | 2.50                                   | 3.25    | -                                     | -       | -  | -       | 2.50    | 3.25    |
|           | Sri Debanjan Mandal                   | 2.00                                   | 2.50    | -                                     | -       | -  | -       | 2.00    | 2.50    |
|           | Sri Sunil Mitra                       | 2.50                                   | 3.50    | -                                     | -       | -  | -       | 2.50    | 3.50    |
|           | Sri Probir Roy                        | 4.00                                   | 3.50    | -                                     | -       | -  | -       | 4.00    | 3.50    |
| <b>10</b> | <b>Director's Commission</b>          |  |         |                                       |         |  |         |         |         |
|           | Naresh Pachisia                       | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Smt. Ratnabali Kakkar                 | 4.00                                   | -       | -                                     | -       | -  | -       | 4.00    | -       |
|           | Sri Amit Kiran Deb                    | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Smt. Mamta Binani                     | -                                      | 4.00    | -                                     | -       | -  | -       | -       | 4.00    |
|           | Sri J. P. Dua                         | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Vijay Chhibber                    | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Debanjan Mandal                   | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Sunil Mitra                       | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Probir Roy                        | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
| <b>11</b> | <b>Salary Paid</b>                    |  |         |                                       |         |  |         |         |         |
|           | Sri Arun Kumar Julasaria #            | 133.29                                 | 133.21  | -                                     | -       | -  | -       | 133.29  | 133.21  |
|           | Sri Sundeep Jhunjunwala #             | 43.52                                  | 40.39   | -                                     | -       | -  | -       | 43.52   | 40.39   |
|           | Others                                | -                                      | -       | 34.56                                 | 75.90   | -  | -       | 34.56   | 75.90   |
| <b>12</b> | <b>Advance Given</b>                  |  |         |                                       |         |  |         |         |         |
|           | Sri Abhishek Rathi                    | -                                      | -       | -                                     | 6.00    | -  | -       | -       | 6.00    |
|           | Sri Arun Kumar Julasaria              | 5.91                                   | -       | -                                     | -       | -  | -       | 5.91    | -       |
|           | Sri Sundeep Jhunjunwala               | -                                      | 5.00    | -                                     | -       | -  | -       | -       | 5.00    |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 39. Related Party Disclosure: (contd.)

(₹ in Lacs)

| SI No.    | Type of Transactions                     | Key Management Personnel and Directors |         | Relatives of Key Management Personnel |         | Enterprises owned/ Influenced by Key Management Personnel or their relatives |         | Total   |         |
|-----------|--|--|---------|---------------------------------------|---------|--|---------|---------|---------|
|           |  | 2022-23                                | 2021-22 | 2022-23                               | 2021-22 | 2022-23  | 2021-22 | 2022-23 | 2021-22 |
| <b>13</b> | <b>Advance Received back</b>             |  |         |                                       |         |  |         |         |         |
|           | Sri Arun Kumar Julasaria                 | 5.91                                   | -       | -                                     | -       | -  | -       | 5.91    | -       |
|           | Sri Abhishek Rathi                       | -                                      | -       | -                                     | 6.00    | -  | -       | -       | 6.00    |
|           | Sri Sundeep Jhunjunwala                  | -                                      | 5.00    | -                                     | -       | -  | -       | -       | 5.00    |
| <b>14</b> | <b>Balance Outstanding on account of</b> |  |         |                                       |         |  |         |         |         |
| <b>A</b>  | <b>Receivable/(Payable)</b>              |  |         |                                       |         |  |         |         |         |
|           | Aegis Business Ltd.                      | -                                      | -       | -                                     | -       | 0.12   | 0.12    | 0.12    | 0.12    |
|           | Smt.Yash Bala Bhajanka                   | -                                      | -       | (0.03)                                | (0.04)  | -  | -       | (0.03)  | (0.04)  |
|           | Century Led Ltd.                         | -                                      | -       | -                                     | -       | (0.77)   | (0.76)  | (0.77)  | (0.76)  |
|           | Star Cement Ltd.                         | -                                      | -       | -                                     | -       | 13.26  | 23.67   | 13.26   | 23.67   |
|           | Amul Boards Pvt. Ltd                     | -                                      | -       | -                                     | -       | -  | 5.00    | -       | 5.00    |
|           | Pacific Plywoods Pvt. Ltd.               | -                                      | -       | -                                     | -       | (5.04)   | (5.04)  | (5.04)  | (5.04)  |
| <b>B</b>  | <b>Director's Remuneration Payable</b>   |  |         |                                       |         |  |         |         |         |
|           | Sri Sajjan Bhajanka                      | 131.92                                 | 171.84  | -                                     | -       | -  | -       | 131.92  | 171.84  |
|           | Sri Sanjay Agarwal                       | 131.92                                 | 171.81  | -                                     | -       | -  | -       | 131.92  | 171.81  |
|           | Sri Prem Kumar Bhajanka                  | 168.57                                 | 257.85  | -                                     | -       | -  | -       | 168.57  | 257.85  |
|           | Sri Ajay Baldawa                         | 100.64                                 | 128.30  | -                                     | -       | -  | -       | 100.64  | 128.30  |
|           | Sri Vishnu Khemani                       | 129.78                                 | 109.38  | -                                     | -       | -  | -       | 129.78  | 109.38  |
|           | Sri Rajesh Kumar Agarwal                 | -                                      | 5.17    | -                                     | -       | -  | -       | -       | 5.17    |
|           | Smt. Nikita Bansal                       | 133.65                                 | 69.36   | -                                     | -       | -  | -       | 133.65  | 69.36   |
|           | Sri Keshav Bhajanka                      | 133.58                                 | 68.95   | -                                     | -       | -  | -       | 133.58  | 68.95   |
| <b>C</b>  | <b>Director's Commission Payable</b>     |  |         |                                       |         |  |         |         |         |
|           | Smt. Ratnabali Kakkar                    | 4.00                                   | -       | -                                     | -       | -  | -       | 4.00    | -       |
|           | Sri Naresh Pachisia                      | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Amit Kiran Deb                       | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Smt. Mamta Binani                        | -                                      | 4.00    | -                                     | -       | -  | -       | -       | 4.00    |
|           | Sri J. P Dua                             | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Vijay Chhibber                       | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Debanjan Mandal                      | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Sunil Mitra                          | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
|           | Sri Probir Roy                           | 4.00                                   | 4.00    | -                                     | -       | -  | -       | 4.00    | 4.00    |
| <b>D</b>  | <b>Salary Payable</b>                    |  |         |                                       |         |  |         |         |         |
|           | Sri Arun Kumar Julasaria                 | -                                      | 7.16    | -                                     | -       | -  | -       | -       | 7.16    |
|           | Sri Sundeep Jhunjunwala                  | -                                      | 1.87    | -                                     | -       | -  | -       | -       | 1.87    |
|           | Others                                   | -                                      | -       | -                                     | 6.46    | -  | -       | -       | 6.46    |

# Remuneration of Key Management Personnel represents short term employee benefits, as the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 39. Related Party Disclosure: (contd.)

#### (c) Terms and conditions of transactions with related parties

1. The sales to/ purchases from/ services availed from/ services provided to related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Outstanding balances at the year-end from related parties are unsecured and interest free
3. Employee related recoverable balances are unsecured and interest free

### 40. Fair values measurements

#### Financial instruments by category:

(₹ in Lacs)

|  | 31 <sup>st</sup> March, 2023 |                  | 31 <sup>st</sup> March, 2022 |                  |
|--|------------------------------|------------------|------------------------------|------------------|
|  | FVTPL                        | Amortised cost   | FVTPL                        | Amortised cost   |
| <b>Non-current financial assets</b>      |                              |                  |                              |                  |
| (i) Investments                          | 13.25                        | -                | 30.64                        | -                |
| (ii) Other Financial Assets              | -                            | 1,228.07         | -                            | 1,446.55         |
| <b>Current financial assets</b>          | -                            | -                | -                            | -                |
| (i) Trade receivable                     | -                            | 39,033.58        | -                            | 35,243.86        |
| (ii) Cash and cash equivalents           | -                            | 1,413.21         | -                            | 1,701.98         |
| (iii) Bank balances other than above     | -                            | 26,408.01        | -                            | 24,400.70        |
| (iv) Investments                         | -                            | -                | -                            | -                |
| (v) Loans                                | -                            | 250.00           | -                            | 330.00           |
| (vi) Other current financial assets      | -                            | 3,400.39         | -                            | 3,948.58         |
| <b>Total Financial assets</b>            | <b>13.25</b>                 | <b>71,733.26</b> | <b>30.64</b>                 | <b>67,071.67</b> |
| <b>Non-current financial liabilities</b> |                              |                  |                              |                  |
| (i) Borrowings                           | -                            | 186.52           | -                            | 199.86           |
| (ii) Lease liabilities                   | -                            | 1,120.67         | -                            | 1,334.81         |
| <b>Current financial liabilities</b>     |                              |                  |                              |                  |
| (i) Borrowings                           | -                            | 31,154.66        | -                            | 21,621.30        |
| (ii) Trade payables                      | -                            | 27,485.63        | -                            | 25,278.95        |
| (iii) Lease liabilities                  | -                            | 212.79           | -                            | 487.51           |
| (iv) Other current financial liabilities | -                            | 11,815.00        | -                            | 10,230.69        |
| <b>Total Financial liabilities</b>       | <b>-</b>                     | <b>71,975.27</b> | <b>-</b>                     | <b>59,153.12</b> |

#### Notes:-

- 1) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- 2) Finance income and finance cost by instrument category wise classification :-
  - i) Interest income of ₹2072.57 Lacs (P.Y. ₹1036.10 Lacs) on financial instrument at amortised cost.
  - ii) Interest expense of ₹1076.90 Lacs (P.Y. ₹646.96 Lacs) on borrowing at amortised cost.
- 3) Investment through FVTPL is being valued at level 2 in current year as well as previous year.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 41. Financial Risk Management Objectives and Policies

The Group's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents and deposits.

The Group is exposed to market risk and credit risk. The Group has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Group. The audit committee provides assurance to the Group's management that the Group's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (i) 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 risk of interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments.

##### a. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. Such foreign currency exposures are partly hedged by the Group. The Group has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Group.

##### Foreign Currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of assets and liabilities.

| Change in Foreign Currency Rates | Effect on Profit before Tax  |                              |
|----------------------------------|------------------------------|------------------------------|
|                                  | As on                        | As on                        |
|                                  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| 5%                               | (537.24)                     | (743.97)                     |
| -5%                              | 537.24                       | 743.97                       |

(₹ in Lacs)

##### b. 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.

##### 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 variables held constant, the Group profit before tax is affected through the impact on floating rate borrowings, as follows:

|                              | Increase/ Decrease<br>in basis points | Effect on Profit<br>before Tax (₹ in Lacs) |
|------------------------------|---------------------------------------|--|
| 31 <sup>st</sup> March, 2023 | +50                                   | 125.05                                     |
|                              | -50                                   | (125.05)                                   |
| 31 <sup>st</sup> March, 2022 | +50                                   | (85.69)                                    |
|                              | -50                                   | 85.69                                      |

#### (ii) Credit Risks

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 Group is exposed to credit risk from its operating activities (primarily trade receivables).

The Group implements a credit risk management policy under which the Group only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 41. Financial Risk Management Objectives and Policies (contd.)

#### Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, other trade receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 12 as the Group does not hold collateral as security. The Group has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents, various deposits, and financial instruments such as derivative contracts. The Group manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Group's treasury department authorizes, manages, and oversees new transactions with parties with whom the Group has no previous relationship.

Furthermore, the Group limits its exposure to credit risk of financial guarantee contracts by strictly evaluating their necessity based on internal decision making processes, such as the approval of the board of directors.

#### Credit risk exposure

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. The maximum exposure to credit risk as of 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are as follows:

|                           | (₹ in Lacs)                        |                                    |
|---------------------------|------------------------------------|------------------------------------|
|                           | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| <b>NON CURRENT</b>        |                                    |                                    |
| Investments In Others     | 13.25                              | 30.64                              |
| Other financial assets    | 1,228.07                           | 1,446.55                           |
| <b>CURRENT</b>            |                                    |                                    |
| Investments In Others     | -                                  | -                                  |
| Cash and cash equivalents | 1,413.21                           | 1,701.98                           |
| Other Bank balances       | 26,408.01                          | 24,400.70                          |
| Loans                     | 250.00                             | 330.00                             |
| Trade receivable (Net)    | 39,033.58                          | 35,243.86                          |
| Other financial assets    | 3,400.39                           | 3,948.58                           |
|                           | <b>71,746.51</b>                   | <b>67,102.31</b>                   |

#### Impairment losses on financial assets

Refer the table below for reconciliation of loss allowance in respect of Trade Receivables:

|  | (₹ in Lacs)                        |                                    |
|--|------------------------------------|------------------------------------|
| <b>Trade Receivables (measured under life time excepted credit loss model)</b> | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
| Loss Allowance at the beginning of the year                                    | 1061.60                            | 895.76                             |
| Add: Loss Allowance provided during the year                                   | -                                  | 165.84                             |
| <b>Loss Allowance at the end of the year</b>                                   | <b>1061.60</b>                     | <b>1061.60</b>                     |

No significant changes in estimation techniques or assumptions were made during the reporting period.

#### (iii) Liquidity Risk

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required. Such credit facilities are reviewed at regular intervals. Thus no liquidity risk is perceived at present.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 41. Financial Risk Management Objectives and Policies (contd.)

#### Availability of Liquidity is as follows

The Group's undrawn borrowing facilities at the end of the reporting period is:

(₹ in Lacs)

| Particulars                                    | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|--|------------------------------|------------------------------|
| Cash and Cash Equivalents                      | 1,413.21                     | 1,701.98                     |
| Availability under committed credit facilities | 2,926.49                     | 3,124.08                     |

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

(₹ in Lacs)

| Particulars                                   | Less than 1 Year | 1-2 Years     | 2-3 Years    | 3-5 Years    | > 5 years | Total            |
|---|------------------|---------------|--------------|--------------|-----------|------------------|
| <b>Year ended 31<sup>st</sup> March, 2023</b> |                  |               |              |              |           |                  |
| Borrowings                                    | 31,154.66        | 186.52        | -            | -            | -         | 31,341.18        |
| Other financial liabilities                   | 11,815.00        | -             | -            | -            | -         | 11,815.00        |
| Trade payables                                | 27,485.63        | -             | -            | -            | -         | 27,485.63        |
|   | <b>70,455.29</b> | <b>186.52</b> | <b>-</b>     | <b>-</b>     | <b>-</b>  | <b>70,641.81</b> |
| <b>Year ended 31<sup>st</sup> March, 2022</b> |                  |               |              |              |           |                  |
| Borrowings                                    | 21,621.30        | 36.44         | 63.68        | 99.74        | -         | 21,821.16        |
| Other financial liabilities                   | 10,230.69        | -             | -            | -            | -         | 10,230.69        |
| Trade payables                                | 25,278.95        | -             | -            | -            | -         | 25,278.95        |
|   | <b>57,130.94</b> | <b>36.44</b>  | <b>63.68</b> | <b>99.74</b> | <b>-</b>  | <b>57,330.80</b> |

Note: For maturity profile of Lease Liabilities, Refer Note 35.

### 42. The Company's Segment Information as at and for the year ended 31<sup>st</sup> March, 2023 are as below:

(₹ in Lacs)

| Sl       |  | Plywood       | Laminate    | MDF         | Particle Board | CFS Services | Others     | Total         |
|----------|--|---------------|-------------|-------------|----------------|--------------|------------|---------------|
| <b>a</b> | <b>Revenue(Gross)</b>  |               |             |             |                |              |            |               |
|          | External Sales   | 2,03,784.39   | 65,759.86   | 64,013.58   | 17,417.29      | 8,099.17     | 5,582.39   | 3,64,656.68   |
|          |  | (1,60,995.84) | (57,465.70) | (56,088.76) | (15,080.72)    | (7,761.68)   | (5,309.73) | (3,02,702.43) |
|          | Inter-segment Sales  | -             | -           | -           | -              | 153.26       | 465.45     | 618.71        |
|          |  | -             | -           | -           | -              | (150.59)     | (374.97)   | (525.56)      |
|          | Total Revenue (Gross)  | 2,03,784.39   | 65,759.86   | 64,013.58   | 17,417.29      | 8,252.43     | 6,047.84   | 3,65,275.39   |
|          |  | (160995.84)   | (57465.70)  | (56,088.76) | (15,080.72)    | (7912.27)    | (5684.70)  | (3,03,227.99) |
| <b>b</b> | <b>Result</b>  |               |             |             |                |              |            |               |
|          | <b>Segment Results</b>   | 22,728.46     | 9,264.72    | 16,274.72   | 4,363.04       | 1,277.58     | 447.05     | 54,355.57     |
|          |  | (21,326.99)   | (8,633.67)  | (16,520.31) | (3,755.30)     | (771.97)     | (724.06)   | (51,732.30)   |
|          | Unallocated Income/ Expenses(-) (Net of unllolated expenses/ income) |               |             |             |                |              |            | (1,471.03)    |
|          |  |               |             |             |                |              |            | (-3768.62)    |
|          | Operating Profit   |               |             |             |                |              |            | 52,884.54     |
|          |  |               |             |             |                |              |            | (47,963.68)   |
|          | Finance Cost   |               |             |             |                |              |            | 1,697.84      |
|          |  |               |             |             |                |              |            | (1,143.13)    |
|          | Taxation Expense   |               |             |             |                |              |            | 12,781.67     |
|          |  |               |             |             |                |              |            | (15,504.65)   |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 42. The Company's Segment Information as at and for the year ended 31<sup>st</sup> March, 2023 are as below: (contd.)

|          |  |             |             |             |                |              |            | (₹ in Lacs)   |
|----------|--|-------------|-------------|-------------|----------------|--------------|------------|---------------|
| Sl       |  | Plywood     | Laminate    | MDF         | Particle Board | CFS Services | Others     | Total         |
|          | Net Profit (before non controlling interest) |             |             |             |                |              |            | 38,405.03     |
|          |  |             |             |             |                |              |            | (31,315.90)   |
|          | <b>Other Information</b>                     |             |             |             |                |              |            |               |
| <b>a</b> | <b>Total Assets</b>                          |             |             |             |                |              |            |               |
|          | Segment Assets                               | 89,980.63   | 41,544.34   | 86,688.68   | 12,936.13      | 5,749.72     | 2,170.75   | 2,39,070.25   |
|          |  | (86,416.75) | (33,622.18) | (55,465.53) | (6,831.11)     | (4,539.27)   | (3,461.21) | (1,90,336.05) |
|          | Unallocated Corporate/Other Assets           |             |             |             |                |              |            | 32,555.91     |
|          |  |             |             |             |                |              |            | (32,711.26)   |
|          |  |             |             |             |                |              |            | 2,71,626.16   |
|          |  |             |             |             |                |              |            | (2,23,047.31) |
| <b>b</b> | <b>Total Liabilities</b>                     |             |             |             |                |              |            |               |
|          | <b>Segment Liabilities</b>                   | 25,293.77   | 8,283.69    | 7,835.90    | 672.19         | 2,449.05     | 626.28     | 45,160.88     |
|          |  | (26,414.95) | (7,214.52)  | (4,703.79)  | (1,118.16)     | (3,012.96)   | (395.30)   | (42,859.68)   |
|          | Unallocated Corporate/Other Liabilities      |             |             |             |                |              |            | 35,403.41     |
|          |  |             |             |             |                |              |            | (24,768.43)   |
|          |  |             |             |             |                |              |            | 80,564.29     |
|          |  |             |             |             |                |              |            | (67,628.11)   |
| <b>c</b> | <b>Capital Expenditure*</b>                  | 8,456.46    | 7,832.61    | 23,577.26   | 3,722.21       | 1,866.42     | 6.41       | 45,461.37     |
|          |  | (6,502.57)  | (947.99)    | (16,264.04) | (179.13)       | (62.75)      | (2.91)     | (23,959.39)   |
|          | Unallocated Capital Expenditure              |             |             |             |                |              |            | -             |
|          |  |             |             |             |                |              |            | -             |
| <b>d</b> | <b>Depreciation/ Amortisation</b>            | 2,285.57    | 1,310.04    | 2,055.18    | 564.36         | 880.03       | 3.74       | 7,098.92      |
|          |  | (1,979.98)  | (1,190.02)  | (1,966.06)  | (536.82)       | (1,100.31)   | (5.91)     | (6,779.10)    |
|          | Unallocated Depreciation                     |             |             |             |                |              |            | 651.88        |
|          |  |             |             |             |                |              |            | (649.07)      |
| <b>e</b> | <b>Geographical Segment</b>                  |             |             |             |                |              |            |               |
|          | i. Revenue (Gross)                           |             |             |             |                |              |            | 3,46,335.55   |
|          | India  |             |             |             |                |              |            | (2,86,864.28) |
|          | Overseas                                     |             |             |             |                |              |            | 18,321.13     |
|          |  |             |             |             |                |              |            | (15,838.15)   |
|          | ii. Carrying amount of Segment Assets        |             |             |             |                |              |            |               |
|          | India  |             |             |             |                |              |            | 2,32,534.87   |
|          |  |             |             |             |                |              |            | (1,79,917.82) |
|          | Overseas                                     |             |             |             |                |              |            | 6,535.38      |
|          |  |             |             |             |                |              |            | (10,418.23)   |

Note:- Previous years figures are in bracket

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 42. The Company's Segment Information as at and for the year ended 31<sup>st</sup> March, 2023 are as below: (contd.)

#### Notes:

(a) Business Segments: The reportable segments have been identified on the basis of the products of the Group. Operating Segment disclosed are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM). Accordingly, the Group has identified following business segments:

|                      |  |
|----------------------|--|
| Plywood              | - Plywood, Block-Board, Veneer & Timber                  |
| Laminate             | - Decorative Laminates                                   |
| MDF                  | - Plain & Pre-laminated Medium Density Fibre Boards      |
| Plain Particle Board | - Plain & Pre-laminated Particle Board                   |
| CFS Services         | - Container Freight Stations services                    |
| Others               | - Mainly Trading of Chemicals and New Age Panel products |

(b) The Group recognised revenue at point in time.

### 43.A The Subsidiary Companies considered in the Financial Statements are as follows:

| Name                                   | Country of Incorporation | % Voting Power as on 31 <sup>st</sup> March, 2023 | % Voting Power as on 31 <sup>st</sup> March, 2022 |
|--|--------------------------|---|---|
| Auro Sundram Ply & Door Pvt. Ltd.      | India                    | 51  | 51  |
| Century MDF Ltd.                       | India                    | 100   | 100   |
| Ara Suppliers Pvt. Ltd.                | India                    | 80  | 80  |
| Arham Sales Pvt. Ltd.                  | India                    | 80  | 80  |
| Adonis Vyaper Pvt. Ltd.                | India                    | 80  | 80  |
| Apnapan Viniyog Pvt. Ltd.              | India                    | 80  | 80  |
| Century Infotech Ltd.                  | India                    | 99.99   | 99.99   |
| Century Panels Ltd.                    | India                    | 100   | 100   |
| Century Ports Ltd.                     | India                    | 100   | -   |
| Asis Plywood Ltd.                      | India                    | 100   | 100   |
| Century Infra Ltd.                     | India                    | 100   | 100   |
| Century Adhesives & Chemicals Ltd.     | India                    | 100   | -   |
| Centuryply Myanmar Pvt. Ltd.           | Myanmar                  | -   | 100   |
| Century Ply (Singapore) Pte Ltd.       | Singapore                | 90.68   | 90.68   |
| Century Gabon SUARL                    | Gabon                    | 100   | 100   |
| Century Huesoulin Plywood Lao Co. Ltd. | Laos                     | 51  | 51  |
| Century Ply Laos Co.Ltd.               | Laos                     | 90  | 90  |

### 43 B. Non-Controlling Interests (NCI)

The Group has following non-wholly owned subsidiaries:-

| Name of the Entity                     | Principal Activity | County of Incorporation | Ownership interest held by the Group |                              |
|--|--------------------|-------------------------|--------------------------------------|------------------------------|
|  |                    |                         | 31 <sup>st</sup> March, 2023         | 31 <sup>st</sup> March, 2022 |
| Auro Sundram Ply & Door Pvt. Ltd.      | Manufacturing      | India                   | 51                                   | 51                           |
| Ara Suppliers Pvt. Ltd.                | Property           | India                   | 80                                   | 80                           |
| Arham Sales Pvt. Ltd.                  | Property           | India                   | 80                                   | 80                           |
| Adonis Vyaper Pvt. Ltd.                | Property           | India                   | 80                                   | 80                           |
| Apnapan Viniyog Pvt. Ltd.              | Property           | India                   | 80                                   | 80                           |
| Century Infotech Ltd.                  | Service            | India                   | 99.99                                | 99.99                        |
| Century Ply (Singapore) Pte Ltd.       | Trading            | Singapore               | 90.68                                | 90.68                        |
| Century Huesoulin Plywood Lao Co. Ltd. | Manufacturing      | Laos                    | 51                                   | 51                           |
| Century Ply Laos Co.Ltd.               | Manufacturing      | Laos                    | 90                                   | 90                           |

None of the above non-wholly owned subsidiary is material to the Group, therefore financial information about these non-wholly owned subsidiary are not disclosed separately.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 44. Earning per Share (EPS)

In terms of Ind AS- 33 on "Earning Per Share" the calculation of EPS is given below: -

|  | 2022-23      | 2021-22      |
|--|--------------|--------------|
| Profit as per the Statement of Profit & Loss ( ₹ In Lacs)            | 38,405.03    | 31,315.90    |
| Less: Non-controlling interest share in profit & loss                | 75.47        | 10.35        |
| Profit attributable to owners of the Holding Company ( ₹ In Lacs)    | 38,329.56    | 31,305.55    |
| Weighted average number of Equity Shares outstanding during the year | 22,21,72,990 | 22,21,72,990 |
| Nominal value of equity shares (₹)                                   | 1            | 1            |
| Basic and Diluted earnings per share (EPS) (₹)                       | 17.25        | 14.09        |

### 45. Additional disclosures relating to the requirement of revised Schedule III

- (i) No proceedings have been initiated on or are pending against the Holding Company and its subsidiaries incorporated in India for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) Holding Company and its subsidiaries incorporated in India has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) Holding Company and its subsidiaries incorporated in India has complied with the number of layers prescribed under the Companies Act, 2013.
- (iv) There is no undisclosed income under the Income Tax Act, 1961 for the year ending 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 which needs to be recorded in the books of account of Holding Company and its subsidiaries incorporated in India.
- (v) Holding Company and its subsidiaries incorporated in India has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) The borrowings obtained by the Holding Company and its subsidiaries incorporated in India from banks and financial institutions have been applied for the purposes for which such loans were taken.
- (vii) **Relationship with struck off companies**

Disclosure related to relationship of the Holding Company with a company which is struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956 as at 31 March, 2023 are as follows:

(₹ in Lacs)

| Sl. No. | Name of struck off Company                  | Nature of transactions with struck off company | Balance outstanding as at 31 <sup>st</sup> March, 2023 | Balance outstanding as at 31 <sup>st</sup> March, 2022 | Relationship with the struck off company, if any |
|---------|---|--|--|--|--|
| 1       | IDS Increation India Pvt Ltd. *             | Sales of goods                                 | 1.95   | 1.95   | Customer   |
| 2       | Perfect Logicare Pvt.Ltd.                   | Sale of Services                               | (0.08)   | (0.08)   | Customer   |
| 3       | Seeds And Grains India Pvt. Ltd.            | Sales of services                              | -  | -  | Customer   |
| 4       | Okia Global Pvt. Ltd.                       | Sales of services                              | -  | -  | Customer   |
| 5       | Elbi Consultancy (India) Pvt. Ltd.          | Procurement of services                        | -  | (0.01)   | Vendor   |
| 6       | Print Express Pvt..Ltd.                     | Purchase of goods                              | (0.63)   | (6.46)   | Vendor   |
| 7       | RBC Bearing Pvt. Ltd.                       | Purchase of goods                              | -  | -  | Vendor   |
| 8       | Deepika Electronics & Engineering Pvt. Ltd. | Procurement of services                        | -  | (0.43)   | Vendor   |

The above information is provided only for those struck off companies with whom transactions have taken place during the year ended 31<sup>st</sup> March, 2023 and year ended 31<sup>st</sup> March, 2022.

\* No transactions entered during 2022-23 and 2021-22, only balance outstanding of earlier years.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 45. Additional disclosures relating to the requirement of revised Schedule III (contd.)

Details of other struck off entities holding equity shares in the Holding Company is as below:

| Sl. No. | Name of struck off Company         | No. of Shares held | Paid-up (₹) as at 31 <sup>st</sup> March, 2023 | Paid-up (₹) as at 31 <sup>st</sup> March, 2022 | Relationship with the struck off company, if any |
|---------|------------------------------------|--------------------|--|--|--|
| 1       | Emmel Financial Services Pvt. Ltd. | 700                | 700.00   | -  | Equity shareholder                               |
| 2       | Mridul Securities Pvt. Ltd.        | 5                  | 5.00   | 5.00   | Equity shareholder                               |
| 3       | Dreams Comtrade Pvt. Ltd.          | 150                | 150.00   | 150.00   | Equity shareholder                               |

None of the above struck off companies are related parties.

(viii) During the year ended 31<sup>st</sup> March, 2023 the Holding Company has provided Loans to 3 subsidiaries amounting to ₹19073 Lacs (₹2089.77 Lacs), which is repayable on demand total amount outstanding on 31<sup>st</sup> March, 2023 is ₹10874 Lacs (₹ NIL) which represent 97.75% (NIL) of the total Loans.

(ix) As explained in note no.49 the Company has filed a company petition with Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench on 31<sup>st</sup> March, 2023 with respect to the Scheme of Arrangement between the Company ('Transferor Company') and its wholly owned subsidiary i.e. Century Infra Limited ('Transferee Company') and their respective shareholders and creditors which is pending for approval by the Hon'ble NCLT. The financial statements of the Company have been prepared without giving impact of the Scheme of Arrangement as the approval of Hon'ble NCLT is awaited. The Scheme will be given effect on receipt of requisite regulatory approvals and filing of such approvals with the Registrar of Companies.

#### (x) Utilisation of Borrowed Fund & Share Premium:

- The Holding Company and its subsidiaries incorporated in India have not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiaries incorporated in India (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Holding Company and its subsidiaries incorporated in India have not received any fund from any person(s) or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company and its subsidiaries incorporated in India shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 47. Additional Information pursuant to Schedule III of the Companies Act, 2013

| Name of the company               | Net Assets (Total Assets minus Total Liabilities) |                    | Share in Profit & Loss              |                  | OCI                      |               | TCI                      |                  |
|-----------------------------------|---|--------------------|-------------------------------------|------------------|--------------------------|---------------|--------------------------|------------------|
|                                   | 2022-23   |                    | 2022-23                             |                  | 2022-23                  |               | 2022-23                  |                  |
|                                   | As % of consolidated Net assets                   | Net Assets         | As % of consolidated Profit or Loss | Profit/(Loss)    | As % of consolidated OCI | OCI           | As % of consolidated TCI | TCI              |
| <b>Parent Company</b>             |   |                    |                                     |                  |                          |               |                          |                  |
| Century Plyboards (India) Limited | 88.42%  | 1,68,941.56        | 108.49%                             | 41,664.43        | 97.34%                   | 731.04        | 108.27%                  | 42,395.47        |
| <b>Indian Subsidiaries</b>        |   |                    |                                     |                  |                          |               |                          |                  |
| <b>Direct Subsidiaries</b>        |   |                    |                                     |                  |                          |               |                          |                  |
| Adonis Vyaper Private Limited     | 0.09%   | 167.42             | 0.00%                               | (0.51)           | 0.00%                    | -             | 0.00%                    | (0.51)           |
| Apnapan Viniyog Private Limited   | 0.09%   | 167.50             | 0.00%                               | (0.47)           | 0.00%                    | -             | 0.00%                    | (0.47)           |
| Ara Suppliers Private Limited     | 0.09%   | 166.28             | 0.00%                               | (0.55)           | 0.00%                    | -             | 0.00%                    | (0.55)           |
| Arham Sales Private Limited       | 0.09%   | 167.70             | 0.00%                               | (0.48)           | 0.00%                    | -             | 0.00%                    | (0.48)           |
| Century Infotech Limited          | 0.00%   | 6.37               | -0.05%                              | (19.78)          | 0.00%                    | -             | -0.05%                   | (19.78)          |
| Century MDF Limited               | 0.21%   | 395.76             | -0.01%                              | (5.57)           | 0.00%                    | -             | -0.01%                   | (5.57)           |
| Auro Sundram Ply & Door Pvt. Ltd. | 1.42%   | 2,716.76           | 0.36%                               | 136.50           | 1.78%                    | 13.38         | 0.38%                    | 149.88           |
| Century Infra Ltd.                | 0.00%   | 3.50               | 0.00%                               | (1.50)           | 0.00%                    | -             | 0.00%                    | (1.50)           |
| Century Ports Ltd.                | 0.02%   | 46.17              | -0.02%                              | (8.83)           | 0.00%                    | -             | -0.02%                   | (8.83)           |
| Century Panels Ltd                | 7.56%   | 14,449.72          | -0.03%                              | (13.21)          | 0.00%                    | -             | -0.03%                   | (13.21)          |
| <b>Foreign Subsidiaries</b>       |   |                    |                                     |                  |                          |               |                          |                  |
| <b>Direct Subsidiaries</b>        |   |                    |                                     |                  |                          |               |                          |                  |
| Centuryply Myanmar Pvt. Ltd.      | 0.00%   | -                  | -9.97%                              | (3,830.32)       | 0.00%                    | -             | -9.78%                   | (3,830.32)       |
| Century Ply (Singapore) Pte Ltd.  | 1.14%   | 2,187.60           | -0.01%                              | (5.49)           | 0.00%                    | -             | -0.01%                   | (5.49)           |
| Century Gabon SUARL               | 1.05%   | 2,015.65           | 1.08%                               | 415.34           | 0.00%                    | -             | 1.06%                    | 415.34           |
| Non-Controlling Interest          | -0.19%  | (370.12)           | 0.20%                               | 75.47            | 0.87%                    | 6.56          | 0.21%                    | 82.03            |
| <b>Total</b>                      | <b>100.00%</b>                                    | <b>1,91,061.87</b> | <b>100.00%</b>                      | <b>38,405.03</b> | <b>100.00%</b>           | <b>750.98</b> | <b>100.00%</b>           | <b>39,156.01</b> |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

### 47. Additional Information pursuant to Schedule III of the Companies Act, 2013 (contd.)

| Name of the company               | Net Assets (Total Assets minus Total Liabilities) |                    | Share in Profit & Loss              |                  | OCI                      |                | TCI                      |                  |
|-----------------------------------|---|--------------------|-------------------------------------|------------------|--------------------------|----------------|--------------------------|------------------|
|                                   | 2021-22   |                    | 2021-22                             |                  | 2021-22                  |                | 2021-22                  |                  |
|                                   | As % of consolidated Net assets                   | Net Assets         | As % of consolidated Profit or Loss | Profit/(Loss)    | As % of consolidated OCI | OCI            | As % of consolidated TCI | TCI              |
| <b>Parent Company</b>             |   |                    |                                     |                  |                          |                |                          |                  |
| Century Plyboards (India) Limited | 90.75%  | 1,41,048.48        | 103.83%                             | 32,516.77        | 393.09%                  | (314.67)       | 103.09%                  | 32,202.10        |
| <b>Indian Subsidiaries</b>        |   |                    |                                     |                  |                          |                |                          |                  |
| <b>Direct Subsidiaries</b>        |   |                    |                                     |                  |                          |                |                          |                  |
| Adonis Vyaper Private Limited     | 0.11%   | 167.93             | 0.00%                               | (0.48)           | 0.00%                    | -              | 0.00%                    | (0.48)           |
| Apnapan Viniyog Private Limited   | 0.11%   | 167.98             | 0.00%                               | (0.57)           | 0.00%                    | -              | 0.00%                    | (0.57)           |
| Ara Suppliers Private Limited     | 0.11%   | 166.83             | 0.00%                               | (0.64)           | 0.00%                    | -              | 0.00%                    | (0.64)           |
| Arham Sales Private Limited       | 0.11%   | 168.17             | 0.00%                               | (0.48)           | 0.00%                    | -              | 0.00%                    | (0.48)           |
| Century Infotech Limited          | 0.02%   | 26.15              | 0.08%                               | 25.03            | 0.00%                    | -              | 0.08%                    | 25.03            |
| Century MDF Limited               | 0.00%   | 1.34               | 0.00%                               | (0.40)           | 0.00%                    | -              | 0.00%                    | (0.40)           |
| Auro Sundram Ply & Door Pvt. Ltd. | 1.65%   | 2,566.89           | 0.19%                               | 58.80            | (19.09)%                 | 15.28          | 0.24%                    | 74.08            |
| Century Infra Ltd.                | 2.30%   | 3,567.93           | (0.12)%                             | (37.07)          | 0.00%                    | -              | (0.12)%                  | (37.07)          |
| Century Panels Ltd                | 0.00%   | 5.00               | 0.00%                               | -                | 0.00%                    | -              | 0.00%                    | -                |
| <b>Foreign Subsidiaries</b>       |   |                    |                                     |                  |                          |                |                          |                  |
| <b>Direct Subsidiaries</b>        |   |                    |                                     |                  |                          |                |                          |                  |
| Centuryply Myanmar Pvt. Ltd.      | 2.90%   | 4,508.61           | (2.11)%                             | (659.67)         | (159.71)%                | 127.85         | (1.70)%                  | (531.82)         |
| Century Ply (Singapore) Pte Ltd.  | 1.35%   | 2,097.72           | (0.38)%                             | (119.03)         | (126.07)%                | 100.92         | (0.06)%                  | (18.11)          |
| Century Gabon SUARL               | 0.77%   | 1,191.02           | (1.52)%                             | (476.71)         | 21.15%                   | (16.93)        | (1.58)%                  | (493.64)         |
| Non-Controlling Interest          | (0.17)%   | (264.84)           | 0.03%                               | 10.35            | (9.37)%                  | 7.50           | 0.06%                    | 17.85            |
| <b>Total</b>                      | <b>100.00%</b>                                    | <b>1,55,419.20</b> | <b>100.00%</b>                      | <b>31,315.90</b> | <b>100.00%</b>           | <b>(80.05)</b> | <b>100.00%</b>           | <b>31,235.85</b> |

## Notes to Consolidated Financial Statements as at and for the year ended 31<sup>st</sup> March, 2023

- 48.** Charity and Donations includes ₹200.00 Lacs (PY. 2021-22: ₹100.00 Lacs) paid to the political parties
- 49.** The Scheme of Arrangement between the Company and Century Infra Limited and their shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder ("Scheme of Arrangement" or "Scheme") was approved by the Board of Directors of the Company at their meeting on 20<sup>th</sup> July, 2022. The Scheme, inter alia, provides for transfer of the Container Freight Station Services Undertaking (as defined in the Scheme) from the Company to Century Infra Limited, a wholly owned subsidiary of the Company, as a going concern on slump sale basis for a lump sum consideration on the terms and conditions as detailed in the Scheme. The Appointed Date for the Scheme is 1<sup>st</sup> April, 2022.
- The Company received the Observation Letter dated 10<sup>th</sup> October, 2022 from both the Stock Exchanges i.e. BSE Limited and National Stock Exchanges of India Limited whereby the exchanges have given their in-principal approval with 'No adverse observations' / 'No Objection' remarks on the Scheme. Upon receipt of Observation Letter from Stock Exchanges, the Scheme was filed with National Company Law Tribunal, Kolkata Bench (NCLT). Pursuant to the NCLT Order dated 10<sup>th</sup> February 2022, respective meetings of Shareholders and Unsecured Creditors of the Company were held on 20<sup>th</sup> March, 2023 whereby the Scheme was approved with requisite majority.
- The Company petition for sanctioning the Scheme has been filed with the Hon'ble NCLT, Kolkata Bench and is subject to requisite statutory and regulatory approval. Pending such approvals, no accounting effect of the above-mentioned Scheme has been given in the financial statements for the year ended 31<sup>st</sup> March, 2023.
- 50. Subsequent event**
- The Board has recommended a dividend of ₹1.00 per share (100% per share of face value of ₹1 each) for the financial year ended 31<sup>st</sup> March, 2023, subject to shareholders approval at annual general meeting.
- 51.** Previous year's figures have been rearranged and/or regrouped, wherever necessary.
- 52.** The financial statements have been approved by the Audit Committee at its meeting held on 15<sup>th</sup> May, 2023 and by the Board of Directors on the same date.
- 53.** Notes to the Consolidated Financial Statements comprises of Information relevant for the Group.

As per our attached report of even date

**For Singhi & Co.**

Firm Registration No.- 302049E  
Chartered Accountants

**Rajiv Singhi**

Partner  
Membership No. 053518  
Place: Kolkata  
Date: 15<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

**Sajjan Bhajanka**

Chairman & Managing Director  
DIN:00246043

**Arun Kumar Julasaria**

Chief Financial Officer

**Sanjay Agarwal**

CEO & Managing Director  
DIN:00246132

**Sundeep Jhunjunwala**

Company Secretary





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