

Information Memorandum

ARCHIDPLY DÉCOR LIMITED

(CIN: U20231UR2017PLC008626)

Registered Office: Plot No.7, Sector -9, Integrated Industrial Estate,
SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR- 263 153.

Tel: 05944 250 270 Fax No.05944 250269,

E-mail:info@archidply.com. **Website:** www.archidplydecor.com

Contact Person: Mr. Rajneesh Sharma

Archidply Décor Limited (ADL) was incorporated as a Public Limited Company under the Companies Act, 2013, on 14th June, 2017 in the name and style of Archidply Décor Limited (ADL) in the State of Karnataka. There has been no further change in the name of ADL since incorporation. The Corporate Identification Number of ADL was U20231KA2017PLC103845. The Equity Shareholders have subject to the approval of the Hon'ble Regional Director (South East Region) and other relevant authorities passed a Special Resolution on 6th November, 2017 for Shifting of its Registered Office from the State of Karnataka to the State of Uttarakhand. The Hon'ble Regional Director (South East Region) Hyderabad vide his order dated 8th January, 2018 has sanctioned a Petition for shifting of the Registered Office of the company from the State of Karnataka to the State of Uttarakhand. Accordingly the company, upon registration of the said order, obtained a fresh certificate of incorporation from the Registrar of Companies, Kanpur. The CIN of the Company is U20231UR2017PLC008626.

THIS INFORMATION MEMORANDUM IS FOR THE PURPOSE OF LISTING OF 55,66,250 (50,000(ISSUED AT THE TIME OF INCORPROATION) +55,16,250(ISSUED PURSUANT TO A SCHEME OF ARRANGEMENT)) EQUITY SHARES OF RS. 10/- EACH FULLY PAID-UP ALLOTTED (55,16,50) TO THE SHAREHOLDERS OF ARCHIDPLY DÉCOR LIMITED (VIZ., THE DEMERGED COMPANY) PURSUANT TO THE SCHEME OF ARRANGEMENT (DEMERGER) SANCTIONED BY THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI VIDE ORDER DATED 8TH JANUARY, 2020.

INFORMATION MEMORANDUM FOR LISTING OF 55,66,250 EQUITY SHARES OF Rs. 10/- EACH FULLY PAID -UP OF THE COMPANY

NO EQUITY SHARE OF THE COMPANY IS PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest in the equity shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of our Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The Equity Shares of Archidply Décor Limited have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page no. 6 of this Information Memorandum.**

ABSOLUTE RESPONSIBILITY OF ARCHIDPLY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited (NSE). For the purpose of Listing, the Designated Stock Exchange is BSE Limited. Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on our Company's website viz., www.archidplydecor.com and on the website of BSE at www.bseindia.com and NSE at www.nseindia.com

REGISTRAR & SHARE TRANSFER AGENT

KFIN TECHNOLOGIES PRIVATE LIMITED

Registered Office: Selenium, Tower B,
Plot No- 31 & 32, Financial District,
Nanakramguda, Serilingampally
Hyderabad Rangareddi TG 500032

Website: www.kfintech.com
Tel: +91 40 6716 1585 **Email:** kishore.bv@kfintech.com

SEBI Registration Number: INR000000221

Contact Person: B.V. Kishore

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SECTION 1: GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section and references to any statute or regulations or acts or policies shall include amendments thereto, from time to time.

In this Information Memorandum, unless otherwise indicated or the context otherwise requires, all references to “our Company”, “the Company”, “Resulting Company”, “we”, “us”, or “our” are references to Archidply Décor Limited, or the context requires, and reference to “you” are to the prospective investors in the Equity Shares.

DEFINITIONS

| | |
|--|---|
| Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and or/ Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification, |
| Appointed Date | 1 st April, 2018 |
| Articles or Articles of Association or AOA | Articles of Association of the Company |
| Audit Committee | Committee constituted by the Board in compliance with Section 177 of Companies Act, 2013 |
| Auditors/ Statutory Auditors | M/s. GRV & PK, Chartered Accountants, Bangalore |
| “Board” or “Board of Directors” or “our Board” | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof |
| Company Secretary and Compliance Officer | Mr. Rajneesh Sharma |
| Demerged Company | Archidply Industries Limited |
| Designated Stock Exchange | BSE Limited |
| Director(s) | The Director(s) of our Company, unless otherwise specified |
| Resulting Company | The Company viz., Archidply Décor Limited |
| Effective Date | The date on which the Scheme became effective upon filing of the Order of the National Company Law Tribunal, dated 1 st February, 2020 sanctioning the Scheme, with the ROC viz., the Registrar of Companies, Uttarakhand |

| | |
|--|---|
| Equity Share (s) | Equity Share (s) of our Company of face value of Rs. 10/- each |
| Equity Shareholder (s) | Holder (s) of Equity Shares of our Company |
| Information Memorandum | This Information Memorandum being filed with the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited (NSE) |
| Investor Grievance Committee | Committee constituted by the Board in compliance with Section 178 of the Companies Act, 2013 |
| IT Act | Income Tax Act, 1961 and includes any statutory amendment or re-enactment thereof for the time being in force |
| KMPs | Key Managerial Personnel of the Company |
| Listing Agreement | The Agreements entered into by the Company with the Stock Exchanges |
| Memorandum of Association or Memorandum or MOA | Memorandum of Association of the Company |
| “Promoter(s)” or “our Promoter(s)” | Persons and entity listed in the section titled “Promoter and Promoter Group” |
| Promoter Group | Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoter and Promoter Group” beginning on page 36 of this Information Memorandum. |
| Record Date | 14 th February, 2020, The Date Fixed By The Board Of Directors Of The Demerged Company For The Purpose Of Determining The Shareholders Of The Demerged Company, Eligible For Allotment Of Equity Shares Of The Resulting Company Pursuant To The Scheme Of Arrangement |
| Registrar/Share Transfer Agent | KFIN Technologies Private Limited address:-Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032 |
| Registered Office | The Registered Office of our Company located at Plot No.7, Sector -9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR- 263 153. |
| Registrar of Companies or ROC | Registrar of Companies, Uttarakhand |
| Scheme | Scheme of Arrangement between Archidply Industries Limited and Archidply Décor Limited and their respective shareholders and creditors under sections 230 to 232 read with sections 52 & 66 of the Companies Act, 2013 as approved by the National Company Law Tribunal, Allahabad on 8 th January, 2020 and which became effective from 1 st February, 2020 upon the filing of the Certified copy of the NCLT Order with the Registrar of Companies. |
| SEBI Act | Securities and Exchange Board of India Act, 1992 includes any statutory amendment or re-enactment thereof for the time being in force |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force |

| | |
|-------------------|---|
| Stock Exchange(s) | BSE Limited and National Stock Exchange of India Limited |
| Takeover Code | The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time |

| ABBREVIATIONS | |
|---------------|---|
| A/C | Account |
| AGM | Annual General Meeting |
| BSE | BSE Limited |
| CDSL | Central Depository Services (India) Limited |
| NSDL | National Securities Depository Limited |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CIN | Corporate Identity Number |
| DIN | Director Identification Number |
| DR | Depository Receipts |
| DSE | Designated Stock Exchange |
| EPS | Earnings per Share |
| NA | Not Applicable |
| ROC | Registrar of Companies, Uttarakhand |
| SEBI | Securities and Exchange Board of India |

In the Information Memorandum, all reference to one gender also refers to the other gender and the word “lakh” or “lac” means “one hundred thousand” and the word “ten lakhs” means “million” and the word “Crore” means “ten million”.

The word and expression used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made there under.

Certain conventions; Use of Market data

Unless stated otherwise, the financial data in the Information Memorandum is derived from the Company’s financial statements pursuant to the Scheme. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular “fiscal year” are to the twelve-month period ended March 31 of that year. In the Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off of such amounts.

All references to “India” contained in the Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to Indian rupees, the official currency of India.

For additional definitions, please see the Section titled “Definitions/ Abbreviations” of the Information Memorandum.

Unless stated otherwise, industry data used in the Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although the Company believes that industry data used in the Information Memorandum is reliable, it has not been independently verified.

FORWARD LOOKING STATEMENT

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- I. General economic and business conditions in India and other countries;
- II. Regulatory changes and the Company's ability to respond to them;
- III. Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- IV. Ability to meet the Company's capital expenditure requirements;
- V. Technological changes;
- VI. Changes in the value of the Rupee and other currency changes;
- VII. Changes in Indian or international interest rates;
- VIII. Changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry;
- IX. Fluctuations in operating costs;
- X. The Company's ability to attract and retain qualified personnel;
- XI. Exposure to market risks, general economic and political conditions in India which have an impact on the Company's business activities or investments;
- XII. Changes in political and social conditions in India or in countries that the Company may enter;
- XIII. Any adverse outcome in the legal proceedings in which the Company is involved.
- XIV. Changes in the foreign exchange control regulations in India; and
- XV. The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Additional factors that could cause actual results, performance or achievements to differ materially include, but not limited to, those discussed under "Management's Discussion and Analysis" "Industry Overview" and "Our Business".

We do not have any obligation to, and do not intend to, update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

SECTION 2: RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Information Memorandum, including the risks described below, before making an investment in the Equity Shares of our Company.

The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.

RISKS AND MANAGEMENT PERCEPTION

INTERNAL RISK FACTORS

- 1. Political, Economic and other factors that are beyond our control may have adverse effect on our business and result of operations: -***

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Thus any appreciation of the Rupee against the foreign currency coupled with instability of economic policies, political situation and other levies and taxes imposed by the Government of India may have adverse effect on our business and result of operations.

- 2. Loss or Shutdown of operations of our Manufacturing Unit may have adverse effect on our business-***
Business of our Company is dependent on our Manufacturing facilities. Any, loss or Shutdown of operations of our Manufacturing Unit may have adverse effect on our business, financial condition and results of our operations.

- 3. We face intense competition in the market from the unbranded/ unorganized sector of the Wood based Industry: -***

The industry that we operate in is highly competitive. Our failure to provide services to clients at prices similar or lower to that of our competitors, our inability to successfully market our services based on our efficiency may have an adverse impact on our business, financial condition and result of operations.

- 4. Our Group Entities are engaged in similar line of business as that of our Company. This may be potential source of conflict of interest for us:-***

Our Group Companies Assam Timber Products P Limited, Archidply Industries Limited and The Mysore Chipboard Limited are engaged in similar line of business as that of our Company and this could have a material effect on the business of our Company.

- 5. Our success largely depends upon the knowledge and experience of our Promoter and other skilled professionals. Any loss or our ability to attract and retain them could adversely affect our business, operations and financial conditions: -***

The success of our Company depends upon the management skills and guidance of our Promoter for development and implementation of business strategies and meeting future challenges. Any loss or our ability to attract and retain them could adversely affect our business, operations and financial conditions.

EXTERNAL RISK FACTORS

1. *There is no prior trading history for the equity shares of the Company.*

Since the equity shares of the Company have not been previously traded, their market value is uncertain. Following admission, the market price of the equity shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's equity shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

2. *Significant trading volumes of the equity shares on the Stock Exchanges on listing could impact the price of our Company's equity shares.*

Following admission of our equity shares for trading on the Stock Exchanges, there may be a period of relatively high volume trading in the equity shares. A high volume of sales of our equity shares on the Stock Exchanges after admission, or the perception that these sales might occur, could result in volatility in the market price of our equity shares.

3. *Our Company may decide to offer additional equity shares in the future, diluting the interests of existing shareholders which could adversely affect the market price of the equity shares.*

Our Company's ability to execute our business strategy depends on our access to an appropriate blend of debt financing, and equity financing. If our Company decides to offer additional equity shares or other securities convertible into equity shares in the future, this could dilute the interests of existing shareholders which could have an adverse impact on the market price of equity shares. Any additional offering of equity shares by our Company, or the public perception that an offering may occur, could have an adverse impact on the market price of the equity shares.

4. *Weak economic conditions may have an adverse impact on our Company's business, financial condition and results of operations.*

The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have a significant adverse effect on the availability of credit and the confidence of the financial markets, including in India. This volatility could result in softening of demand for the products and services of the Company to a lack of consumer confidence and decreased affordability and may adversely affect our Company's business, financial condition, results of operations and prospects. Additionally, economic and market conditions can adversely affect the performance of our Company since both the revenues and costs of our business lines are linked not only to the consumption abilities of the general public and disposable income available with them, but also, to macro-economic factors like interest rates, currency movements, and inflation.

5. *Taxes and other levies imposed by the Government of India or State Governments relating to our Company's business may have a material adverse effect on our business.*

Taxes and other levies imposed by the Central or State Governments that could potentially affect the costs of our products and services include goods & service tax, import duties etc. Any increase or changes in any of these taxes or levies, including a shift to a new goods and service tax structure, or the imposition of new taxes or levies in future, may have a material adverse impact on the business, profitability and financial condition of our Company

6. *Changes in Government policies.*

Changes in Government policy could adversely affect our business prospects, competitive position, or our costs. Changes in interest rates, changes in tax laws, changes in other regulations etc. may have an adverse impact on

the profitability of our Company. Due to the competitive nature of the market, the increase in costs as a result of these changes may not be easily passed on to the customers.

7. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our Company's business.*

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our Company's financial performance and our ability to obtain financing to fund growth on favourable terms or at all.

8. *Financial instability in other countries, particularly emerging market countries, could disrupt our Company's business and affect the price of the equity shares.*

Although economic conditions are different in each country, investors' reactions to developments in one country may have an adverse effect on the securities of companies in other countries including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our Company's business, future financial performance, shareholders' equity and the price of the equity shares.

9. *Currency exchange rate fluctuations may affect the value of the equity shares.*

The exchange rate between the Rupee and other foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. If the investor purchases Rupees to purchase the equity shares, fluctuations in the exchange rate between the foreign currencies with which the investor purchased the Rupees may affect the value of the investor's investment in the equity shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- The foreign currency equivalent of the Rupee trading price of the equity shares in India.
- The foreign currency equivalent of the proceeds that the investor would receive upon the sale in India of any of the equity shares.
- The foreign currency equivalent of cash dividends, if any, on the equity shares, which will be paid only in Rupees.

The investor may be unable to convert Rupee proceeds into a foreign currency of its choice or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by the devaluation of the Rupee if investors in jurisdictions outside India analyze our Company's value based on the Rupee equivalent of such other currency and the financial.

10. Lockdown due to Covid-19 and any such pandemic, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.

SECTION 3: INTRODUCTION AND ABOUT THE COMPANY

GENERAL INFORMATION

Archidply Décor Limited (ADL) was incorporated as a Public Limited Company under the Companies Act, 2013, on 14th June, 2017 in the name and style of Archidply Décor Limited (ADL) in the State of Karnataka. There has been no further change in the name of ADL since incorporation. The Corporate Identification Number of ADL was U20231KA2017PLC103845. The Equity Shareholders have subject to the approval of the Hon'ble Regional Director (South East Region) and other relevant authorities passed a Special Resolution on 6th November, 2017 for Shifting of its Registered Office from the State of Karnataka to the State of Uttarakhand. The Hon'ble Regional Director (South East Region) Hyderabad vide his order dated 8th January, 2018 has sanctioned a Petition for shifting of the Registered Office of the company from the State of Karnataka to the State of Uttarakhand. Accordingly the company, upon registration of the said order, obtained a fresh certificate of incorporation from the Registrar of Companies, Kanpur. The CIN of the Company is U20231UR2017PLC008626. The objects of the Resulting Company (ADL) are set out in its Memorandum and Articles of Association. The Resulting Company is a newly incorporated company with the main objects of manufacturing and trading of Wood panel products and other related activities.

Registered Office of our Company:

Archidply Décor Limited

Plot no.7, Sector- 9, Integrated Industrial Estate,
SIDCUL, Pant Nagar, Udham Singh Nagar,
Uttarakhand -263153

Tel. No.: 080-43420000 Fax No.: 080-23348463

Email: info@archidply.com Website: www.archidplydecor.com

CIN: U20231UR2017PLC008626.

Registrar of Companies

Registrar of Companies, Uttarakhand
Mezzanine floor 78, Rajpur Road,
office no. 259, Shri Radha Palace
Dehradun The Mall, Dehradun - 248001 Uttarakhand
Website: www.mca.gov.in

Stock Exchanges

BSE Limited (BSE) The Designated Stock Exchange is BSE Limited.

National Stock Exchange of India Limited (NSE)

Board of Directors

The Board of Directors as on the date of filing of this Information Memorandum are:

| S. No. | Name | DIN | Age | Address | Designation |
|--------|----------------|----------|-----|---|-------------|
| 1. | Mr. Shyam Daga | 00561803 | 45 | Flat 315, 6/1, Mangalaya Residency Benson Cross Road, Benson Town Bangalore 560046 KA | Director |
| 2. | Mr. Rajiv Daga | 01412917 | 42 | N-49, 3rd floor, Panchsheel park Malviya Nagar, South Delhi, Delhi - 110017 | Director |

| | | | | | |
|----|------------------------|----------|----|---|----------|
| 3. | Mrs. Akshatha Rai | 06512797 | 41 | No 41, 2nd Cross , Mekhri Circle Rajmahal Vilas Extension Bangalore 560080 KA | Director |
| 4 | KukkehalliRavirajHegde | 08693808 | 68 | #S-208, 2nd Floor, Chithaary Heights, Behind Benison Super Market, Arakere, Bannerghatta Bangalore 560076 KA | Director |

For further details of the Board of Directors of our Company, please refer to the section titled “Management” beginning on page no. 29 of this Information Memorandum.

The Company confirms that none of its Current Directors appear in the RBI defaulter list.

Demat Credit

Our Company has executed tripartite agreements dated 11th February, 2020 with the Registrar and Share Transfer Agent and the Depositories i.e. NSDL and CDSL, respectively, for admitting our Company’s Equity Shares in demat form. The ISIN allotted is INE0CHO01012.

Filing

A Copy of this Information Memorandum has been filed with BSE and National Stock Exchange of India Limited (NSE) in due compliance with the Stock Exchange requirements.

Listing

Applications have been already made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. In accordance with the Demerger Scheme, the equity shares of ADL would be listed on BSE Limited and National Stock Exchange of India Limited (NSE) and BSE & NSE have granted in principle approval for listing the equity shares on 7th August, 2020 (Letter No. DCS/AMAL/SV/IP/1768/2020-21) and 12th May, 2020 (Letter No. NSE /LIST/30) respectively.

SEBI, vide its letter no. SEBI/HO/CFD/DIL2/OW/P/2020/10682/1 dated 28th May, 2020 has granted relaxation from the requirement of Rule 19(2)(b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing of shares of ADL without making an initial public offer.

Archidply Décor Limited ensures that all steps for the completion of necessary formalities for commencement of trading at the BSE Limited and National Stock Exchange of India Limited (NSE) mentioned above are taken within such period as approved by SEBI.

Registrar and Share Transfer Agent

KFIN Technologies Private Limited

Address: Selenium, Tower B, Plot No- 31 & 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddi TG, - 500032

Tel: +914067161585

Email: kishore.bv@kfintech.com

Website: www.kfintech.com

SEBI Registration Number: INR000000221

Contact Person: Mr. B.V. Kishore

Investors can contact the Registrar and Share Transfer Agent in case of any grievances pertaining to shares.

Statutory Auditor of the Company

M/s. G R V & PK Chartered Accountants

Add: Ganapathy Plaza, Office No.58 (old no. 21 / C) 59th,

A cross, 4th N Block, Rajaji Nagar, Bangalore - 560010

Tel: 080-23120689

Email: kamal@grvpk.com **Website:** www.grvpk.com

Contact Person: Mr. Kamal Kishore

Firm Registration No.: 008099S

Bankers to the Company

BANK OF BARODA

Corporate Financial Services Branch |

Erstwhile Vijaya Bank HO Building |

3rd Floor, 41/2 MG Road |

Trinity Circle | Bangalore - 560 001.

Tel +91 80 25011361

Email: corban@bankofbaroda.com

Website: www.bankofbaroda.in

Contact Person: Mr. P Chandrasekaran

Chief Financial Officer

Name: Mr. Raj Kishore Prasad

Address: C/O, Flat No. 502, Block A6, Provident
Harmony, Chokkanahalli Main Road, Near Shobha
City, Off Thanisandra Main Road, Yelahanka,
Bengaluru, Karnataka 560064

Tel: 9916836040 **Email:** rkprasad@archidply.com

Company Secretary and Compliance Officer

Name Mr. Rajneesh Sharma

Address: B5 -133 Janapriya Greenwoods Apartment
Somashetty Halli, Bangalore 560090

Tel: 9986174563

Email: rajneeshsharma@archidply.com

No Prohibition by SEBI

The Company, its Directors, its Promoters, other Companies promoted by the Promoters and Companies which the Company's Directors are associated as Directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement to be published in terms of SEBI Circular dated March 10, 2017 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. The Company shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

HISTORY

Archidply Industries Limited (AIL) was incorporated as a Public Limited Company under the Companies Act, 1956, on 5th September, 1995 in the name of ATP Silvi Products Limited in the State of Karnataka. The Company has obtained Certificate of Commencement of business from the Registrar of Companies, Karnataka, Bangalore dated 05th July, 2005. The name of the company has been changed to its present name i.e. Archidply Industries Limited (in short AIL) and obtained a fresh certificate of incorporation dated 30th day of March, 2007, consequent upon change of name from the Registrar of Companies, Karnataka Bangalore. The Equity Shareholders have subject to the approval of the Hon'ble Regional Director (South East Region) and other relevant authorities passed a Special Resolution through Postal ballot on 15th November, 2017 for Shifting of its Registered Office from the State of Karnataka to the State of Uttarakhand. The Hon'ble Regional Director (South East Region) Hyderabad vide his order dated 28th February, 2018 has sanctioned a Petition for shifting of the Registered Office of the company from the State of Karnataka to the State of Uttarakhand. Accordingly the company, upon registration of the said order, obtained a fresh certificate of incorporation from the Registrar of Companies, Kanpur. The Registered Office of AIL is situated at Plot no.7, , Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153.

AIL is a well- established company, engaged in the business of wood panel products and decorative surfacing products and has two manufacturing undertakings: - Rudrapur (Uttarakhand) Undertaking and Chintamani (Karnataka) Undertaking. The following products are manufactured at Rudrapur and Chintamani:-

Rudrapur:-

- Plywoods - Marine Plywood, Fire Retardant Plywood, Shuttering Plywood, Densified Film Faced Plywood, BWR & MR Plywood, Lamyply and Lamyboard.
- Block Board and Flush Doors - BWR & MR grade
- Decorative Laminates - range from 0.8mm to 1.5mm and post form laminates

Chintamani:-

- Particle Boards - plain, veneered and pre laminated particle board both in interior and exterior grade
- Decorative Veneers - Teak, natural exotic veneers, reconstituted veneers and dyed veneers.

In addition contract manufacturing of Gurjan based face & core plywood and Face Veneers from Myanmar is also done in Chintamani.

The rationale for the Scheme of arrangement is as under:

- In order to achieve geographical operational efficiencies and unlock shareholders value, the management of AIL has proposed to separate each business undertaking based on the commercial objectives and relevant geographies of the undertaking into separate company. Therefore with a view to effect such reorganization the present scheme is proposed for Transfer of Chintamani Undertaking into Archidply Décor Limited (ADL)
- In order to concentrate its growth efforts in a focused manner, introduce different strategies for growth and different focus for alliance / ventures and to enable direct Equity participation from investors and the Demerged Company has determined to create a focused entity and accordingly proposes the transfer and vesting of

the Demerged Undertaking (as defined hereinafter) in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act.

- The above transfer will be carried out by demerging Chintamani unit from AIL to ADL as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 (IT Act).
- Upon the effectiveness of this scheme, ADL will be listed on the stock exchanges where shares of AIL are listed i.e. BSE and NSE, subject to the approval of respective stock exchanges

The key objectives for this demerger which is primarily focused towards maximizing shareholder value are:-

- The nature of risk, competition and capital intensity involved in demerged undertaking and remaining undertaking of AIL is distinct from each other. Consequently, each undertaking of AIL is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. Hence as part of an overall business reorganization plan, it is considered desirable and expedient to reorganize and reconstruct AIL by demerging the Demerged Undertaking to ADL in the manner and on the terms and conditions contained in this Scheme.
- The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of AIL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.
- It will facilitate each business to independently pursue their growth plans through organic / inorganic means.
- It will enhance management focus and operational flexibility and it will create a platform to enhance financial flexibility to pursue next stage of growth.
- The restructuring proposal is thus aimed at protecting and maximizing value for the shareholders of the AIL. This scheme is in the interest of the shareholders; creditors and all other stakeholders of AIL and shall not in any manner be prejudicial to the interests of shareholders and creditors. The restructuring under this Scheme would enable focused business approach for the maximization of benefits to all stakeholders and capitalize on the opportunity for growth.

This Scheme of Arrangement is presented pursuant to the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 to re-organize and streamline the business of Archidply Industries Limited (hereinafter referred to as the "Demerged Company" or "AIL") by way of a Demerger of the Demerged Undertaking i.e. Chintamani Undertaking, (as hereinafter defined) to Archidply Decor Limited (hereinafter referred to as the "Resulting Company" or "ADL")

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

| Date of shareholders 'Approval | Changes |
|--|---|
| 6 th November, 2017 | Shifting of Registered Office From the State of Karnataka to the State of Uttarakhand |
| 8 th January, 2020 (NCLT order Date) | Increase in Authorized Share Capital |

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding Company as on the date of this Information Memorandum.

SUBSIDIARY COMPANY OF OUR COMPANY

ADL Panels Private Limited is a Subsidiary of our Company as on the date of this Information Memorandum.

JOINT VENTURES OF OUR COMPANY

Our Company does not have joint ventures as on the date of this Information Memorandum.

INJUNCTIONS OR RESTRAINING ORDERS

As of the date of this Information Memorandum, there are no injunctions or restraining orders against our Company.

STRATEGIC / FINANCIAL PARTNERS

Presently, our Company does not have any strategic / financial partners.

BUSINESS

BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE COMPANY AND ITS LINE OF BUSINESS

Archidply Décor Limited (ADL) was incorporated as a Public Limited Company under the Companies Act, 2013, on 14th June, 2017 in the name and style of Archidply Décor Limited. ADL is a newly incorporated company with the main objects of manufacturing and trading of Wood panel products and other related activities.

Major suppliers of Company include:

International Suppliers: Green River Panel Thailand, Pan Asia International Singapore, Maple exports Singapore, Jay Decor China, King Decor china,

Domestic Suppliers: Century plyboards India, Swadesh plywood Pvt Ltd, Loghorn industries Pvt Ltd, Coast to Coast veneers, Western India chemicals. Sid mark sales Pvt Ltd. Aarav Veneers

Major exporters of Company include :Nil

OUR BRIEF FINANCIALS

Brief Financial of Archidply Décor Limited for the financial year 2018-19 and 2019-20 are as follows:

(Amt in Rs.)

| PARTICULARS | Figures at the end of Financial Year ended 31.03.2020 | Figures at the end of Financial year ended 31.03.2019 |
|---|---|---|
| INCOME : | | |
| Sale of Products | 401,318,850 | 555,489,401 |
| Other Operating Revenue | 1,428,859 | 3,116,626 |
| Revenue From Operations | 402,747,709 | 558,606,027 |
| Other Income | 13,314,802 | 11,557,361 |
| Prior Period Income(+)/(-)Expenditure | (251,933) | - |
| TOTAL INCOME | 415,810,578 | 570,163,388 |
| EXPENSES : | | |
| Cost of Goods consumed | 179,740,835 | 257,960,778 |
| Purchase of Stock In Trade | 62,830,903 | 119,794,425 |
| Changes in Inventories of Finished Goods, Stock-in-process and stock-in-trade | (10,678,647) | (16,884,050) |
| Employee Benefit Expenses | 63,819,514 | 84,020,265 |
| Finance Cost | 27,845,542 | 29,048,598 |
| Depreciation & Amortization Expense | 14,439,638 | 15,003,547 |
| Other Expenses | 88,846,283 | 114,410,720 |
| TOTAL EXPENSES | 426,844,068 | 603,354,283 |
| | | |
| PROFIT BEFORE TAXATION | (11,033,490) | (33,190,895) |

| | | |
|--|---------------------|---------------------|
| Tax Expenses: | | |
| Current Tax | - | - |
| Deferred Tax | 259,392 | (342,435) |
| Taxes of earlier year | - | - |
| | | |
| PROFIT FOR THE YEAR | (11,292,882) | (32,848,460) |
| Other Comprehensive Income | | |
| A i) Items that will not be reclassified to profit or loss | | |
| Defined benefit plan actuarial gains/(losses) | - | (25,272) |
| ii) Income Tax relating to items that will not be reclassified to profit or loss | | 8,437 |
| B i) Items that will be reclassified to profit or loss | - | - |
| Diminution in the value of Investment | - | - |
| ii) Income Tax relating to items that will not be reclassified to profit or loss | - | - |
| Other Comprehensive Income net of tax | - | (16,835) |
| Total Comprehensive Income for the year, net of tax | (11,292,882) | (32,865,295) |
| Earnings Per Share (Rs.) | | |
| Basic & diluted | (2.03) | (5.90) |

SENIOR MANAGEMENT TEAM

EMPLOYEES

As on the date of this Information Memorandum, the Company has approximately 109 employees in India.

HUMAN RESOURCE

Archidply Décor Limited reviews the man power requirements and has properly equipment department to take care of the requirements of the employees/ workers. We believe that a motivated and empowered employee base is the key to our operations and business strategy. We focus on attracting and retaining best possible talent. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Category wise breakup of our employees is as follows:

| S. No. | Employee Category | Number of Employees |
|--------|---|---------------------|
| 1. | Whole -Time Directors (including Managing Director) | 1 |
| 2. | Key Managerial Personnel | 2 |
| 3. | Staff, Workers and other Employees | 106 |

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Overview

India was rich in its forest wealth having a huge land area under forests. All varieties of forest growth are found in India, ranging from tropical hardwood forests to high altitude coniferous forests and from deciduous to evergreen forests and Plantation. Sound principles of forest policy, administration, timber production and conservation were introduced by an act of legislature in 1845, and ever since Indian forests are being managed on scientific and progressive lines.

Continuous depletion of the natural forest resources of the country due to various consumption of solid wood, it was felt to conserve the natural resource forest by reconstituted wood products such as plywood, Hardboard, particleboard and medium density fibreboard (MDF) to meet the rising demand of Wood from the general consumer, Railways, Defence, Furniture, laminate manufacturers and the builders.

Instead of depending entirely on natural regeneration of forest resources the Government of India, NGO and some of the members have taken positive steps for Tree plantation on large areas in the various states with fast growing species so that can conserve the natural forest and meet the demand for wood and wood products of various domestic and international consumers.

Industry trends in India

Broadly the wood panel and decorative surfacing products come under the building material category and can be further narrowed down to interior infrastructure or interior solutions sector. From application and market growth opportunities the following products will form part of the interior infrastructure sector such as Tiles, Marble, Granite of all kinds, Paints, Sanitary ware, Gypsum boards, Glass, Plywood, Decorative veneers, Decorative laminates, Particleboards and MDF, Carpets, Readymade furniture, Wooden flooring, Electrical fittings, Air conditioners etc.

The sector is witnessing tremendous growth driven by retail stores (fast expanding chain of stores concepts coming all over India lead by large firms, corporate spaces (IT and BPO sector), hospitality sector (restaurants, lounges, hotels and resorts expansion by existing chains), services sector (banking and financial services like new banks, Mutual Funds, Renovation of existing Public Sector bank branches to meet the standards set by private banks, Insurance companies) entertainment sector (like multiplexes), housing sector fueled by government thrust for housing sector and encouragement for housing loans (from budget housing of the Indian army to high end apartments and row houses and villas coming across by large construction companies) Hospitals and health care, Infrastructure projects (like airports, railways, sezs etc.)

This trend is fueling the growth in the interior infrastructure sector which we believe is at the rate of 10-12% on conservative estimates. In India this sector is still dominated by plywood and block boards and that also maximum by unorganized sector. However in the last few years this trend is changing and organized sector market share is growing and also the share of particleboard and MDF, PVC is increasing.

Global trends in this segment to notice are -

- Safety has become paramount and almost of the public places like malls, cinema halls, airports, high rise buildings have been prescribed fire retardant plywood and wood panels for usage. The premium charged by the insurance companies also depend whether the premises is being constructed by using fire retardant materials or not.
- The airborne toxic control measures have been statuted in Japan, Europe and America to protect public health making stringent formaldehyde emission standards of E0 and E1 in recognition of the known public health effects of the chemical.
- The encouragement being given to lightweight frameless boards made with honey comb filling known as honeycomb panels. These use less of wood and yet are functionally stable and practical for usage. The weight is lighter by 60% but the internal strength is comparable to solid panels.
- Also wood waste recycling is becoming a very mature concept worldwide and municipalities in developed countries have earmarked wood waste depots from which the mill owners separate the metallic components and use the wood part for manufacturing particleboards and MDF.
- Decorative surfacing products constitute decorative laminates, decorative veneers, decorative thermoplastic foils etc. Design is becoming increasingly important and decors impress through their sheer diversity. Current trends letters in decorative laminates are decors with a texture like surface, floral patterns and imaginative motifs.
- Decorative veneers get more diverse as even previously neglected or somewhat forgotten types of woods are being increasingly used for the furniture industry. The woods are available from all continents of the world like America (American walnut, American hard maple), Europe (European cherry, Birch, European beech), Africa (Sapeli,Wenge) and Asia (Burma teak, Indian mahogany, rubberwood, white cedar, red cedar etc.). This is fully in keeping with the trend towards increased individualism.
- Digital décor printing to make decorative high pressure laminates. Advance research is going on and expected to get commercialized in the near future. This will offer various advantages -

Custom design - design freedom and flexibility

Just in time - short lead times low inventory

- The time given for doing the interior works for corporate spaces has reduced from earlier standards of 3-4 months to 45 days now. Also the shortage of skilled labour at economic prices have led to need to make semi-finished products for fast application in the interiors.
- Accordingly new concepts of laminated plywood and pre-laminated particleboards are fast catching up and the increasing role of OEMS who make modular furniture in their factories is being observed. A shift to ready to assemble furniture is being observed in the corporate sector due to high rentals cost and reduced turnaround time for occupation. Moreover the transfer of furniture is also more practical and easy if ready to assemble components are used which are easier to reassemble.

CAPITAL STRUCTURE

The Authorised, Issued, Subscribed and Paid-up share capital of the Company is as under:

(A) Share Capital of the Company Pre-Scheme of Arrangement

| Particulars | Amount (in Rs.) |
|---|------------------|
| Authorised Share Capital 1,00,000 Equity Shares of Rs. 10/- each | 10,00,000 |
| Total | 10,00,000 |
| Issued, Subscribed and Paid-up Share Capital* 50,000 Equity Shares of Rs. 10/- each fully paid up | 5,00,000 |
| Total | 5,00,000 |

(B) Share Capital of the Company Post -Scheme of Arrangement

| Particulars | Amount (in Rs.) |
|--|--------------------|
| Authorised Share Capital 60,00,000 Equity Shares of Rs. 10/- each | 6,00,00,000 |
| Total | 6,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital* 55,66,250 Equity Shares of Rs. 10/- each fully paid up | 5,56,62,500 |
| Total | 5,56,62,500 |

* The post Scheme Capital Structure is as of 20th February, 2020 i.e. date of allotment of shares.

Notes to Capital Structure

1. Share Capital History of our Company:

| Date of issue / Allotment date | No. of Equity Shares Allotted | Issue Price (Rs.) | Premium (Rs.) Additional Shares Allotted / Bonus/ Preferential Issue/ Rights etc.) | Cumulative Capital (No. of Shares) | Cumulative Paid Up Capital in Rs. |
|--|-------------------------------|-------------------|--|------------------------------------|-----------------------------------|
| Equity Shares of Rs. 10/- face value Issued, subscribed and paid up | | | | | |
| 14.06.2017 | 50,000 | 10 | Subscribed by the Subscribers to the Memorandum of Association | 50,000 | 5,00,000 |
| 20.02.2020 | 55,16,250 | - | Scheme of Arrangement between Archidply Industries Ltd and Archidply Décor Ltd and their respective shareholders and creditors approved by the National Company Law Tribunal, Allahabad Bench vide order Dated 8 th January, 2020 and filed with Registrar of Companies, Uttarakhand on 1 st February, 2020. | 55,66,250 | 5,56,62,500 |

2. Pre-Scheme paid-up Capital of 50,000 Equity Shares of Rs. 10/- each fully paid issued to the subscribers to the Memorandum at the time of incorporation of the Company.
3. 55,16,250 (Fifty Five Lakhs Sixteen Thousand Two Hundred and Fifty Only) Equity Shares of Rs. 10/- each were allotted on 20th February, 2020 pursuant to the Scheme of Arrangement approved by National Company Law Tribunal, Allahabad Bench vide order dated 8th January, 2020.
4. Lock-in of Equity Shares: The shares held by Promoters (of the unlisted issuer – ADL) up to 11,63,250 Equity shares have been locked in -in for a period of three years from the date of listing of the shares of the unlisted issuer and the remaining shares (28,95,409 Shares) have been locked-in for a period of one year from the date of listing of the shares of the unlisted issuer (ADL)

5. Shareholding Pattern before and after the Scheme:

A. The shareholding pattern of our Company prior to the allotment of shares under the Scheme is asunder:

| S. No. | Name of Shareholders | No. of Equity Shares held | Amount (in Rupees) | % of Holding |
|--------|----------------------------|---------------------------|--------------------|---------------|
| 1. | Arpita Daga | 24950 | 2,49,500 | 49.90 |
| 2. | Shyam Daga | 25000 | 2,50,000 | 50.00 |
| 3 | Rajneesh Sharma | 10 | 100 | 0.02 |
| 4 | Raj Kishore Prasad | 10 | 100 | 0.02 |
| 5 | Usha Daga | 10 | 100 | 0.02 |
| 6 | Rajiv Daga | 10 | 100 | 0.02 |
| 7 | Viresh Vyas | 10 | 100 | 0.02 |
| | Total Share Capital | 50,000 | 5,00,000 | 100.00 |

B. Shareholding Pattern of the Demerged and Resulting Company as on the date of Allotment i.e. 20th February, 2020.

| Category Code | Category of Shareholders | Demerged Company (Archidply Industries Limited) | | Resulting Company (Archidply Décor Limited) | | | |
|---------------|------------------------------------|---|-------------|---|-------------|---|-------------|
| | | Pre Arrangement as on Record Date | | Pre Arrangement Shareholding | | Post Arrangement Shareholding as on the date of Allotment of shares | |
| | | No. of Shares | % of Shares | No. of Shares | % of Shares | No. of Shares | % of Shares |
| (A) | PROMOTER AND PROMOTER GROUP | | | | | | |
| (1) | INDIAN | | | | | | |
| (a) | Individual / HUF | 2776205 | 12.58 | 50000 | 100.00 | 744051 | 13.37 |
| (b) | Central Govt. / State Govt.(s) | - | - | - | - | - | - |

| | | | | | | | |
|------------|---|-----------------|--------------|--------------|---------------|----------------|--------------|
| (c) | Bodies Corporate | 13258440 | 60.09 | - | - | 3314608 | 59.55 |
| (d) | Financial Institution / Banks | - | - | - | - | - | - |
| (e) | Others | - | - | - | - | - | - |
| | Sub-Total A(1) | 16034645 | 72.67 | 50000 | 100.00 | 4058659 | 72.92 |
| (2) | FOREIGN | - | - | - | - | - | - |
| (a) | Individuals (NRIs/ Foreign Individuals) | - | - | - | - | - | - |
| (b) | Bodies Corporate | - | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - | - |
| (d) | Qualified Foreign Investor | - | - | - | - | - | - |
| (e) | Others | - | - | - | - | - | - |
| | Sub-Total A(2) | - | - | - | - | - | - |
| | Total A= A(1) + A (2) | 16034645 | 72.67 | 50000 | 100.00 | 4058659 | 72.92 |
| (B) | Public shareholding | | | | | | |
| 1 | Institutions | | | | | | |
| (a) | Mutual Funds/ UTI | - | - | - | - | - | - |
| (b) | Financial Institutions / Banks | 6540 | 0.03 | - | - | 1635 | 0.03 |
| (c) | Central Govt. / State Govt. | - | - | - | - | - | - |
| (d) | Venture Capital Funds | - | - | - | - | - | - |
| (e) | Insurance Companies | - | - | - | - | - | - |
| (f) | Foreign Portfolio Investors | - | - | - | - | - | - |
| (g) | Foreign Venture Capital Investors | - | - | - | - | - | - |
| (h) | Provident Funds/ Pension Funds | - | - | - | - | - | - |
| (j) | Others | - | - | - | - | - | - |
| | Sub-Total (B)(1) | 6540 | 0.03 | - | - | 1635 | 0.03 |
| B 2 | Non-institutions | | | | | | |
| (a) | Bodies Corporate | 152809 | 0.69 | - | - | 38202 | 0.69 |
| (b) | (i) Individuals holding nominal share capital up to Rs. 2 Lakhs | 4801900 | 21.76 | - | - | 1200475 | 21.57 |
| | (ii) Individuals holding nominal share capital in excess of Rs. 2 Lakhs | 894824 | 4.06 | - | - | 223706 | 4.02 |
| (c) | NBFCs Registered with RBI | - | - | - | - | - | - |
| (d) | Others | | | | | | |

| | | | | | | | |
|------------|--|--------------------|--------------|---------------|------------|------------------|--------------|
| | Clearing Member | 15532 | 0.07 | - | - | 3883 | 0.07 |
| | Non-Resident Indian (NRI) | 121937 | 0.55 | - | - | 30486 | 0.55 |
| | Non Resident Indian Non Repatriable | 36813 | 0.17 | - | - | 9203 | 0.17 |
| (e) | Qualified Foreign Investors | - | - | - | - | - | - |
| | Sub-Total (B)(2) | 6023815 | 27.30 | - | - | 1505954 | 27.06 |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | 60,30,355 | 27.33 | 0 | 0 | 15,07,591 | 27.08 |
| | TOTAL (A)+(B) | 2,20,65,000 | 100 | 50,000 | 100 | 55,66,250 | 100 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | 0 | 0 | 0 | 0 | 0 | 0 |
| | GRAND TOTAL (A)+(B)+(C) | 2,20,65,000 | 100 | 50,000 | 100 | 55,66,250 | 100 |
| (B) | Public shareholding | | | | | | |
| 1 | Institutions | | | | | | |
| (a) | Mutual Funds/ UTI | - | - | - | - | - | - |
| (b) | Financial Institutions / Banks | 6540 | 0.03 | - | - | 1635 | 0.03 |

6. The list of top 10 Public Shareholders of Archidply Décor Limited and the number of Equity Shares held by them as on 20th February,2020.

| S. No. | Name of the Shareholder | Shares | % of Equity Shares |
|--------|----------------------------------|--------|--------------------|
| 1 | Dheeraj Kumar Lohia | 32983 | 0.59 |
| 2 | VakaMadhavNarayana | 20000 | 0.36 |
| 3 | Manish Kishor Ruparel | 17475 | 0.32 |
| 4 | Pramod Kumar Jalan | 16277 | 0.29 |
| 5 | Chopra NarpatkumarKewalchand HUF | 15375 | 0.28 |
| 6 | Sonal Lohia | 13096 | 0.24 |
| 7 | Prashant Rathee | 12500 | 0.23 |
| 8 | Prem LataJalan | 11652 | 0.21 |
| 9 | Sita Narendra Gupta | 8662 | 0.16 |
| 10 | Bodepudi Jeevan Kishore | 8000 | 0.14 |

7. Details of Equity Shares held by our Directors as on 20th February, 2020.

| Name of Directors | No. of Shares held |
|----------------------------|---------------------------|
| Mr. Shyam Daga | 168421 |
| Mr. Rajiv Daga | 161635 |
| Mrs. Akshatha Rai | - |
| Mr. KukkehalliRavirajHegde | - |
| Total | 330056 |

8. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of Archidply Décor Limited.
9. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the National Company Law Tribunal, Allahabad Bench till the listing of the Equity Shares allotted as per theScheme.
10. Archidply Décor Limited presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of listing the shares, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential orotherwise.
11. The promoters of our Company, their relatives and associates and the Directors of our Company have not purchased or sold or financed, directly or indirectly, any equity shares of our Company from the date of approval of the Scheme till the date of submission of this InformationMemorandum.
12. There shall be only one denomination for the Equity Shares of Archidply Décor Limited, subject to applicable regulations and Archidply Décor Limited shall comply with such disclosure and accounting norms specified by SEBI, from time totime.
13. Archidply Decor Limited has 10,318equity shareholders as on the date of filing of this InformationMemorandum.

MANAGEMENT

BOARD OF DIRECTORS

The following table sets forth the details regarding the Board of Directors of the Company:

| S. No. | Name, Age, Father's / Husband's Name, Designation, Address, Director Identification Number, PAN, Occupation, Nationality and Term | Date of Appointment | Other Directorships |
|--------|---|---------------------|--|
| 1. | Name: Mr. Shyam Daga Age: 45years Father's Name: Mr. Deendayal Daga Designation: Chairman & Managing Director Address: Flat 315, 6/1, Mangalaya Residency Benson Cross Road, Benson Town Bangalore 560046 KA DIN: 00561803 PAN: ABRPD9021C Occupation: Business Nationality: Indian Term:- Liable to retire by rotation | 14/06/2017 | 1. Archidply Industries Limited 2. Shree Shyam Tea Pvt. Ltd 3. ADL Particle Boards & MDF Privatelimited 4. ADL Panels Private Limited |
| 2. | Name: Mr. Rajiv Daga Age: 42 years Father's Name: Mr. Deendayal Daga Designation: Director Address: N-49, 3rd floor, Panchsheel park Malviya Nagar, South Delhi, Delhi 110017 DIN: 01412917 PAN: AGQPD7847Q Occupation: Business Nationality: Indian Term: Not Liable to retire by rotation | 14/06/2017 | 1. Archidply Industries Limited 2. Assam Timber Products Private Limited 3. The Mysore Chip Boards Limited |
| 3. | Name: Mrs. Akshatha Rai Age: 41 Years Husband's Name: Mr. Sanjay S Rai Designation: Independent Director Address: No 41, 2nd Cross, Mekhri Circle Rajmahal Vilas Extension Bangalore 560080 KA DIN: 0652797 PAN: AZYPR3163L Occupation: CEO in Avora Tree Suites Nationality: Indian Term: NotLiable to retire by rotation | 11/02/2020 | Nil |

| | | | |
|---|---|------------|-----|
| 4 | <p>Mr. KukkehalliRavirajHegde Age: 68 years Father's Name:BhujangaKananjarHegde</p> <p>Designation: Independent Director Address: #S-208, 2nd Floor, Chithaary Heights, Behind Benison Super Market, Arakere, Bannerghatta Road, Bangalore, KA-560076 DIN: 08693808 PAN: AASPH2874B Occupation: Business Nationality: Indian Term: Not Liable to retire by rotation</p> | 11/02/2020 | Nil |
|---|---|------------|-----|

Relationship between the Directors

- Mr. Shyam Daga and Mr. Rajiv Daga are brothers and thus they are related to each other.

Brief Biographies of Directors

1. Mr. Shyam Daga

Mr. Shyam Daga holds Bachelor's Degree in Commerce from St. Xavier's, Kolkata University. Currently he is involved in the day to day operations of the Chintamani Unit of Archidply Industries Limited and is on Board as an Executive Director of Archidply Industries Limited and is also a Director of Shree Shyam Tea Private Limited, the Mysore Chipboards Limited, ADL Panels Private Limited and ADL Particle Boards & MDF Privatelimited/

2. Mr. Rajiv Daga

Mr. Rajiv Daga holds Bachelor's in Industrial Engineering and Economic degree from Purdue University in the United States. He has a working experience with a Software firm situated at Atlanta in the field of Supply Chain Management consultancy. He is the Managing Director of Archidply Industries Limited and was instrumental in doubling the capacity of Rudrapur unit within a time span of 3 years and achieved 100% capacity utilization. Over the last 5 years he has successfully developed Laminate export business in 20 countries. At present he is Director of the Mysore Chipboards Limited, and Assam Timber Products P Limited.

3. Mrs. Akshatha Rai

She holds Bachelor's degree in Dental Surgery from Rajiv Gandhi University in Karnataka. She is a Doctor of Dental Surgery and she is also CEO in Avora Tree Suites from the period of January 2020.

4. Mr. KukkehalliRavirajHegde

After receiving post graduate Degree in M.A. from University of Dharwad, Karnataka and CAIIB from Indian Institute of Bankers Mumbai, He joined Vijaya Bank (Now Bank of Baroda) and retired as a General Manager from 1974-2012.

Compensation of Directors: - NIL

Interest of the Directors

Other than their respective shareholding as stated above, the Directors have no other interest in Archidply Décor Limited.

Change in Board of Directors of Archidply Décor Limited since its inception:

| S. No. | Name | Date of Appointment | Date of Cessation | Reason |
|--------|------------------------------|---------------------|-------------------|---|
| 1. | Mr. Shyam Daga | 14.06.2017 | - | Appointed as Director |
| | | 11.02.2020 | | Appointed as Chairman & Managing Director |
| 2. | Mr. Rajiv Daga | 14.06.2017 | - | Appointed as Director |
| 3. | Mrs. Arpita Daga | 14.06.2017 | 11.02.2020 | Appointed as Director and resigned |
| 4 | Mrs. Akshatha Rai | 11.02.2020 | - | Appointed as Additional Director (Independent Director) |
| 5 | Mr. Kukkehalli Raviraj Hegde | 11.02.2020 | - | Appointed as Additional Director (Independent Director) |

Corporate Governance

The provisions of the Listing Agreement entered by Archidply Décor Limited with the BSE Limited and National Stock Exchange of India Limited (NSE) with respect to Corporate Governance will be applicable to Archidply Décor Limited immediately upon Listing.

COMMITTEES OF THE BOARD

The Board of Directors has constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee with effective from 20th February, 2020. These Committees have specific scope and responsibilities.

A. AUDIT COMMITTEE

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies, internal audit report, related party transactions, risk management systems and functioning of the Whistle Blower mechanism.

The Audit Committee of the Board as constituted has the following as its Members:-

| S. No. | Name | Designation | Nature of Directorship |
|--------|------------------------------|--|------------------------|
| 1. | Mr. Shyam Daga | Member | Executive Director |
| 2. | Ms. Akshatha Rai | Independent Director | Non-Executive Director |
| 3. | Mr. Kukkehalli Raviraj Hegde | Independent Director (Chairman of the Committee) | Non-Executive Director |

The terms of reference of the Committee, as approved by the Board, are as follows:

- (1) 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;

- (2) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- (3) To approve the payment to statutory auditors for any other services rendered by them;
- (4) To examine the financial statement(s) of the Company and the auditor's report thereon;
- (5) To meet the statutory auditors:
 - (a) Before the commencement of annual statutory audit and to discuss the scope of the audit;&
 - (b) At the conclusion of the annual statutory audit to review the financial statements and major findings on internal control before submission of such statements to the Board.
- (6) To meet from time to time, the Chief Financial Officer and Chief Internal Auditor to review:
 - (a) Coordination of efforts between internal and statutory auditors;
 - (b) Internal audit plans;
 - (c) Major findings of internal and statutory auditors.
- (7) To review, 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 Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act,2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same and also about impact of such changes, if any, of the accounting, auditing and any regulatory rules on the Company's activities that may affect the audit;
 - 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) Qualifications in the draft audit report.
- (8) To review the management discussion and analysis of financial conditions and results of operations;
- (9) To review statement of significant related party transactions submitted by management;
- (10) To review management letters/letters of internal control weaknesses issued by statutory auditors;
- (11) To review internal audit reports relating to internal control weaknesses;
- (12) To review, with the management, the quarterly financial statements before submission to the Board for approval;
- (13) To review, 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 utilizationproceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (14) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (15) To approve transactions of the Company with related parties or any subsequent modification to such transactions;
- (16) To scrutinize inter-corporate loans and investments;

- (17) To carry our valuation of undertakings or assets of the Company, wherever it is necessary;
- (18) To evaluate internal financial controls and risk management systems;
- (19) To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (20) To review 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;
- (21) To discuss with internal auditors of any significant findings and follow up thereon;
- (22) To review 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;
- (23) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (24) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (25) To review the functioning of the Whistle Blower mechanism;
- (26) To approve the 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 and background, etc. of the candidate;&
- (27) To carry out any other function as the Board may consider appropriate for inclusion, from time to time, in the terms of reference of the Audit Committee.

Right to be heard: The auditors of a company and the Key Managerial Personnel (KMP) shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

B. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is in accordance with the requirements of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The Nomination and Remuneration Committee of the Board as constituted has the following as its Members:

| S. No. | Name | Designation | Nature of Directorship |
|---------------|------------------------------|--|-------------------------------|
| 1. | Mr. Rajiv Daga | Director | Non-Executive Director |
| 3. | Ms. Akshatha Rai | Independent Director (Chairman of the Committee) | Non- Executive Director |
| 4. | Mr. Kukkehalli Raviraj Hegde | Independent Director | Non- Executive Director |

The terms of reference of the Committee, as approved by the Board, are as follows:

The terms of reference of the Committee, as approved by the Board, are as follows:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, after ensuring that:
 - a) level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, key managerial personnel and senior management of the Company 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. To formulate the criteria for evaluation of independent directors and the Board;
4. To look into various aspects of corporate governance and make suggestions to the Board on improving the governance standards taking into consideration the regulatory changes from time to time and global best governance practices;
5. To devise a policy on Board's diversity;
6. To ensure disclosure of the Remuneration Policy and evaluation criteria in the Company's Annual Report;
7. Further to do the following:
 - a) Recommend to the Board any new appointment(s) including re-appointment(s) and the tenure of office, whether of Executive or of Non- Executive Directors(NEDs);
 - b) Recommend the remuneration package, including the pension benefits and any compensation payment, of the Managing/Whole-time Director(s);
 - c) Recommend to the Board the amount of commission payable to each of the NEDs, based on the efforts and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings; Determine the increments in salary of the Managing/Whole-time Director(s);
 - d) Determine the annual incentives of the Managing/Whole-time Director(s);
 - e) Determine the minimum remuneration of the Managing/ Whole-time Director(s), in the event of inadequacy of profits.
 - f) Implementation, administration and superintendence of the Employees' Stock Option Plan/Scheme(s)

(‘the ESOP Schemes’) and also, to formulate the detailed terms and conditions of the ESOP Schemes including but not limited to-

- i. The quantum of Options to be granted under an ESOP Scheme per employee and in aggregate.
- ii. The conditions under which Options vested in employees may lapse in case of termination of employment for misconduct.
- iii. The exercise period within which the employee should exercise the Option and that the Option would lapse on failure to exercise the Option within the exercise period.
- iv. The specified time period within which the employee shall exercise the vested Options in the event of termination or resignation of an employee.
- v. The right of an employee to exercise all the Options vested in him at one time or at various points of time within the exercise period.
- vi. The procedure for making a fair and reasonable adjustment to the number of Options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall be taken into consideration by the Nomination & Remuneration Committee:
 - (a) the number and the price of the Options under the Scheme(s) shall be adjusted in a manner such that the total value thereof remains the same after the corporate action;
 - (b) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;&
 - (c) the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option holders.
- g) The grant, vest and exercise of Option in case of employees who are on long leave;
- h) The procedure for cashless exercise of Options;
- i) Such other matters as may be necessary for the purpose of effectively administering the Scheme;&
- j) Exercise any other powers as may be conferred by the Board in future.

C. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

The said Committee consists of the following as its Members:

| S. No. | Name | Designation | Nature of Directorship |
|---------------|----------------|--------------------|-------------------------------|
| 1. | Mr. Shyam Daga | Member | Non-Executive Director |

| | | | |
|----|----------------------------|--|------------------------|
| 2. | Ms. Akshatha Rai | Independent Director | Non-Executive Director |
| 3. | Mr. KukkehalliRavirajHegde | Independent Director (Chairman of the Committee) | Non-Executive Director |

The Committee has the following as its terms of reference:

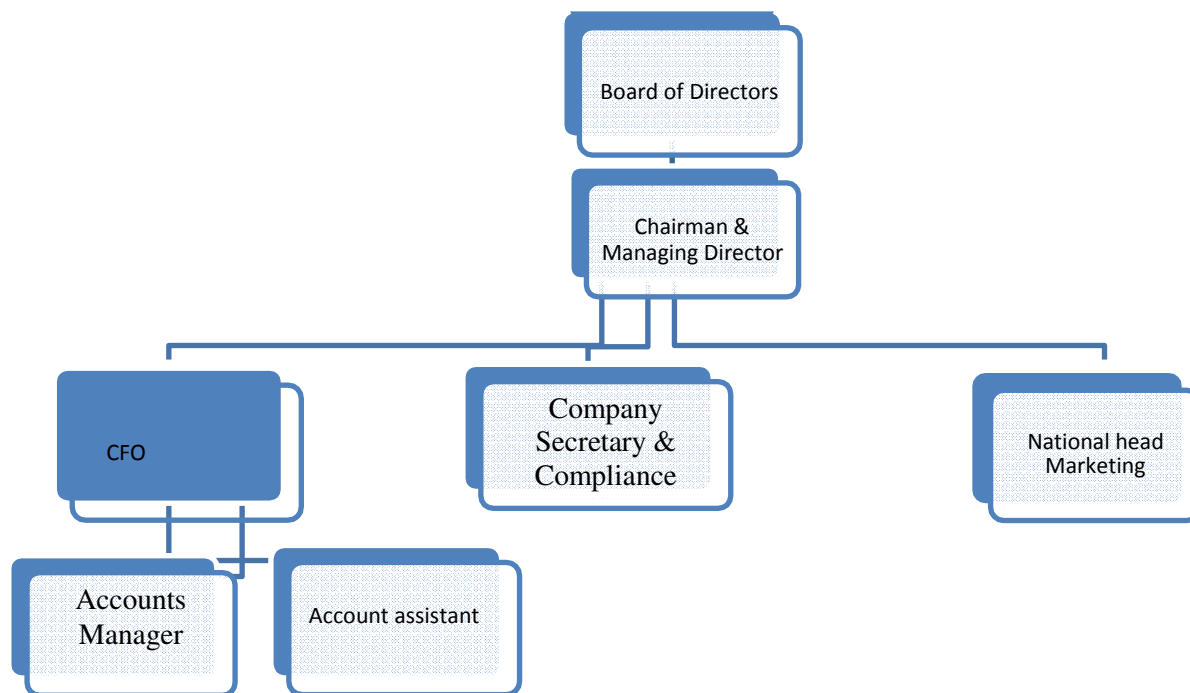
1. To consider and resolve grievances of security holders of the Company including complaints relating to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends etc.
2. To formulate shareholders servicing plans and policies in line with the Company's Corporate Governance plans and policies and develop the standards thereof;
3. To monitor and review the mechanism of share transfers, dividend payments, dematerialization process, subdivisions, consolidations, issue of duplicate certificates etc., and to determine and set standards for processing of the same; and
4. To decide on any other matter or give such directions as may be required in connection with investor servicing.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange.

Mr. Rajneesh Sharma, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

ORGANISATION STRUCTURE



PROMOTERS & PROMOTERS GROUP

Our Promoter & Promoter Group together holds 4058661 Equity Shares representing 72.92% of the subscribed and paid-up Equity Share capital of our Company.

| Name of Promoter | Brief profile of Promoter |
|--------------------|--|
| Deendayal Daga HUF | Deen Dayal Daga (H.U.F.) was formed on February 8, 1966. It derives its income from interest and dividend accrued out of investments. Mr Deen Dayal Daga is the Karta of the Deen Dayal Daga (H.U.F.). |
| Shyam Daga | Mr. Shyam Daga holds Bachelor's Degree in Commerce from St. Xavier's, Kolkata University. Currently he is involved in the day to day operations of the Company and is on Board as an Executive Director of Archidply Industries Limited and is also a Director of Shree Shyam Tea Private Limited and the Mysore Chipboards Limited. |
| SangeetaBharadia | She is a housewife |
| DeenDayal Daga | Mr DeenDayal Daga is the founder and promoter of the company and the chairman of Archidply Industries Ltd. He holds a Bachelor of Law (LLB) degree. His experience in managing wood-based industries spans across four decades. He has been awarded the Udyogpatra Award (1982) and the SwatantraSwarnJayantiUdyogVibhushan Award (1999). He has also served as the President of the Assam Plywood Manufacturers Association from 1995-1996. |
| Usha Daga | Mrs. Usha Daga aged 67 years is one of the Promoters of our Company. She currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. She has 30 |

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|---------------------------------------|---|
| | years of experience in the Wood Panel and Tea Industry. She is on the Board of Shree Shyam Tea Company Limited. |
| Rajiv Daga | Mr. Rajiv Daga holds Bachelor's in Industrial Engineering and Economic degree from Purdue University in the United States. He has a working experience with a Software firm situated at Atlanta in the field of Supply Chain Management consultancy. He is the Managing Director of Archidply Industries Limited and was instrumental in doubling the capacity of Rudrapur unit within a time span of 3 years and achieved 100% capacity utilization. Over the last 5 years he has successfully developed Laminate export business in 20 countries. At present he is Director of the Mysore Chipboards Limited, and Assam Timber Products P Limited. |
| Arpita Daga | Ms. Arpita Daga holds Bachelor's Degree in Commerce. She has overall 15 years of experience in food industry. Currently, she is the Promoter and Board member in our Company. |
| Rajneesh Sharma | Mr. Rajneesh Sharma aged 45 years is one of the Promoters of our Company. He currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. He holds Fellow Membership with The Institute of Company Secretaries of India. He has also done Post Graduation in Finance from MERC, Jaipur and is also passed his CA (Intermediate) from Institute of Chartered Accountants of India. He has approximately 16 years of post-qualification experience in corporate affairs and corporate secretarial matters. |
| Raj Kishore Prasad | Mr. Raj Kishore Prasad aged 46 years is one of the Promoters of our Company. He currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. He holds an Associate Membership with The Institute of Chartered Accountants of India. He has approximately 11 years of experience in the field of Accounting, Finance and Taxation. |
| Viresh Vyas | Mr. Viresh Vyas aged 45 years is one of the Promoters of our Company. He currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. He holds Bachelor's Degree in Arts from Devi Ahilya Vishwavidyalaya .He has more than 20 years of experience in the field of Marketing and Sales. |
| Assam Timber Products Private Limited | <p>ATPL was incorporated on August 23, 1979, vide a certificate of registration, bearing number 1789 of 1979-80, issued by the Registrar of Companies, Morello Building, Ground Floor, Kachari Road, Shillong - 793001. The registered office of ATPL is Mukum Road, Tinsukia, Assam, India.</p> <p>ATPL was founded by Mr. DeenDayal Daga. The factory was setup in Rupai Siding, Doom Dooma, Assam for the production of plywood and block boards. In consequences to the order passed by the Hon'ble Supreme Court, the operation of all wood based industries located in the states of Assam & Arunachal Pradesh was suspended with effect from December, 1996. However, a High Power Committee has issued a fresh licence to ATPL to restart commercial operations in the year 2001-02.</p> <p>The promoters of ATPL are Mr. DeenDayal Daga, Mrs. Usha D. Daga, Mr. Shyam D. Daga, Mr Rajiv D. Daga, DeenDayal Daga H.U.F., Mr.HemchandraPandey and Mr. K M Jain.</p> <p>ATPL is currently carrying on the business of manufacture of plywood and block boards.</p> <p>The main objects of ATPL are:</p> <ol style="list-style-type: none"> To manufacture and/ or carry on the business of manufacture if plywood of all sizes and descriptions, veneer, laminated boards and other articles made of plywoods, tea chests including metal fittings, battens, bobbins, shuttles, looms, loomparts, mouldsand other wooden parts of textile mills, packing boxes, wooden crates, wooden toys, etc. To carry on the business of cabinet and furniture makers and of all works of all description to be done with any kind and variety of timber. |
| The Mysore Chipboards Limited | TMCL was incorporated on February 16, 1960. The registered office of TMCL is located at 29/2 G.K. Manor Nehru Circle, Bangalore Karnataka -560020TMCL is currently carrying on the business of trading in goods, investments in shares, financing activities and real |

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|---|---|
| | <p>estate development.</p> <p>Main objects of TMCL:</p> <ol style="list-style-type: none"> 1. To carry on the business of manufacture and marketing of clipboards and particle boards, and of timber industries of every description; of hardboards, veneers or the like and of such industries as are required to render the boards fire proof, water proof and termite proof and to give them an aesthetic finish with suitable veneer, synthetic or natural varnish or similar to melamine or other impregnated papers. 2. To buy, sell, grow, prepare for the market, export, import or otherwise deal in clipboard, timbre, wood and forest produce of all kinds |
| Vanraj Suppliers Pvt. Ltd | <p>VSPL was incorporated on April 7, 1995 as a non-banking financial company registered with the Reserve Bank of India, vide certificate of registration dated January 29, 2004 [No B.05.06074]. The registered office of VSPL is located at 11/1, Ideal Plaza (North Wing), 3rd Floor, Room Number 312, Sarat Bose Road, Kolkata 700 020, West Bengal, India. VSPL is currently carrying on investment activities.</p> <p>Main objects of VSPL:</p> <p>To carry on business as distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agent, licensing agents, general brokers and to carry on any kind of commercial business.</p> |
| Ravi Marketing And Services Private Limited | <p>RMSL was incorporated on December 16, 1986. The registered office of RMSL is located at 134, Salkia School Road, 408 SukhiSansar, Howrah 711101, West Bengal, India. RMSL is currently carrying on investment activities.</p> <p>Main objects of RMSL:</p> <p>To carry on all types of selling, purchasing, marketing activities, directly (both in internal and external markets on its own as sales, purchase or commission agents and brokers), to act as service agents for providing services after sales and other technical services; to carry on business as marketing technical consultants, both in internal and external markets.</p> |
| Shree Shyam Tea Private Limited | <p>SSTP was incorporated on August 4, 1988. The registered office of SSTP is located at Makum Road, Tinsukia, Assam 786125. SSTP is currently carrying on the business of manufacture of tea.</p> <p>The main objects of SSTL are:</p> <p>To grow cultivate, manufacture, treat, cure, blend, process, win, buy, sell and deal in tea and coffee (whether in bulk, packets or concentrated forms) cinchona cocoa, chicory, rubber, tea seed and clones, citronella, palmarosa, vincarosea, solanumKhasianum and other product of the soil whatsoever whether of spontaneous growth or not, to carry on business of planters in all its branches, to manufacture, buy, sell and deal in citronella oil and machinery of all kinds for processing of tea, coffee, cinchona, cocoa, chicory or rubber, to carry on business as warehousemen, broker, agents, distributors shippers and exporters of all or any of the foregoing products, to carry on and work the business of growers cultivators, winners and buyers of and dealers in every kind of vegetable, mineral or other allied produce of the soil, to prepare, manufacture and render marketable any such produce and to sell, dispose of and deal in any such produce, either in its prepared, manufactured or raw state and either by wholesale or retail and in connection with all or any of the business aforesaid to acquire by amalgamation, purchase, take-over or otherwise the whole or part of the assets, liabilities and undertaking in India or elsewhere of any other company, body corporate, firm, association or person.</p> |

Interest of Promoters

Our Promoters are interested to the extent that they are the Promoter of our Company, their shareholding in our Company, dividend payable and other distributions in respect of their Equity Shares. Further, Mr. Shyam Daga, Mr. Rajiv Daga who are our Promoter, are also Directors in our Company. Mr. Shyam Daga is a Chairman of our Company and Mr. Rajiv Daga are Directors of the Company, and they may be deemed to be interested to the extent of their shareholding in the company.

Except in the normal course of business and as stated in the "Financial Statements", our Company has not entered into any contract, agreements or arrangement in which our Promoters are directly or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Interest in the property of Our Company

Our Promoters do not have any interest in any property acquired by our Company during a period of two years before filing of this Information Memorandum or proposed to be acquired by us as on the date of filing of this Information Memorandum.

Promoters Group

Our Promoter Group in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations includes the following persons:

DETAILS OF COMPANIES / ENTITIES FROM WHICH PROMOTER HAVE DISASSOCIATED

Our Promoter has not disassociated himself/herself as promoter from any Company/Entity in three years preceding the date of this Information Memorandum.

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoter, please refer "Outstanding Litigation and Material Developments" on page 102 of this Information memorandum.

DETAILS OF PROMOTER GROUP COMPANIES WHOSE NAMES HAVE BEEN STRUCK-OFF FROM REGISTRAR OF COMPANIES

There are no Companies/Entities that form part of our Promoter Group, whose names have been struck off from Registrar of Companies.

STATEMENT OF TAX BENEFITS

The Board of Directors,
ARCHIDPLY DÉCOR LIMITED
Plot no.7, Sector- 9, Integrated Industrial Estate,
SIDCUL, Pant Nagar, Udham Singh Nagar,
Uttarakhand -263153

Dear Sir /Madam,

Subject: Statement of possible income-tax benefits ('the statement') available to ARCHIDPLY DÉCOR LIMITED('the company') and its shareholders prepared in accordance with the requirement in schedule VIII - Clause(VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended ('the Regulations')

1. We hereby report that the enclosed Statement states the possible income-tax Act, 1961 ('the Act'), read with the Finance Act, 2019 presently in force in India being the law in force at the time of the Prospectus.
2. The possible tax benefits mentioned in the enclosed Statement are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant statutory provisions of the Act. Hence, the ability of the Company or its Shareholders to derive the income-tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives faced in the future, the Company or its shareholders may or may not choose to fulfill.
3. The benefits discussed in the enclosed Statement are not exhaustive.
4. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional income-tax advice. In view of the individual nature of the income-tax consequences and changing income-tax provisions, each investor is advised to consult with his or her own tax consultant. Neither are we suggesting nor are we advising the investor to invest money based in this statement.
5. We have conducted our examination in accordance with the; Guidance Note on Reports or Certificates for Special Purposes' (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply ethical requirements of the Code of Ethics issued by the ICAI.
6. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these possible tax benefits in the future; or
 - ii) the conditions prescribed for availing the possible tax benefits have been / would be met.
7. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
8. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the income-tax law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update this Statement consequent to such changes. We shall not be

liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

9. This statement is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the Companies Act, 2013.

For G R V & PK
Chartered Accountants
Firm Registration No.: 008099S

Sd/-
H Ganpatlal Kawad
Partner
Membership Number: 204840
Place: Bangalore
Date: 24.02.2020

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ARCHIDPLY DÉCOR LIMITED
("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2019-2020 relevant to the assessment year 2020-2021). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

1. Special tax benefits

There are no special tax benefits available to the Company.

2. General tax benefits

a) Corporate Tax

Presently, Corporate tax on taxable income (other than income which is subject to special rates of tax) of the Company computed under the normal provisions of the Act is 25% (plus surcharge wherever applicable and Health and Education Cess 4%) since its turnover is less than 400 crore rupees in financial year 2017-18.

b) Depreciation

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per the provisions of Section 32 of the Income Tax Act. The company shall be entitled to carry forward depreciation allowance of which full effect has not been given against the profit or other income of current year and the same shall be allowable in subsequent year or years to be set off against any source of income.

c) **Carry forward and set off of losses**

As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.

d) **Minimum Alternate Tax (MAT) Credit**

As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006. The amount of MAT credit available shall be the difference between MAT payable under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act. Such MAT credit is available for carry forward up to 15 years succeeding the assessment year in which the MAT credit arises. The MAT credit is allowed as set-off in the year when tax is payable under the provisions of the Act other than section 115JB.

e) **Dividends**

❖ As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.

Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be chargeable to additional income tax at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-O of the Act. In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends on or after 1 April 2003 needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.

Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.

As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

❖ For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.

❖ Any income received from distribution made by any mutual fund specified under Section 10(23D) of

the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act in respect of which tax is paid by such mutual fund under section 115R of the Act, is exempt from tax in the hands of the Company under Section 10(35) of the Act. However, as per Section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt, If any.

f) SECTION10(15)

Income in the nature of interest, premium, redemption or other payment on such securities, bonds or other certificates issued by Central Government and notified for the purpose of section 10(15) received by the Company, is exempt from tax, subject to such conditions and limits specified by the Central Government.

g) SECTION10(23FBB)

Income referred to in section 115UB, accruing or arising to, or received by Company being as a unit holder of an investment fund, being that proportion of income which is of the same nature as income chargeable under the head "Profits and gains of business or profession" shall be exempt from tax.

h) SECTION 10(23FD)

Any distributed income, referred to in section 115UA, received by the Company as a unit holder from the business trust, not being that proportion of the income referred to in sub-clause (a) of clause (23FC) or Clause (23FCA) shall be exempt from tax.

i) SECTION10(34A)

As per section 10(34A) any income received by the Company as a shareholder of unlisted company on account of buy back of shares (not being listed on a recognized stock exchange) as referred to in section115QA shall be exempt from tax.

j) As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

k) Capital gains

(i) Computation and Taxability of Capital Gains

Capital assets are to be categorized into short term capital assets and long term capital assets based on their nature and the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Income Tax Act), or a zero coupon bond (as defined in the Income Tax Act), held by an assessee for more than 12 months are considered to be long - term capital assets, capital gains rising from the transfer of which are termed as long - term capital gains ("LTCG"). LTCG, in respect of an asset being shares of an unlisted company means capital gains arising from the transfer of a share, held by an assessee for more than 24 months⁷. In

respect of any other capital assets, the holding period should exceed 36 months to be considered as long term capital assets.

- ❖ Short Term Capital Gains (“STCG”) means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Income Tax Act), or a zero coupon bond (as defined in the Income Tax Act), held by an assessee for 12 months or less. STCG, in respect of an asset being shares of an unlisted company means capital gains arising from the transfer of a share, held by an assessee for 24 months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.

As per the provisions of Section 48 of the Income Tax Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvement and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital gains. However, in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition/improvement computed by applying the cost inflation index as prescribed from time to time.

(ii) Section112

As per the provisions of Section 112 of the Income Tax Act, long term capital gains other than referred to in section 112A of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit), or zero coupon bonds (as defined in the Income Tax Act), exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

(iii) Section112A

As per newly inserted section 112A, tax on capital gains arising on long term capital assets being an equity share in a company or a unit of equity oriented fund or a unit of business trust, shall be payable at the rate of 10% on such capital gains exceeding one lakh rupees, provided securities transaction tax has been paid on acquisition and transfer of such equity share or transfer of unit of equity oriented fund of business trust. However, the benefit of indexation of costs of acquisition or costs of improvement will not be available for computing long term capital gains on such assets.

For the purpose of computing the Long Term Capital Gains referred to in section112A, cost of acquisition of long term capital assets acquired before 01-02-2018 shall be higher of:-

- (i) the cost of acquisition of such assets; and
- (ii) lower of-
 - (a) the fair market value of such assets as on 31-1-2018;and
 - (b) the full value of consideration received or receivable on transfer of such capital assets.

The condition of having paid securities transaction tax on acquisition or transfer of an equity share or unit of equity oriented fund or a unit of business trust shall not be applicable to transfer undertaken on the recognised stock exchange located in any International Financial Service Centre and where the consideration of such transfer is received or receivable in foreign exchange.

- (iv) No deduction under chapter VI-A shall be allowable from such long term capital gains. No rebate shall be allowable under section 87A from the income tax payable on such long term capital gains.
- (v) Income on transfer of investment in a company is to be considered while determining book profits in accordance with provisions of Section 115JB of the Act.
- (vi) As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- (vii) STCG arising on sale of equity shares or units of equity oriented mutual fund as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the normal rate of 30% (plus applicable surcharge and cess).
- (viii) As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.

As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

- (ix) As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.

- (x) In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset being land or building or both if such capital gain is invested within a period of six months from the date of transfer in specified bonds redeemable after five years and issued by National Highway Authority of India or Rural Electrification Corporation Limited or any other bonds notified by the Central Government. The maximum investment in the specified long term asset cannot exceed Rs.50 lakhs during any financial year. Where the long term specified assets is transferred or converted into money at any time within a period of five years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.
- (xi) The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

I) Other tax benefits

- (i) Deduction under section 35 shall be allowable for any sum paid by the company to approved scientific research association or to a university, college or other institution to be used for scientific research or for research in social science or statistical scientific research or any contribution made to National Laboratory, university or Indian Institute of Technology or specified persons as approved by the prescribed authority at the rate of one and one half or equal to sum so paid, as may be prescribed in that section. However, the deduction shall be restricted to the sum so paid on or after 1st day of April, 2020.
- (ii) As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
- (iii) As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure. However, the deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- (iv) Securities Transaction Tax ('STT')-

As per the provisions of Section 36(1)(xv) of the Income Tax Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

- (v) As per section 115U of the Act, any income received by a person out of investments made in a venture capital company (VCC) or venture capital fund (VCF) shall be chargeable to income-tax in the same manner as if it were the income received by such person had he made investments directly in the venture capital undertaking (VCU).
- (vi) As per Section 80JJAA, where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to conditions specified therein.
- (vii) As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the Indian Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.
- (viii) As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.

BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT

a) Dividends

- ❖ As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax under section 115-O on the amount distributed as dividend, if any. However, the Finance Act 2016 has introduced Section 115BBDA which provides that the aggregate of dividends received by an individual, HUF or a firm resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10 percent on a gross basis and no deduction will be available for any expenditure.
- ❖ Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

b) Capital gains

(i) Computation of capital gains

- ❖ Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognised stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long-term capital assets are termed as Long Term Capital Gains (LTCG).

- ❖ Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognised stock exchange in India held for 12 months or less, immediately preceding the date of transfer.

Taxable LTCG would arise to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares and no securities transaction tax is paid on acquisition or transfer of such shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of long term capital gains, the following amounts would be deductible from the full value of consideration:

- a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.
- ❖ As per the provisions of Section 48 of the Income Tax Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition /improvement and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital gains. However, in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of cost of acquisition /improvement with the indexed cost of acquisition /improvement computed by applying the cost inflation index as prescribed from time to time.
 - ❖ Under Section 112 of the Act, taxable LTCG are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the Act.
 - ❖ As per newly inserted section 112A, tax on capital gains arising on long term capital assets being an equity share in a company or a unit of equity oriented fund or a unit of business trust, shall be payable at the rate of 10% on such capital gains exceeding one lakh rupees, provided securities transaction tax has been paid on acquisition and transfer of such equity share or transfer of unit of equity oriented fund of business trust. However, the benefit of indexation of costs of acquisition or costs of improvement will not be available for computing long term capital gains on such assets.
 - ❖ For the purpose of computing the Long Term Capital Gains referred to in section 112A, cost of acquisition of long term capital assets acquired before 01-02-2018 shall be higher of:-
 - (i) the cost of acquisition of such assets; and
 - (ii) lower of-
 - (a) the fair market value of such assets as on 31-1-2018;and
 - (b) the full value of consideration received or receivable on transfer of such capital assets.

The condition of having paid securities transaction tax on acquisition or transfer of an equity share or unit of equity oriented fund or a unit of business trust shall not be applicable to transfer undertaken on the recognised stock exchange located in any International Financial Service Centre and where the consideration of such transfer is received or receivable in foreign exchange.

- ❖ Income on transfer of investment in a company is to be considered while determining book profits in accordance with provisions of Section 115JB of the Act.

- ❖ In case of individual or HUF, where the total taxable income as reduced by long term capital gains is below the basic exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with provisions of section 112/112A of the Act.
- ❖ In respect of a non-resident shareholder, as per the first proviso to Section 48 of the Act, the capital gains arising from the transfer of listed equity shares of an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. Further, the benefit of indexation as provided in Second Proviso to Section 48 is not available to non-resident shareholders.
- ❖ No deduction under chapter VI-A shall be allowable from such long term capital gains. No rebate shall be allowable under section 87A from the income tax payable on such long term capital gains.
- ❖ As per the provisions of Section 111A of the Act, STCG arising from the transfer of a listed equity share in a Company, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share or unit is chargeable to STT. No deduction under chapter VI-A is allowable from STCG. If the provisions of Section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.
- ❖ As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.
- ❖ In case of a shareholder being a company, long term capital gains and short term capital gains as per books shall form part of computation of book profits under section 115JB of the Act.
- ❖ The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has issued various circulars to clarify that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income. This is however subject to other considerations and factual aspects for determining the said treatment as mentioned in the CBDT circulars.
- ❖ Under section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession".

(ii) Exemption of capital gain from income-tax:

- ❖ As per the provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India,

within three years from the date of transfer, subject to conditions and to the extent specified therein.

- ❖ As per the provisions of Section 14A of the Income Tax Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

c) Tax treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

BENEFITS TO NON-RESIDENT SHAREHOLDERS UNDER THE ACT

- ❖ Besides the benefits available to the individual shareholders of the Company, special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
- ❖ NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- ❖ Specified foreign exchange assets include shares of an Indian company which are acquired/purchased/subscribed by NRI in convertible foreign exchange.
- ❖ In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable cess). Income by way of LTCG in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10 percent (plus applicable cess). No deduction is allowable from such income in respect of any expenditure or allowance or deduction under chapter VI-A of the Act.
- ❖ As per the provisions of Section 115F of the Act, LTCG arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently;

if the specified assets or saving certificates referred in Section 10(4B) of the Act are transferred or converted into money within three years from the date of their acquisition.

- ❖ Under the provisions of Section 115G of the Act, it shall not be necessary for an NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.
- ❖ Under the provisions of Section 115H of the Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may

furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- ❖ Under the provisions of Section 115-I of the Act, an NRI may elect not to be governed by the provisions of Chapter XII- A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ("FIIS") :

a) Dividends exempt under Section 10(34) of the Act

- ❖ As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder being person other than specified persons resident in India referred to in section 115BBDA from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15 percent (plus applicable surcharge and cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.

b) Capital gains

- ❖ In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gains.
- ❖ In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation). However, in case of long term capital gains referred to in section 112A, income tax at the rate of 10 per cent shall be calculated on such income exceeding one lakh rupees.
 - ❖ As per the provisions of Section 111A/115AD of the Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.
- ❖ As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115- O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).
- ❖ The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio

Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T.Act.

c) Tax Treaty benefits

In accordance with the provisions of Section 90 of the Act, FIIs being non-residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

BENEFITS AVAILABLE TO INVESTMENT FUND UNDER THE ACT:

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as "investment fund" as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head "Profits and gains of business or profession" shall be exempt from income tax.

BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT:

- ❖ In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there under or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.
- ❖ However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

WHERE THE SHAREHOLDER IS A PERSON LOCATED IN A NOTIFIED JURISDICTIONAL AREA (NJA) UNDER SECTION 94A OF THE I.T.ACT

- ❖ All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, bench marking etc.
- ❖ No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (Section 94A(3)(a) read with Rule 21AC and Form 10FC).
- ❖ No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I.T. Act unless the assessee maintains such

documents and furnishes such information as may be prescribed (Section 94A(3)(b) read with Rule 21AC).

- ❖ If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (Section 94A(4)).
- ❖ Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty percent.
- ❖ No jurisdiction has been notified as **Notified Jurisdictional Area (NJA)** on the date of issue of the prospectus.

GENERAL ANTI-AVOIDANCE RULE ('GAAR):

In terms of Chapter XA of the Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be *inter alia* denial of tax benefit, applicable w.e.f. FY 2017-18.

The Central Board of Direct Taxes (CBDT) vide Notification No. 49/2016, dated 22 June 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made before 1 April 2017. Further, GAAR provisions are applicable to any arrangement (if held as impermissible avoidance agreement), irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after 1 April 2017.

UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

UNDER THE GIFT TAX ACT, 1958

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax. However, receipt of the sum of money or any "property" including immovable property (as defined in section 56(2)(x) of the Income Tax Act, 1961) by any person without consideration or for inadequate consideration in excess of Rs. 50,000/- shall be chargeable to tax in the hand of the recipient under the head "Income from other sources" to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the Act.

Notes:

- a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).

- b) The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law. The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- c) In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences
- d) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- e) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holder.

SCHEME OF ARRANGEMENT

Authority for Listing

The National Company Law Tribunal, Mumbai Bench vide its Orders dated 8th January, 2020 approved the Scheme of Arrangement by way of Demerger between Archidply Industries Limited and Archidply Décor Limited and their respective shareholders and creditors ("Scheme") for demerger of Chintamani Division and retaining residual business of Rudrapur division. The Preamble of the Scheme is as under:

Preamble

This Scheme of Arrangement is presented under Section 230 to 232 read with Sections 52 and 66 of the Companies Act, 2013 for demerger and transfer of Chintamani Division hereinafter referred to as Demerged Undertaking into Archidply Décor Limited.

Whereas

- Archidply Industries Limited a Limited company incorporated under the Companies Act, 1956 (as defined hereinafter), having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR - 263153
- i. The Demerged Company is a well-established company, engaged in the business of wood panel products and decorative surfacing products and has two manufacturing undertakings :-
 - a) Rudrapur (Uttarakhand) Undertaking and
 - b) Chintamani (Karnataka) Undertaking
- ii. The following products are manufactured at Rudrapur and Chintamani

Rudrapur:-

- 1 Plywoods - Marine Plywood, Fire Retardant Plywood, Shuttering Plywood, Densified Film Faced Plywood, BWR & MR Plywood, Lamyply and Lamyboard.
- 2 Block Board and Flush Doors - BWR & MR grade
- 3 Decorative Laminates - range from 0.8mm to 1.5mm and post form laminates

Chintamani:-

1. Particle Boards - plain, veneered and pre laminated particle board both in interior and exterior grade
2. Decorative Veneers - Teak, natural exotic veneers, reconstituted veneers and dyed veneers.

In addition contract manufacturing of Gurjan based face & core plywood and Face Veneers from Myanmar is also done in Chintamani.

- iii. The Demerged Company is a listed Company and its shares are listed on BSE limited and National Stock Exchange

of India Limited (NSE)

3. Rationale and benefits behind the Scheme:

- In order to achieve geographical operational efficiencies and unlock shareholders value, the management of AIL has proposed to separate each business undertaking based on the commercial objectives and relevant geographies of the undertaking into separate company. Therefore with a view to effect such reorganization the present scheme is proposed for Transfer of Chintamani Undertaking into Archidply Décor Limited (ADL)
- In order to concentrate its growth efforts in a focused manner, introduce different strategies for growth and different focus for alliance / ventures and to enable direct Equity participation from investors and the Demerged Company has determined to create a focused entity and accordingly proposes the transfer and vesting of the Demerged Undertaking (as defined hereinafter) in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act.
- The above transfer will be carried out by demerging Chintamani unit from AIL to ADL as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 (IT Act).
- Upon the effectiveness of this scheme, ADL will be listed on the stock exchanges where shares of AIL are listed i.e. BSE and NSE, subject to the approval of respective stock exchanges

The key objectives for this demerger which is primarily focused towards maximizing shareholder value are:-

- The nature of risk, competition and capital intensity involved in demerged undertaking and remaining undertaking of AIL is distinct from each other. Consequently, each undertaking of AIL is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. Hence as part of an overall business reorganization plan, it is considered desirable and expedient to reorganize and reconstruct AIL by demerging the Demerged Undertaking to ADR in the manner and on the terms and conditions contained in this Scheme.
- The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of AIL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.
- It will facilitate each business to independently pursue their growth plans through organic / inorganic means.
- It will enhance management focus and operational flexibility and it will create a platform to enhance financial flexibility to pursue next stage of growth.
- The restructuring proposal is thus aimed at protecting and maximizing value for the shareholders of the AIL. This scheme is in the interest of the shareholders; creditors and all other stakeholders of AIL and shall not in any manner be prejudicial to the interests of shareholders and creditors. The restructuring under this Scheme would enable focused business approach for the maximization of benefits to all stakeholders and capitalize on the opportunity for growth.

Accordingly, this Scheme provides for the transfer by way of a Demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Sections 230 to 232 read alongwith Section 52 and Section 66 and other

relevant provisions of the Act and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in this Scheme.

Archidply Decor Limited is a public Limited company incorporated under the Companies Act, 2013, (as defined hereinafter) having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR - 263153

The Resulting Company is a newly incorporated company with the main objects of manufacturing and trading of Wood panel products and other related activities.

Upon the sanction of the Scheme by the National Company Law Tribunal, Allahabad Bench and the Scheme becoming effective on the Effective Date (defined hereinafter), the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company on and from the Appointed Date for all intent and purposes.

This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

To achieve the said objective, a Scheme of Arrangement has been arrived at by the Board of Directors of Demerged Company and Resulting Company and it has been decided to make the requisite Applications before the National Company Law Tribunal, Allahabad Bench under Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013.

Accordingly, this Scheme provides for the transfer by way of a Demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in this Scheme.

The Scheme is divided into the following parts:

- (a) **Part I** - which deals with the introduction and definitions;
- (b) **Part II** - which deals with the Demerger; and
- (c) **Part III**, which deals with the general terms and conditions.

Archidply Décor Limited is submitting Information Memorandum in compliance with the directions of BSE and NSE containing information about itself and making disclosures in line with the disclosure requirement for issue and allotment of shares pursuant to the Scheme of Arrangement approved by the National Company Law Tribunal, Allahabad Bench vide its Order dated 08thJanuary, 2020 to BSE and NSE for making the said Information Memorandum available to public through their website. Archidply Décor Limited will also make the said Information Memorandum available on its website (www.archidplydeocr.com).

Archidply Décor Limited will publish an advertisement in the newspaper containing its details in line with the details required as per SEBI Circular dated March10, 2017. The advertisement will draw a specific reference to the availability of aforesaid Information Memorandum on its Website and that of BSE and NSE.

Archidply Décor Limited also undertakes that all material information shall be disclosed to Stock Exchange on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in the Listing Agreement.

DIVIDEND POLICY

The Company does not have any formal dividend policy for the equity shares. The declaration and payment of equity dividend in a company is recommended by the Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.

SECTION 4 - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

There have not been any reservations, qualifications and adverse remarks in our financial statements since incorporation. There has been no change in the accounting policy of our Company.

INDEPENDENT AUDITOR'S REPORT

To the Members of

M/S.ARCHIDPLY DÉCOR LIMITED

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s. Archidply Décor Limited (*"the Company"*) which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flowsfor the year then endedand notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner sorequired 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 March 2020, and itsLoss, total comprehensive income, the changes in equity and its cash flowsfor 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to the Board's Report, but does not include the financial statements and our auditor's report thereon.

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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting standards (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection, application, implementation and maintenance of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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.

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.

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. 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c. The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015

e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g. 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 financial statements – Refer to Note 34 to the financial statements
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G R V & P K
Chartered Accountant
FRN : 008099S

(KAMAL KISHORE)
Partner
M. No. 205819
UDIN: 20205819AAAADK3659
Place: Bangalore
Date: 23/07/2020

Annexure –A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of **M/s. Archidply Décor Limited** ("the Company") on the standalone financial statements for the year ended 31 March 2020, We report that:

- (i) **(a)** The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b)** These fixed assets have been physically verified by the management at reasonable intervals; 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 of the company are being received by the Company on account of demerger of Chintamani unit of Archidply Industries Limited, being 31st January, 2020 was the effective date of Scheme. All these immovable properties are in the name of M/s.Archidply Industries Limited.
- (ii) **(a)**On basis of information and explanation given to us, Physical verification of Inventory has been conducted at reasonable intervals by the management.
- (b)**Procedure of physical verification of Inventory followed by the management is reasonable &adequate in relation to the size of company and nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

(iii) The Company has not granted any unsecured loans to any of the parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has not provided any loans, guarantees, and Investments to which the provision of sec 185 of the act apply.

However regarding loans, guarantees, and Investments to which the provision of sec 186 apply, the company has complied with the provision of the Section.

(v) The company has not received any public deposits during the year. Accordingly, clause (v) of the order is not applicable.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company. Accordingly, clause (vi) of the order is not applicable.

(vii) (a) According to the records of the company and information and explanations given to us and on the basis of our examination of the records of the company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at source, Tax collected at source, Professional Tax, Goods & Service Tax (GST), Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities. As explained to us, the company did not have any dues on account of employee's state insurance and duty of excise.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident fund, Income-tax, Custom Duty, Excise Duty, Goods & Service Tax (GST), Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2020 for a period of more than six months from the date they became payable *except ESI payable of Rs. 8178/-*

(b) According to the information and explanations given to us, details of disputed Sales Tax, Income Tax, Customs Duty, Service Tax, Excise duty and Cess which have not been deposited as on 31st March, 2020 on account of any dispute are given below:

| Name of Statute | Nature of the dues | Disputed amount pending | Period to which the amount relates (Financial Years) | Forum where dispute is pending. |
|--------------------|--------------------|-------------------------|--|---------------------------------|
| Central Excise Act | Excise duty | Rs 12,57,472/- | 2011-2012 | Appellate Tribunal- Karnataka |

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions and banks.

(ix) No money has been raised by way of initial public offer or further public offer (including debt instruments) during the year. Term Loans which has been transferred to the company on account of demerger of Chintamani unit of M/S Archidply

Industries Limited are still in the name of M/S Archidply Industries Limited and are being utilized for the purposes for which they were taken.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company did not pay any managerial remuneration during the year therefore provisions of Sec 197 with respect to Managerial Remuneration do not apply. Accordingly, clause (xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause (xii) of the order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, in our opinion the provisions of section 177 of the Act are not applicable as the company is a limited company.

(xiv) According to the information and explanations given to us and based on our examination of the records of the company, the requirements of Sec 42 of the Companies Act, 2013 regarding Preferential allotment/Private placement of shares made during the year are as per the Demerger Scheme approved by NCLT i.e. demerger of Chintamani unit of Archidply Industries Limited, being 31st January, 2020 was the effective date of Scheme, each and every shareholder of Archidply Industries Limited supposed to get one share of the company against four shares held in Archidply Industries Limited. These shares have been issued from General Reserves of the Company on 20th February, 2020.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the order is not applicable.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi) of the order is not applicable.

For G R V & P K
Chartered Accountants
FRN: 008099S

(KAMAL KISHORE)
Partner
M. No. 205819
UDIN: 20205819AAAADK3659

Place: Bangalore
Date: 23/07/2020

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **M/s Archidply Décor Limited** ("the Company") as of 31 March 2020 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 Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

for G R V & P K
Chartered Accountants
FRN: 008099S

(KAMAL KISHORE)
Partner
M. No. 205819
UDIN: 20205819AAAADK3659

Place: Bangalore
Date: 23/07/2020

ARCHIDPLY DECOR LIMITED

Balance Sheet as at March 31st, 2020

(In Rs.)

| Particulars | Notes | As at 31.03.2020 | As at 31.03.2019 |
|--|--------------|-------------------------|-------------------------|
| A. ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| (a) Property , plant and Equipment | 2 | 170,886,718 | 184,960,647 |
| (b) Capital Work-in Progress | 2 | - | - |
| (c) Goodwill | 2 | - | - |
| (d) Other Intangible Assets | 2 | - | - |
| (e) Investment Property | 3 | - | - |
| (f) Financial Assets | | | |
| i) Investments | 4 | 75,350 | 24,350 |
| ii) Loans | 5 | 110,243,114 | 103,537,154 |
| iii) Others | 6 | 1,000,486 | 951,701 |
| (g) Deferred tax Asset (Net) | 7 | 91,480 | 350,872 |
| (h) Other non current assets | 8 | 23,467,673 | 62,662,309 |
| | | | |
| Total Non current assets | | 305,764,820 | 352,487,033 |
| 2. CURRENT ASSETS | | | |
| (a) Inventories | 9 | 289,722,574 | 292,564,757 |
| (b) Financial Assets | | | |
| i. Trade Receivables | 10 | 158,773,190 | 174,822,798 |
| ii. Cash and cash equivalent | 11 | 10,313,157 | 8,803,849 |
| iii. Bank balances other than cash and cash equivalent | 12 | 39,366,582 | 22,536,315 |
| (c) Current Tax Assets(net) | 13 | 1,258,135 | 165,007 |
| (d) Other current assets | 14 | 29,908,127 | 31,725,736 |
| Total Current Assets | | 529,341,765 | 530,618,462 |
| TOTAL ASSETS | | 835,106,585 | 883,105,495 |
| | | | |
| B.EQUITY & LIABILITIES | | | |
| 1. EQUITY: | | | |
| (a) Equity Share Capital | 15 | 55,662,500 | 500,000 |
| (b) Other Equity | | 445,895,379 | 512,350,761 |
| Total Shareholders Fund | | 501,557,879 | 512,850,761 |
| 2. NON-CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| i. Borrowings | 16 | 2,240,000 | 3,550,356 |

| | | | |
|---|----|--------------------|--------------------|
| (b) Provisions | 17 | 11,772,698 | 13,493,345 |
| Total Non-Current liabilities | | 14,012,698 | 17,043,701 |
| 3. CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| i. Borrowings | 18 | 211,272,532 | 221,615,457 |
| ii. Trade Payables | 19 | 77,635,490 | 98,072,170 |
| iii. Other financial liabilities | 20 | 13,265,385 | 22,890,199 |
| (b) Short term Provisions | 21 | 10,842,331 | 10,633,207 |
| (c) Other Current Liabilities | 22 | 6,520,269 | - |
| Total Current liabilities | | 319,536,008 | 353,211,033 |
| TOTAL EQUITY & LIABILITIES | | 835,106,585 | 883,105,495 |
| | | - | - |

Notes from 01 to 41 form the integral part of Financial statements

On behalf of the board of directors,

AS PER OUR REPORT ATTACHED OF EVEN DATE

Shyam Daga
Managing Director
DIN: 00561803

Rajiv Daga
Director
DIN:01412917

For GRV & PK
Chartered Accountants
Firm Reg. No. 008099S

Raj Kishore Prasad
Chief Financial Officer
PAN:AJNPP9480B

Rajneesh Sharma
Company Secretary
M.No.: F5549

(Kamal Kishore)
Partner

Membership No. 205819

Place: Bangalore
Date : 23/07/2020

UDIN:20205819AAAADK3659

ARCHIDPLY DECOR LIMITED

Statement of Profit & Loss Account for the period March 31st,2020 in Rs.

| PARTICULARS | Notes | Figures at the end of Current Reporting Period | Figures at the end of Previous Reporting Period |
|---|-------|---|---|
| INCOME : | | | |
| Sale of Products | 23 | 401,318,850 | 555,489,401 |
| Other Operating Revenue | 23 | 1,428,859 | 3,116,626 |
| Revenue From Operations | | 402,747,709 | 558,606,027 |
| Other Income | 24 | 13,314,802 | 11,557,361 |
| Prior Period Income(+)/(-)Expenditure | | (251,933) | - |
| TOTAL INCOME | | 415,810,578 | 570,163,388 |
| EXPENSES : | | | |
| Cost of Goods consumed | 25 | 179,740,835 | 257,960,778 |
| Purchase of Stock In Trade | 26 | 62,830,903 | 119,794,425 |
| Changes in Inventories of Finished Goods, Stock-in-process and stock-in-trade | 27 | (10,678,647) | (16,884,050) |
| Employee Benefit Expenses | 28 | 63,819,514 | 84,020,265 |
| Finance Cost | 29 | 27,845,542 | 29,048,598 |
| Depreciation & Amortisation Expense | 2 | 14,439,638 | 15,003,547 |
| Other Expenses | 30 | 88,846,283 | 114,410,720 |
| TOTAL EXPENSES | | 426,844,068 | 603,354,283 |
| PROFIT BEFORE TAXATION | | (11,033,490) | (33,190,895) |
| Tax Expenses: | | | |
| Current Tax | | - | - |
| Deferred Tax | | 259,392 | (342,435) |
| Taxes of earlier year | | - | - |
| PROFIT FOR THE YEAR | | (11,292,882) | (32,848,460) |

| | | | |
|--|--|---------------------|---------------------|
| Other Comprehensive Income | | | |
| A i) Items that will not be reclassified to profit or loss | | | |
| Defined benefit plan actuarial gains/(losses) | | | (25,272) |
| ii) Income Tax relating to items that will not be reclassified to profit or loss | | | 8,437 |
| B i) Items that will be reclassified to profit or loss | | | |
| Diminution in the value of Investment | | | - |
| ii) Income Tax relating to items that will not be reclassified to profit or loss | | | - |
| Other Comprehensive Income net of tax | | - | (16,835) |
| | | | |
| Total Comprehensive Income for the year, net of tax | | (11,292,882) | (32,865,295) |
| Earnings Per Share (Rs.) | | | |
| Basic & diluted | | (2.03) | (5.90) |

Notes from 01 to 41 form the integral part of Financial statements
On behalf of the board of directors,

AS PER OUR REPORT ATTACHED OF EVEN DATE

Shyam Daga
Managing Director
DIN: 00561803

Rajiv Daga
Director
DIN:01412917

For GRV & PK
Chartered Accountants
Firm Reg. No. 008099S

Raj Kishore Prasad
Chief Financial Officer
PAN:AJNPP9480B

Rajneesh Sharma
Company Secretary
M.No.: F5549

(Kamal Kishore)
Partner

Membership No. 205819

Place: Bangalore

UDIN:20205819AAAADK3659

Date : 23/07/2020

| Statement Of Cash Flow | | | | | |
|-------------------------------|--|--------------------------------------|-------------------|--------------------------------------|---------------------|
| | | Amount in Rs. | | Amount in Rs. | |
| PARTICULARS | | FOR YEAR ENDED 31 MARCH, 2020 | | FOR YEAR ENDED 31 MARCH, 2019 | |
| A. | Cash flows arising from operating activities | | | | |
| | Net Profit/(Loss) Before Tax | (11,033,490) | | (33,190,895) | |
| Add: | Depreciation | 14,439,638 | | 15,003,547 | |
| | Interest Paid | 22,876,577 | | 29,048,598 | |
| | Loss on Sale of FA | - | | - | |
| Less: | Other comprehensive (Income)/loss | - | | 25,272 | |
| | | 26,282,724 | | 10,835,978 | |
| Less: | Profit on sale of machinery | - | | - | |
| | Interest Received | 12,550,691 | | 11,369,260 | |
| | | 13,732,034 | | (533,282) | |
| | Operating profit before working capital changes | | | | |
| | (Increase)/Decrease in Inventory | 2,842,183 | | (4,761,698) | |
| | (Increase)/Decrease in Debtors | 16,049,608 | | 46,151,607 | |
| | (Increase)/Decrease in Loans & Advances | 41,012,246 | | (17,305,929) | |
| | Increase/(Decrease) in Trade Payables | (20,436,680) | | (119,060,621) | |
| | Increase/(Decrease) in Provisions | (1,511,523) | | 4,594,139 | |
| | Increase/(Decrease) in other current liabilities | 2,494,395 | | (8,073,124) | |
| | | | | | |
| | Cash flow from Operations | 54,182,263 | | (98,988,908) | |
| | | | | | |
| | Payment of Income Tax | 1,093,128 | | 866,961 | |
| | | | | | |
| | Net Cash Flow from Operating Activities | | 53,089,134 | | (99,855,868) |
| B. | Cash flows arising from Investment activities | | | | |
| | Inflows: | | | | |
| | Receipt/(Lending) of Loans and Advance | | | - | |
| | FD matured | - | | 3,588,899 | |
| | Sale of Investment | - | | 2,500,000 | |
| | Interest Received | 12,550,691 | | 11,369,260 | |

| | | | | | |
|-----------|---|------------|---------------------|------------|---------------------|
| | Outflows: | | | | |
| | Loans & Advances Advanced | 6,705,960 | | 6,264,486 | |
| | Investment in Fixed Assets | 365,708 | | 6,035,163 | |
| | Change in WIP | - | | (41,214) | |
| | FD Made with bank | 16,879,052 | | 515,798 | |
| | Purchase of Investment | 51,000 | | - | |
| | | | (11,451,029) | | 4,683,926 |
| C. | Cash flows arising from finance activities | | | | |
| | Inflows: | | | | |
| | Issue of Share capital | | | - | |
| | Proceeds from Demerger Reconstruction account | - | | 28,431,876 | |
| | Proceeds of Loan | | | 82,896,738 | |
| | Outflows: | | | | |
| | Repayment of Loan | 17,252,220 | | | |
| | Interest paid | 22,876,577 | (40,128,797) | 29,048,598 | 82,280,016 |
| | | | | | |
| | Cash flow from all activities- (A+B+C) | | 1,509,308 | | (12,891,925) |
| Add: | Cash & cash equivalents at beginning of the year | | 8,803,849 | | 21,695,774 |
| | Cash & cash equivalents at year end of the year | | 10,313,157 | | 8,803,849 |

Notes from 01 to 41 form the integral part of Financial statements

On behalf of the board of directors,

AS PER OUR REPORT ATTACHED OF EVEN DATE

Shyam Daga
Managing Director
DIN: 00561803

Rajiv Daga
Director
DIN:01412917

For GRV & PK
Chartered Accountants
Firm Reg. No. 008099S

Raj Kishore Prasad
Chief Financial Officer
PAN:AJNPP9480B

Rajneesh Sharma
Company Secretary
M.No.: F5549

(Kamal Kishore)
Partner

Membership No. 205819

Place: Bangalore
Date : 23/07/2020

UDIN:20205819AAAADK3659

Statement of changes in equity

| Particulars | (As at 31st March 2020) | | | | |
|---|-------------------------|--------------------|----------------------------|-----------------|--------------------|
| | Share Premium | Retained Earnings | Other Comprehensive Income | Capital Subsidy | Total Other Equity |
| Opening Balance | 294,832,183 | 217,535,413 | (16,835) | - | 512,350,761 |
| Add: Profit for the Period | | (11,292,882) | | | (11,292,882) |
| Add: Other Comprehensive Income/(Loss) | | | - | | - |
| Less: Shares issued to Archidply Industries Limited shareholders* | | 55,162,500 | | | 55,162,500 |
| Total Comprehensive Income for the period | 294,832,183 | 151,080,031 | (16,835) | - | 445,895,379 |
| Closing Balance | 294,832,183 | 151,080,031 | (16,835) | - | 445,895,379 |

* on 20th February, 2020 The Company has issued 5516250 shares at par to the shareholders of Archidply Industries Limited as per the Demerger scheme i.e Demerger of Chintamani unit of Archidply Industries Limited to the company as approved by NCLT. As per the Scheme each and every shareholder of Archidply Industries Limited supposed to get one share of the Company against four shares held in Archidply Industries limited.

| Particulars | (As at 31st March 2019) | | | | |
|---|-------------------------|-------------------|----------------------------|-----------------|--------------------|
| | Share Premium | Retained Earnings | Other Comprehensive Income | Capital Subsidy | Total Other Equity |
| Opening Balance | - | (31,299) | - | - | (31,299) |
| Add: transferred from Demerged company i.e Archidply Industries limited on account of demerger of Chintamani unit of Archidply Industries limited to the Company. | 294,832,183 | 250,415,172 | | | 545,247,355 |
| Add: Profit for the Period | | (32,848,460) | | | (32,848,460) |
| Add: Other Comprehensive Income/(Loss) | | | (16,835) | | (16,835) |

| | | | | | |
|---|-------------|-------------|----------|---|-------------|
| Total Comprehensive Income for the period | 294,832,183 | 217,535,413 | (16,835) | - | 512,350,761 |
| Closing Balance | 294,832,183 | 217,535,413 | (16,835) | - | 512,350,761 |

Notes from 01 to 41 form the integral part of Financial statements

On behalf of the board of directors,

AS PER OUR REPORT ATTACHED OF EVEN DATE

| | | |
|--|--|--|
| Shyam Daga Managing Director DIN: 00561803 | Rajiv Daga Director DIN:01412917 | For GRV & PK Chartered Accountants Firm Reg. No. 008099S |
|--|--|--|

| | | |
|---|--|----------------------------|
| Raj Kishore Prasad Chief Financial Officer PAN:AJNPP9480B | Rajneesh Sharma Company Secretary M.No.: F5549 | (Kamal Kishore) Partner |
|---|--|----------------------------|

Membership No. 205819
Place: Bangalore UDIN:20205819AAAADK3659
Date : 23/07/2020

Note: - 1 SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information:

Archidply Décor Limited (the 'Company') is a limited company domiciled in India incorporated under the provisions of the Companies Act. The registered office of the company is at Plot No. 7, Sector-9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur - 263 153, Uttarakhand, India with effect from FY 17-18.

Company is engaged in the business of manufacturing of:

Wood Based Products: Decorative Laminates, Decorative Veneers, Plywood & Block Board, Prelaminated Particle Board.

It has branches and dealers' network spread all over the country. The Company is procuring raw material & trading goods locally as well as imports them. Goods are sold both in domestic and overseas markets.

The company's shares is in process of getting listed in Bombay Stock Exchange Ltd.(BSE) and National Stock Exchange of India(NSE).

The Board of Directors of the Company and Archidply Industries Limited at their meeting held on 30th May, 2018, had pursuant to the provisions of 230 to 232 read along with Section 52 and 66 of the Companies Act, 2013, and subject to the approval of the shareholders, National Company Law Tribunal (NCLT), Stock Exchanges where the shares of the Archidply Industries Limited are listed and other relevant Authorities, approved the Scheme of Arrangement between Archidply Industries Limited (Demerged Company) and Archidply Décor Limited (Resulting company). The Scheme of Arrangement involved for Demerger and transfer of the Demerged Undertaking i.e. "Chintamani Undertaking" of the Archidply Industries Limited into the Company.

During the year, Archidply Industries Limited has received the Order dated 8th January, 2020 of the Hon'ble National Company Law Tribunal (NCLT) Allahabad Bench, Allahabad approving demerger of Chintamani Undertaking of Archidply Industries Limited into the Company and has been given effect during the current financial year with effective from 31st January, 2020.

The appointed Date for the Scheme of Arrangement is 1st April, 2018

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Allahabad Bench vide Order dated 8th January 2020, with effect from the Appointed Date i.e., 1st April 2018, all assets, liabilities including the business of Decorative Veneers, Particle Boards, Garjan based Plywoods and allied products of Chintamani unit, Karnataka, its branches/administrative and marketing offices of the above respective businesses of the Archidply Industries Limited stands transferred into Company "Archidply Decor Limited", ('the resulting company' or 'ADL'). .

The Scheme of Demerger has been accounted for in terms of the order of Hon'ble National Company Law Tribunal as provided for in the Scheme.

2. Basis of preparation of Financial Statements :

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The Financial Statements for year ended 31st March 2020 were prepared in accordance with Indian Accounting standards notified under the Company (Accounting Standards) Rules 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013 (hereinafter referred to as the 'previous GAAP').

The financial statements have been prepared under historical cost convention and on an accrual basis, except for the following items which have been measured as required by relevant Ind AS:

- a) Financial Instruments classified as fair value through other comprehensive income.
- b) The defined benefit loss/(profit) is recognized as at the present value of defined benefit obligation less fair value of plan assets through other comprehensive income.

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 Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

Where changes are made in presentation, the comparative figures of the previous years are regrouped and re-arranged accordingly.

Accounting Treatment for Demerger Scheme

The assets and liabilities forming part of the Demerged Undertaking of Archidply Industries limited has been transferred to the Company "Archidply Décor Limited" the Resulting Company at their respective carrying amounts (i.e. the book value) at the Appointed Date i.e 01st April, 2018;

The assets and liabilities of the Demerged Company i.e Archidply industries limited relating to Demerged Undertaking transferred to Resulting Company i.e Archidply Décor Limited as on appointed date i.e 01-04-2018 are as follows:

| Particulars | Amount in Rupees |
|---|-------------------------|
| I. Liabilities Transferred from Demerged Company | |
| Non-Current Liabilities | 1,18,49,512 |
| Current Liabilities | 39,97,64,365 |
| Total (I) | 41,16,13,877 |
| II Shareholders Funds (Reserve & Surplus) | |
| Securities Premium | 29,48,32,183 |
| Reserve & Surplus | 25,04,15,168 |
| Total (II) | 54,52,47,351 |
| Total (I+II) | 95,68,61,228 |
| III. Assets Transferred from Demerged Company | |
| Non-Current Assets | 32,19,57,776 |
| Current Assets | 57,00,24,969 |
| Total (III) | 89,19,82,745 |
| Demerger Reconstruction Account (I+II-III) | 6,48,78,483 |

The Scheme became effective on 1st February, 2020 when the order sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench, Allahabad was filed with the Registrar of Companies, with an appointed date of April 1, 2018.

The Company, has in consideration of the transfer of the Demerged Undertaking by the Demerged Company i.e AIL to the Resulting Company i.e ADL, in terms of this scheme, issued one (1) new Equity share of the Company of the face value of Rs.10/- each fully paid up for every four (4) Equity Shares of the face value of Rs. 10 /- each fully paid up held by him / her / it in the Demerged Company as on the Record date i.e. 14.02.2020. Accordingly, the Board of Directors of the Company at their Board Meeting held 20th February, 2020 has issued 55,16,250 Equity shares of Rs. 10/- each to the shareholders of Archidply Industries Limited (Demerged company).

The "Scheme of Arrangement" ("the Scheme") involved transfer of the Chintamani Undertaking to a "Resulting Company" (Archidply Décor Limited) whose equity shares will be listed in BSE Limited and National Stock Exchange of India Limited(NSE) and for which listing application has been made and the listing approval is awaited.

The NCLT order was considered to give effect to the transferred business with effect from the Appointed Date of 1 April 2018 and accordingly standalone financial statements for the year ended 31 March 2019, have been revised /regrouped/reclassified in accordance with the Scheme.

The Bankers of the Company has earlier given the acceptance & NOC for the scheme of demerger approved by the Hon'ble NCLT, Allahabad. However, the credit facilities sanctioned by the Bank are still continuing in the name of the Demerged Company i.e. Archidply Industries Limited and approval of the proposal of the bifurcation of the limits among the Company and Demerged Company i.e. Archidply Industries Limited is still in process.

The Company has already given the applications for giving the effect of the Scheme with the various statutory authorities i.e. GST, PF, Customs, etc. which are still in process. However the effect of the same has been given in the books of account as per the scheme approved

3. Accounting Estimates And Assumptions:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

4. Property, Plant and Equipment

- a) Property, Plant and Equipment received on account of demerger scheme i.e demerger of Chintamani unit of Archidply Industries Limited into the Company are at Carrying cost which is original cost less Depreciation of the erstwhile Company Archidply Industries Limited.
- b) Property, Plant and Equipment are stated at original cost (net of tax/ duty credit availed) less accumulated depreciation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- c) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- d) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- e) Property, Plant and Equipments including continuous process plants are depreciated and/or amortized on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- f) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.
- g) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

Buildings – 30 to 60 years
Plant and Machinery - 15 years
Furniture and Fixtures - 10 years
Vehicles - 8 to 10 years
Office Equipments - 5 to 10 years
Computers – 3 years

5. Intangible Assets

Intangible assets acquired by payment e.g., Goodwill , Trademark and Computer Software are disclosed at cost less

amortization on a straight-line basis over its estimated useful life.
But currently company does not have any Intangible Assets.

6. Investment Property

Investment Property are stated at original cost less accumulated depreciation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period. But currently company does not have any Investment Property.

7. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

8. Inventories

- a. Inventories related to raw materials, packing materials, stores & spares are valued at cost on weighted average basis or net realizable value whichever is lower.
- b. Waste & scraps are valued at estimated realizable value.
- c. Materials in transit and Semi Finished goods are valued at cost or market value whichever is lower.
- d. Finished goods and process stock include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition.
- e. Finished goods are valued at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.
- f. Obsolete, defective and unserviceable stocks are duly provided for.

9. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

10. Financial Assets

The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss) and those to be measured at amortized cost.

Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of

payment agreed with the customers and are classified under Current Assets.

A financial asset is de-recognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as Non-Current/Long-term Investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-Current Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

11. Financial Liabilities:

Borrowings are initially recognized and subsequently measured at amortized cost, net of transaction costs incurred.

Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the company has an Un-conditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade Payables represent liabilities for goods and services provided to the Company up to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period.

12. Tax Asset

Tax assets and Tax 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.

13. Revenue Recognition:

Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods: Revenue from sales of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss are inclusive of Excise Duty and the value of self-consumption, but excludes Goods & Service Tax (GST), inter-transfers, returns, trade discounts, other benefits passed to customers in kind, value added tax and Central sales tax.

Services: Revenue from Services are recognized as and when the services are rendered. The Company collects service tax/Goods & Service Tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company and hence excluded from Revenue.

Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Insurance Claims: Insurance Claims are accounted for on acceptance and when there is a reasonable certainty of receiving

the same, on grounds of prudence.

14. Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

15. Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Post-Employment and Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. 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 present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation

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

Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

The Company pays provident fund contributions to publicly administered provident funds as per local regulations.

The Company has no further payment obligations once the contributions have been paid.

16. 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.

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

All other borrowing costs are expensed in the period in which they are incurred.

17. Accounting for Taxes on Income:

Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. 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 recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

18. Contingent Liabilities & Contingent Assets:

Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events

- (a) when it is not probable that an outflow of resources will be required to settle the obligation;
- (b) when no reliable estimate is possible;
- (c) unless the probability of outflow of resources is remote.

Provisions are made when

- (a) the Company has a present legal or constructive obligation as a result of past events;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate is made of the amount of the obligation.

Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

19. Current And Non- Current Classification:

The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".

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

An asset is current when it is

- (a) expected to be realised or intended to be sold or consumed in normal operating cycle
- (b) held primarily for the purpose of trading
- (c) expected to be realised within twelve months after the reporting period
- (d) Cash and 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

- (a) it is expected to be settled in normal operating cycle
 (b) it is held primarily for the purpose of trading
 (c) it is due to be discharged within twelve months after the reporting period
 (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

| NOTE :- 2 | | | | | | | | | | | |
|---|--------------------------------|-----------------------------------|--------------------------------|------------------------------|--------------------|--------------------------------------|----------------------------------|-------------------------------|-----------------|--------------------|--------------------|
| FIXED ASSETS ANNEXURE AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2020 | | | | | | | | | | | |
| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
| | ORIGINAL COST AS ON 01.04.2019 | ADDITION 01.04.2019 to 31.03.2020 | SALES 01.04.2019 to 31.03.2020 | TOTAL GROSS BLOCK 31.03.2020 | UP TO 31.03.2019 | FOR THE PRD 01.04.2019 to 31.03.2020 | DEPRECIATION ADJUSTMENT ON SALES | TOTAL DEPRECIATION 31.03.2020 | ADJUSTMENTS +/- | AS ON 31.03.2020 | AS ON 31.03.2019 |
| A) TANGIBLE ASSETS: | | | | | | | | | | | |
| FREE HOLD LAND | 36,080,291 | - | - | 36,080,291 | - | - | - | - | - | 36,080,291 | 36,080,291 |
| BUILDINGS | 119,182,852 | 97,045 | - | 119,279,897 | 34,493,515 | 3,614,268 | - | 38,107,783 | - | 81,172,114 | 84,689,336 |
| PLANT AND MACHINERIES | 139,256,960 | - | - | 139,256,960 | 92,798,968 | 6,478,153 | - | 99,277,122 | - | 39,979,838 | 46,457,991 |
| ELECTRICAL EQUIPMENTS | 11,411,334 | - | - | 11,411,334 | 10,536,661 | 389,172 | - | 10,925,833 | - | 485,501 | 874,673 |
| WATER SUPPLY INSTALLATIONS | 1,627,561 | - | - | 1,627,561 | 1,179,759 | 73,045 | - | 1,252,804 | - | 374,757 | 447,802 |
| LABORATORY EQUIPMENTS | 362,571 | - | - | 362,571 | 320,312 | 12,323 | - | 332,635 | - | 29,936 | 42,259 |
| FURNITURES AND FIXTURES | 10,960,250 | 242,730 | - | 11,202,980 | 3,451,706 | 1,838,905 | - | 5,290,611 | - | 5,912,369 | 7,508,544 |
| OFFICE EQUIPMENTS | 2,917,748 | - | - | 2,917,748 | 1,469,226 | 378,741 | - | 1,847,967 | - | 1,069,781 | 1,448,522 |
| COMPUTERS | 1,981,103 | 25,932 | - | 2,007,035 | 1,524,252 | 310,399 | - | 1,834,650 | - | 172,385 | 456,852 |
| VEHICLES | 12,225,637 | - | - | 12,225,637 | 5,271,259 | 1,344,632 | - | 6,615,891 | - | 5,609,746 | 6,954,378 |
| SUB TOTAL (A) | 336,006,307 | 365,707 | - | 336,372,014 | 151,045,659 | 14,439,638 | - | 165,485,296 | - | 170,886,718 | 184,960,647 |
| B) CAPITAL WORK IN PROGRESS | | | | | | | | | | | |
| CAPITAL WIP | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | 336,006,307 | 365,707 | - | 336,372,014 | 151,045,659 | 14,439,638 | - | 165,485,296 | - | 170,886,718 | 184,960,647 |
| Previous Year | 330,012,359 | 7,111,101 | 1,117,153 | 336,006,307 | 136,042,113 | 15,003,546 | - | 151,045,659 | - | 184,960,648 | 193,970,246 |

Notes To Financial Statement For The Period Ended 31st March, 2020

| Particulars | | As at 31.03.2020 | | As at 31.03.2019 | |
|---|-----|--------------------|--|--------------------|--|
| Note 3: Investment Property | | - | | - | |
| Note 4: Investments | | | | | |
| a Unquoted Investments in Equity Shares | | | | | |
| ADL Panel Pvt Ltd | | | | | |
| [5100 equity shares of Rs 10 each(PY Nil) | 51% | 51,000 | | - | |
| | | 51,000 | | - | |
| b Other Investment | | | | | |
| National Savings Certificate | | 24,350 | | 24,350 | |
| | | 24,350 | | 24,350 | |
| Total Investment | | 75,350 | | 24,350 | |
| Note 5: Loans & Advances | | | | | |
| Unsecured, Considered Good | | | | | |
| Loan to Others | | 110,243,114 | | 103,537,154 | |
| | | 110,243,114 | | 103,537,154 | |
| Note 6: Other Non-Current Financial Assets | | | | | |
| Balance With Banks | | | | | |
| - Fixed Deposit for Margin Money (Maturity period more than 1 year) | | 1,000,486 | | 951,701 | |
| | | 1,000,486 | | 951,701 | |
| Note 7: Deferred Tax Assets | | | | | |
| Opening deferred tax asset | | 350,872 | | - | |
| Deferred tax (Liability)/Asset arising in current year on account of timing difference | | | | | |
| 1. Depreciation | | 331,821 | | (373,459) | |
| 2. Gratuity | | (172,347) | | 534,749 | |
| 3. Leave Encashment | | 36,414 | | 690,376 | |
| 4. Provisions | | (455,280) | | (500,794) | |
| | | (259,392) | | 350,872 | |
| | | 91,480 | | 350,872 | |
| Note 8: Other Non-Current Assets | | | | | |
| a Capital Advances | | | | | |
| For Plant & Machinery | | 1,529,909 | | 4,587,921 | |
| | | 1,529,909 | | 4,587,921 | |
| b Advances Other then Capital Advances | | | | | |
| i)Security Deposits | | 7,091,406 | | 6,897,396 | |
| iii)Other Advances | | | | | |
| - Balance With Revenue Authorities | | 2,110,626 | | 1,975,747 | |
| - Other advances for supply | | 12,697,924 | | 12,697,924 | |
| | | 21,899,956 | | 21,571,067 | |
| c Preliminary Expenses | | 56,710 | | 75,612 | |
| Less: 1/5 written off | | 18,902 | | 18,902 | |
| | | 37,808 | | 56,710 | |
| d Demerger Reconstruction account | | - | | 36,446,611 | |
| Total Other Non Current Assets | | 23,467,673 | | 62,662,309 | |

Note 9: Inventories

(As taken, valued and certified by the management)

Raw Materials

192,032,153

204,445,408

Notes To Financial Statement For The Period Ended 31st March, 2020

| Particulars | | As at 31.03.2020 | | As at 31.03.2019 | |
|---|-----|------------------|--------------------|------------------|--------------------|
| Note 3: Investment Property | | | - | | - |
| Note 4: Investments | | | | | |
| a Unquoted Investments in Equity Shares | | | | | |
| ADL Panel Pvt Ltd | | | | | |
| [5100 equity shares of Rs 10 each(PY Nil) | 51% | | 51,000 | | - |
| | | | 51,000 | | - |
| b Other Investment | | | | | |
| National Savings Certificate | | | 24,350 | | 24,350 |
| | | | 24,350 | | 24,350 |
| Total Investment | | | 75,350 | | 24,350 |
| Note 5: Loans & Advances | | | | | |
| Unsecured, Considered Good | | | | | |
| Loan to Others | | | 110,243,114 | | 103,537,154 |
| | | | 110,243,114 | | 103,537,154 |
| Note 6: Other Non-Current Financial Assets | | | | | |
| Balance With Banks | | | | | |
| - Fixed Deposit for Margin Money (Maturity period more then 1 year) | | | 1,000,486 | | 951,701 |
| | | | 1,000,486 | | 951,701 |
| Note 7: Deferred Tax Assets | | | | | |
| Opening deferred tax asset | | | 350,872 | | - |
| Deferred tax (Liability)/Asset arising in current year on account of timing difference | | | | | |
| 1. Depreciation | | | 331,821 | | (373,459) |
| 2. Gratuity | | | (172,347) | | 534,749 |
| 3. Leave Encashment | | | 36,414 | | 690,376 |
| 4. Provisions | | | (455,280) | | (500,794) |
| | | | (259,392) | | 350,872 |
| | | | 91,480 | | 350,872 |
| Note 8: Other Non-Current Assets | | | | | |
| a Capital Advances | | | | | |
| For Plant & Machinery | | | 1,529,909 | | 4,587,921 |
| | | | 1,529,909 | | 4,587,921 |
| b Advances Other then Capital Advances | | | | | |
| i)Security Deposits | | | 7,091,406 | | 6,897,396 |
| iii)Other Advances | | | | | |
| - Balance With Revenue Authorities | | | 2,110,626 | | 1,975,747 |
| - Other advances for supply | | | 12,697,924 | | 12,697,924 |
| | | | 21,899,956 | | 21,571,067 |
| c Preliminary Expenses | | | 56,710 | | 75,612 |
| Less: 1/5 written off | | | 18,902 | | 18,902 |
| | | | 37,808 | | 56,710 |
| d Demerger Reconstruction account | | | - | | 36,446,611 |
| Total Other Non Current Assets | | | 23,467,673 | | 62,662,309 |

| | | | | | |
|---|--|--|--|--------------------|--------------------|
| | | | | | |
| Note 9: Inventories | | | | | |
| (As taken, valued and certified by the management) | | | | | |
| Raw Materials | | | | 192,032,153 | 204,445,408 |
| Finished Goods | | | | 91,736,494 | 81,057,846 |
| Stores, Spares & Consumption | | | | 5,953,927 | 7,061,503 |
| | | | | 289,722,574 | 292,564,757 |
| Note 10: Trade Receivables | | | | | |
| a Unsecured, Considered good | | | | | |
| Debtors outstanding for a period exceeding 6 months | | | | 71,694,214 | 36,826,066 |
| Other Debts(includes Related Party Nil (P.Y Nil/-)) | | | | 87,078,976 | 137,996,732 |
| | | | | 158,773,190 | 174,822,798 |

| | | | | | |
|--|-------------------------|--------------------|-------------------------|-------------------------|-------------------|
| Note 11: Cash & Cash Equivalents | | | | | |
| a Balances with Banks | | | | | |
| - Balances in current accounts | | | | 9,255,998 | 7,181,519 |
| b Cheques, Drafts on hand | | | | | |
| | | | | - | 558,870 |
| c Cash in hand | | | | | |
| | | | | 1,057,158 | 1,063,460 |
| | | | | 10,313,157 | 8,803,849 |
| Note 12: Bank balances other than Cash & Cash Equivalents | | | | | |
| Deposit for Margin Money | | | | 39,366,582 | 22,536,315 |
| | | | | 39,366,582 | 22,536,315 |
| Note 13: Current Tax Assets | | | | | |
| Advance Tax & TDS Receivable (Net of provision and current tax) | | | | 1,258,135 | 165,007 |
| | | | | 1,258,135 | 165,007 |
| Note 14: Other Current Assets | | | | | |
| a Loans and Advances (Related Party) | | | | | |
| Advances | | | | 2,139,440 | 2,164,521 |
| Interest Receivable | | | | 1,082,959 | - |
| b Others | | | | | |
| Prepaid expenses | | | | 1,456,326 | 892,876 |
| Balance With Revenue Authorities | | | | 41,400 | 161,879 |
| Other Loans & Advances | | | | 25,188,002 | 28,506,460 |
| | | | | 29,908,127 | 31,725,736 |
| Note 15: Equity Share Capital | | | | | |
| AUTHORIZED | | | | | |
| 60,00,000 Equity Shares of Rs. 10.00 each (P.Y 100,000 Equity Shares of Rs. 10 each) | | | | 60,000,000 | 1,000,000 |
| ISSUED, SUBSCRIBED, AND PAID UP | | | | | |
| 55,66,250 Equity Shares of Rs. 10.00 each (Previous year 50,000 shares of Rs.10 each) | | | | 55,662,500 | 500,000 |
| | | | | 55,662,500 | 500,000 |
| Details of the Shares hold by shareholders holding more than 5% of the aggregate shares in the Comapany | | | | | |
| a. | | | | | |
| Name of Shareholder | As at 31.03.2020 | | As at 31.03.2019 | | |
| | No of Shares | % of Shares | No of Shares | % of Shares | |
| Shyam Daga | 168,421 | 3.03 | 25,000 | 50.00 | |
| Arpita daga | 24,950 | 0.45 | 24,950 | 49.90 | |
| Assam Timber Products Pvt Ltd | 1,102,937 | 19.81 | - | - | |
| Vanraj Suppliers Pvt Ltd | 985,877 | 17.71 | - | - | |
| Ravi Marketing Services Pvt Ltd | 706,962 | 12.70 | - | - | |
| The Mysore Chipboards Limited | 449,357 | 8.07 | - | - | |
| b. Reconciliation of number of shares outstanding at beginning & end of the reporting period. | | | | | |
| Particular | | | As at 31.03.2020 | As at 31.03.2019 | |
| Outstanding as at beginning of the reporting period | | | 50,000 | 50,000 | |
| Add: Shares issued during the year on 20.02.2020 on account of Demerger of Chintamani unit of Archidply industries Limited into the Company as per NCLT order approved | | | 5,516,250 | - | |
| Outstanding as at end of the Reporting period | | | 5,566,250 | 50,000 | |
| | 86 | | | | |
| c. The Company has only one class of equity shares having a par value of Rs.10 per share, Each Shareholder is eligible for one vote per share. | | | | | |
| Note 16: Financial Non-Current Borrowings | | | | | |

| | | | | |
|---|--|--------------------|--|--------------------|
| Note 19: Trade Payables | | | | |
| - Micro,Small & Medium(PY-not identified) | | 6,622,227 | | - |
| - Others* | | 71,013,262 | | 98,072,170 |
| *(It includes Reverse Factoring with Yes bank and LC payable) | | | | |
| | | 77,635,490 | | 98,072,170 |
| Note 20: Other Financial Liabilities | | | | |
| Current Maturities of long term debt | | | | |
| - Term Loan | | 1,657,132 | | 7,256,072 |
| Other Payables* | | 11,608,253 | | 15,634,127 |
| *(It includes Statutory dues and expenses payable) | | | | |
| | | 13,265,385 | | 22,890,199 |
| Note 21: Current Provisions | | | | |
| a. Provision for Employee Benefits | | | | |
| Provision for gratuity | | 1,298,640 | | 908,528 |
| Provision for leave encashment | | 1,988,008 | | 1,251,587 |
| Other Employee Provisions | | 4,972,570 | | 6,916,944 |
| | | 8,259,218 | | 9,077,059 |
| b. Others | | | | |
| Provision for Cash Discount | | - | | 1,556,148 |
| Provision for Other Expense | | 2,583,113 | | - |
| | | 2,583,113 | | 1,556,148 |
| | | 10,842,331 | | 10,633,207 |
| Note 22: Other Current Liabilities | | | | |
| a Income received in advance | | | | |
| Advance from customers | | 6,520,270 | | - |
| | | 6,520,270 | | - |
| | | 6,520,269 | | - |
| Note 23: Revenue From Operations | | | | |
| Sale of Products | | | | |
| Manufactured Goods | | 322,060,369 | | 401,659,771 |
| Trading Goods | | 78,993,508 | | 153,371,069 |
| Other sales | | 264,973 | | 458,561 |
| | | 401,318,850 | | 555,489,401 |
| Other Operating Revenue | | | | |
| Other Operating Income | | 1,428,859 | | 3,116,626 |
| | | 1,428,859 | | 3,116,626 |
| | | 402,747,709 | | 558,606,027 |
| Particular of sale of products | | | | |
| Decorative Laminate | | 1,388,722 | | - |
| Pre Lamin Board | | 39,490,757 | | 122,271,477 |
| Plywood/Blockboard | | 101,731,614 | | 132,461,984 |
| Decorative Plywood/Veneer | | 240,363,820 | | 270,301,243 |
| Others | | 18,343,937 | | 30,454,697 |
| | | 401,318,850 | | 555,489,401 |
| Note 24: Other Income | | | | |
| Interest Received | | 12,550,691 | | 11,369,260 |
| Other Non Operating Income(including Foreign gain) | | 764,112 | | 188,101 |
| | | 13,314,802 | | 11,557,361 |

| Note 25: Cost of Material Consumed | | | | | |
|---|--|----|--|---|---|
| a Raw Material Consumed | | | | | |
| Opening Stock | | | | 204,445,408 | 215,845,798 |
| Add: Purchases | | | | 167,327,580 | 246,560,388 |
| Less: Closing Stock | | | | 192,032,153 | 204,445,408 |
| | | | | 179,740,835 | 257,960,778 |
| Imported and Indigenous Raw Materials Consumed: | | | | | |
| | | | | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
| | | | | % | Amount |
| Imported | | | | 68.71% | 123,494,926 |
| Indigenous | | | | 31.29% | 56,245,909 |
| | | | | 100% | 179,740,835 |
| | | | | 100% | 257,960,778 |
| Break up of Raw Materials Consumed (As certified by Management) | | | | | |
| | | | | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
| | | | | Qty | Amount |
| Paper in Kgs | | | | 28,368 | 6,976,673 |
| Timber in Cum | | | | 62 | 12,823,475 |
| Veener (incl own production) in sq. mtr | | | | 415,016 | 38,017,775 |
| Chemicals in Kgs | | | | 145,276 | 3,897,608 |
| Plywood/Particle Boards/MDF in sq. mtr | | | | 960,778 | 117,339,451 |
| Others | | | | - | 685,852 |
| | | | | 1,549,499 | 179,740,835 |
| | | | | 2,412,513 | 257,960,778 |
| Note 26: Purchase of Stock in trade | | | | | |
| Plywood and Block Board | | | | 62,830,903 | 119,249,346 |
| Veneers | | | | - | 213,000 |
| Others | | | | - | 332,079 |
| | | | | 62,830,903 | 119,794,425 |
| Note 27: Changes in Inventory of Finished Goods, Stock in process & Stock in trade | | | | | |
| Inveteries (at close) | | | | | |
| Finished Goods & WIP | | | | 84,063,461 | 73,292,204 |
| Stock-in-Trade | | | | 7,673,033 | 7,765,643 |
| Inveteries (at commencement) | | | | | |
| Finished Goods & WIP | | | | 73,292,204 | 55,988,459 |
| Stock-in-Trade | | | | 7,765,644 | 8,185,337 |
| (Increase) / Decrease in Stock | | | | (10,678,647) | (16,884,050) |
| Note 28: Employee Benefit Expenses | | | | | |
| Salaries and Wages | | | | 59,539,467 | 76,410,252 |
| Director Remuneration | | | | 30,000 | - |
| Club Membership Fees | | | | 89,295 | 91,599 |
| Contribution to and provisions for provident and other funds | | | | 3,322,560 | 6,678,654 |
| Staff Welfare Expenses | | | | 838,192 | 839,760 |
| | | | | 63,819,514 | 84,020,265 |
| Directors Remuneration, under Section 197 of the Companies Act, 2013 are as follows: | | | | | |
| Particulars | | | | Year ended March 31st 2020 (Rs.) | Year ended March 31st 2019 (Rs.) |
| Salary & Perks | | | | - | - |
| Sitting Fees | | | | 30,000 | - |
| Club Membership | | | | 89,295 | 91,599 |
| Note 29: Finance cost | | | | | |
| Interest on Term Loans | | | | 507,002 | 1,016,227 |
| Interest on Working Capital borrowings | | | | 22,369,575 | 21,455,087 |
| Other Interest | | | | 257,617 | 313,580 |
| Bank charges, L C Charges & Discounting Charges | | | | 3,716,722 | 5,671,793 |
| Processing Charges | | | | 994,627 | 591,910 |
| | | | | 27,845,542 | 29,048,598 |
| Note 30: Other Expenses | | | | | |
| a Manufacturing Expenses | | 89 | | | |
| Stores and Spares consumed * | | | | 10,050,357 | 11,249,125 |
| Packing Charges | | | | 2,498,608 | 3,840,859 |

| | | | | | | | |
|---|--|--|----------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Packing Charges | | | | 2,498,608 | | 3,840,859 | |
| Processing Charges | | | | 1,424,513 | | - | |
| Power and fuel consumed | | | | 5,033,902 | | 6,810,835 | |
| Repairs to Plant and Machinery | | | | 978,564 | | 872,046 | |
| Repairs to Others | | | | 212,571 | | 262,660 | |
| | | | | 20,198,514 | | 23,035,525 | |
| *Imported and Indigenous Stores and Spare Parts Consumed: | | | | | | | |
| | | | | Year Ended 31.03.2020 | | Year Ended 31.03.2019 | |
| Particulars | | | | % | Amount | % | Amount |
| Imported | | | | 4% | 449,979 | 36.73% | 4,131,661 |
| Indigenous | | | | 96% | 9,600,378 | 63.27% | 7,117,464 |
| | | | | 100% | 10,050,357 | 100% | 11,249,125 |
| b Selling, Distribution, Administrative and Other Expenses | | | | | | | |
| Rent | | | | | 5,603,287 | | 5,074,816 |
| Rates and Taxes | | | | | 1,758,602 | | 698,806 |
| Printing and Stationery | | | | | 469,997 | | 533,290 |
| Postage, Telephone and Telegram | | | | | 1,256,938 | | 1,388,960 |
| Insurance | | | | | 1,633,901 | | 1,858,638 |
| Legal, License and Professional Fees | | | | | 609,500 | | 1,054,849 |
| Repairs & Maintenance Expenses | | | | | 944,137 | | 1,752,870 |
| Auditors Remuneration | | | | | 175,330 | | 5,900 |
| Advertisement | | | | | 107,380 | | 602,866 |
| Travelling and conveyance | | | | | 9,203,686 | | 10,446,514 |
| Commission on sales and samples | | | | | 119,876 | | 1,839,551 |
| Sample Folders Sales | | | | | 1,373,530 | | 2,118,991 |
| Freight, forwarding and other expenses | | | | | 13,765,321 | | 20,646,089 |
| Vehicle Running Expenses | | | | | 482,927 | | 619,172 |
| Sales Promotion Expenses | | | | | 7,060,120 | | 12,234,634 |
| Discount & Rebates | | | | | 12,957,250 | | 15,826,288 |
| Bad debts written off | | | | | 5,193,671 | | (69,222) |
| Foreign Exchange | | | | | 3,413,145 | | 6,448,088 |
| CSR Discharged | | | | | 122,027 | | 132,664 |
| Other Expenses | | | | | 2,378,242 | | 8,142,530 |
| Preliminary Expenses | | | | | 18,902 | | 18,902 |
| Loss on sale of Fixed Assets | | | | | - | | - |
| | | | | | 68,647,769 | | 91,375,196 |
| Grand Total(a + b) | | | | | | | |
| | | | | | 88,846,283 | | 114,410,720 |
| Auditors Remuneration | | | | | | | |
| Particulars | | | | | Year Ended 31.03.2020 | | Year Ended 31.03.2019 |
| a) Statutory Audit Fee | | | | | 75,000 | | 5,900 |
| b) Tax Audit Fee | | | | | 25,000 | | - |
| c) GST Audit fee | | | | | 55,000 | | - |
| d) other Consultancy fee | | | | | 20,330 | | - |
| Total | | | | | 175,330 | | 5,900 |
| Note 31: Value of Imports on CIF basis in respect of: | | | | | | | |
| | | | | Year Ended 31.03.2020 | | Year Ended 31.03.2019 | |
| Particulars | | | % | Amount | % | Amount | |
| i) Raw Materials | | | 99.62% | 116,641,723 | 97.60% | 166,575,439 | |
| ii) Stores and spare parts | | | 0.38% | 443,857 | 1.26% | 2,153,579 | |
| iii) Capital Goods | | | | - | 1.14% | 1,948,800 | |
| Total | | | 100.00% | 117,085,580 | 100.00% | 170,677,818 | |
| Note 32: Expenditure in Foreign Currency | | | | | | | |
| a) Foregin travelling | | | | | 521,004 | | 538,010 |
| b) Import of Goods | | | | | 131,479,874 | | 170,677,818 |
| | | | | | 132,000,877 | | 171,215,828 |
| Note 33: Earnings in Foreign Currency | | | | | | | |
| Export of goods | | | | | - | | - |
| | | | | | - | | - |

| Note 34: Contingent Liabilities & Commitments (To the extent not provided for) | | | |
|--|--|-----------|-----------|
| 1 Contingent Liabilities | | | |
| A) The Company has filed appeal with the Tribunal against the order of the Commissioner for the availment and utilization of irregular credit taken on capital expenditure at Chintamani Unit amounting to Rs. 43,03,304/- for the financial year 2011-12. The Company has reversed the amount of Rs.30,45,832/- and charged it to profit & loss account. The credit of an amount of Rs.12,57,472 is under litigation. | | | |
| | | 1,257,472 | 1,257,472 |
| | | | |

II. NOTES ON ACCOUNTS

Note: - 35 :- Demerger of Company

The Board of Directors in the meeting held on 30th May 2018 have approved the scheme of arrangement for demerger of Chintamani Unit of Archidply Industries Limited into Archidply Décor Limited subject to necessary approval of Creditors, Banks, Stock Exchange and National Company Law Tribunal under the Company's Act and other applicable laws.

During the year, Archidply Industries Limited has received the Order dated 8th January, 2020 of the Hon'ble National Company Law Tribunal (NCLT) Allahabad Bench, Allahabad approving demerger of Chintamani Undertaking of Archidply Industries Limited and has been given effect during the current financial year w.e.f 01.04.2018. Accounting for the same has been described in detailed in point no.2 of Significant Accounting Policy.

Note: - 36 :- Corporate social responsibility (CSR) Activity

In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss.

The Company is not liable for any CSR as per section 135 of the Companies Act but however, during the year the company has spent Rs.1,22,027/- (P.Y. Rs.1,32,664/-) towards corporate social responsibility (CSR) under Section 135 of the Companies Act, 2013 and rules thereon by way of contribution to schools for their development.

Note: - 37 Earning Per Share:

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

| Particulars | Year ended march 31 st 2020 (Rs.) | Year ended march 31 st 2019 (Rs.) |
|---|--|--|
| i) Net Profit After Tax (A) (Rs.) | (11,292,882) | (32,848,460) |
| ii) Weighted Average number of Equity Shares (B) | 55,66,250 | 55,66,250 |
| iii) Face Value Per Equity Share (Rs.) | 10 | 10 |
| iv) Earning Per Share (A-B) (Rs) - Basic & Diluted | (2.03) | (5.90) |

As Profit and Loss for the year includes Profit /Loss of Chintamani unit of Archidply Industries Limited as per demerger scheme, for 01/04/2018 total number of shares

company was obliged to issue are taken to arrive at Earning per share for both the years.

Note: - 38 : Segment Reporting

The Company is having turnover less than 50 crores and also it is involved in only one business, therefore as per IND AS 108 on Operating segment reporting, is not applicable to the company.

Note: - 39: Related Party

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Disclosure as per Ind AS 24 "Related Party Disclosures" Issued by the Institute of Chartered Accountants of India is as follows:

Companies with significant influence:

- i) The Mysore Chip Boards Ltd
- ii) Assam Timber Products Pvt Ltd
- iii) Shree Shyam Tea Pvt Ltd
- iv) Bordhumsa Tea Company Pvt Ltd
- v) Vanraj suppliers Pvt Ltd
- vi) Ravi Marketing Services Pvt Ltd
- vii) Archidply Industries Ltd.
- viii) ADL Panel Pvt Ltd. (Subsidiary Company)
- ix) ADL Particles and Board MDF Pvt Ltd.

Key Management Personnel:

- i) Mr. Shyam Daga –Managing Director
- ii) Mr. Rajiv Daga –Director
- iii) Mr. Akshatha Rai- Additional Director
- iv) Mr. Kukkehalli Raviraj Hegde -Additional Director
- v) Mr. Rajneesh Sharma- Company Secretary
- vi) Mr. Raj Kishore Prasad- Chief Financial officer

The Company has entered into transactions with related parties as listed below during the year under consideration. Full Disclosure has been made and the Board of Directors considers such transactions to be in normal course of business and at rates agreed between the parties. Details of transactions with related parties are as follows:

| Particulars | Year ended 31.03.2020 | Year ended 31.03.2019 |
|-------------|--------------------------|--------------------------|
|-------------|--------------------------|--------------------------|

| | | |
|---|-----------|-----------|
| Transactions with related parties: | | |
| Archidply Industries Ltd | | |
| Rent paid | 1,20,000 | 1,20,000 |
| ADL Panel Pvt Ltd. | | |
| Interest Received | 12,03,288 | Nil |
| Key Management Personnel | | |
| a) Remuneration to Director paid | Nil | Nil |
| b) Sitting fee paid | 30,000 | Nil |
| c) Salary paid to CFO and CS | 8,69,252 | Nil |
| d) Club Membership fee | 89,295 | 91,599 |
| Receivable from Related Parties | | |
| a) Advances | | |
| - The Mysore Chipboards Ltd. | 21,39,440 | 20,14,053 |
| b) Interest Receivable | | |
| - ADL Panel Pvt Ltd. | 10,82,959 | Nil |

Note: - 40Micro, Small Or Medium Enterprises

The company has identified the suppliers who fall within the Micro, Small & Medium Enterprises Development Act 2006. The principal amount outstanding remaining unpaid to suppliers under the Micro, Small & Medium Enterprises Development Act 2006 as at 31-03-2020 is Rs 66,22,227/-.

Note 41: Valuation of Gratuity

Actuarial Valuation Assumption Used for Valuation

As the Company got employees only after demerger of Chintamani unit of Archidply Industries Limited separate calcul demerged undertaking is not available, so Previous year figures are not given here.

Economic Assumptions

| Date of Valuation | 31st March 2020 |
|-----------------------------------|------------------------|
| Discount Rate | 6.70% |
| Salary Escalation Rate | 10.00% |
| Expected Rate of Return on Assets | N.A. |
| Attrition Rate | 7.00% |
| Retirement Age | 58 Years |

| Amounts in Balance Sheet at Period-End | 31st March 2020 |
|---|------------------------|
| Closing Defined Defined Benefit Obligation | 7,351,568 |

| | |
|---|------------------|
| Closing Fair value of Plan Assets | - |
| Unrecognized Prior Service Cost | - |
| Limit under Para 59 (b) | |
| Net Amount Recognized in Balance Sheet | 7,351,568 |

| Amounts Recognised in Statement of Profit & Loss at Period-End | 1st April 2019 to 31st March 2020 |
|---|--|
| Company Service Cost - CY | - |
| Interest Cost - CY | - |
| Expected Return on Assets - CY | - |
| Past Service Cost - CY | - |
| Actuarial (Gains)/Losses - CY | - |
| Other Adjustments - CY | - |
| Net Periodic Benefit Cost/(Income) - CY | - |

| Current / Non Current Bifurcation | 31st March 2020 |
|--|------------------------|
| Current Liability | 1,298,640 |
| Non Current Liability | 6,052,928 |
| (Asset)/Liability Recognised in the Balance Sheet | 7,351,568 |

| Change in Defined Benefit Obligation during the period | 1st April 2019 to 31st March 2020 |
|---|--|
| Opening Defined Benefit Obligation | - |
| Current Service Cost | - |
| Interest Cost | - |
| Plan Participants' Contributions | - |
| Actuarial (Gain)/Loss | - |
| Acquisition/Divestiture - L | 7,351,568 |
| Benefits Paid | - |
| Past Service Cost | - |
| Currency Impact | - |
| Curtailments | - |
| Settlements | - |
| Closing Defined Benefit Obligation | 7,351,568 |

| Reconciliation of Amounts Recognised in Balance Sheet | 31st March 2020 |
|--|------------------------|
| | |

| | |
|-----------------------------|------------------|
| Op. Balance Sheet | - |
| P&L | - |
| Contributions/Benefits Paid | - |
| Acquisition / Divestiture | 7,351,568 |
| Other Adjustment | |
| Cl. Balance Sheet | 7,351,568 |

MANAGEMENT DISCUSSION & ANALYSIS

Strengths and Weaknesses, Opportunities and Threats,

STRENGTHS

- ✓ Experienced Management Team.
- ✓ Long standing relations with reputed clientele in the industry.
- ✓ Ability to provide quality services.
- ✓ Ability to control costs.

WEAKNESSES

- ✓ Working Capital Intensive Business.
- ✓ Low bargaining power with customers.

OPPORTUNITIES&THREATS

The Company mainly deals in high end plywood and decorative veneers. The lockdown caused by the COVID-19 pandemic affected the wood panel industry and business. Even after the lockdown is lifted, the market could be affected as Decorative Veneer is considered a luxury segment.

In future rise in the demand of Hospitality Sector, Hospitals, Office & Retail Space and residential in future will trigger the opportunities for your company as a result the demand for interior products will further increase.

Inspite, of all these positive factors there are threats in the form of dumping, import of low cost products from overseas, increasing number of manufacturers in both organized as well as unorganized sectors, volatile market, may recede the projected growth. Further the price war has emerged in the veneers.

As your company's brand is well established in the market and pan India presence with dedicated channel partners nationwide for more than four decades and emphasis on quality and manufacture of eco-friendly products serve as the tools to withstand competition and move forward and achieve the estimated growth. The Company has maintained product quality, policies and commercial practices Inspite of unhealthy competition and introduced variants in the same product categories.

Outlook

Internal Control Systems and their adequacy

The Company has an adequate internal control commensurate with its size and nature of operations. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting treatment. The Company has a well-established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel.

Material Developments in Human Resources/ Industrial relations front, including number of people employed

Human resource management is an important function in the Company. The Company's aim is to create a working environment that attracts, motivate and retains the best people. Companies Value aims to deliver value to its clients and opportunities to its employees in terms of career development and recognition. The firm has always emphasized

on quality of life, work life balance and continuous learning and excellence, Company successfully completed following initiatives;

- Establish a performance based culture with well-defined structures, roles and responsibilities;
- Capability maturity benchmarking exercise across all functions, processes, people and technology;
- Rationalized Grades and uniform structures across organisation.
- Identify key talent based on functional as well as behavioral competencies.

Discussion of Financial Performance

- 1. Share Capital:** As on March 31, 2020, the Paid – up Share Capital of the Company stood at INR comprising of 55,662,500/- consisting of 55,66,250 Equity Shares of Rs. 10/-each.
- 2. Reserves & Surplus:** During the year 2019-20 the total Reserves & Surplus of our Company was INR 445,895,379/-
- 3. Result:** During the year 2019-20 the total profit/ loss after tax of our company was INR (11,292,882)/- representing an decrease as compared to Financial Year 2018-2019.

Operations

Archidply Décor Limited did not have any operations since incorporation. The Chintamani division of Archidply Industries Limited has been demerged and vested into a separate legal entity under the name “Archidply Décor Limited” pursuant to the scheme of arrangement.

SECTION 5: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Resulting Company (Archidply Décor Limited)

- a) The Company has filed appeal with the Tribunal against the order of the Commissioner for the availment and utilization of irregular cenvat credit taken on capital expenditure at Chintamani Unit amounting to Rs. 43,03,304/- for the financial year 2011-12. The Company has reversed the amount of Rs.30,45,832/- and charged it to profit & loss account. The credit of an amount of Rs.12,57,472 is under litigation.

Demerged Company (Archidply Industries Limited)

- a) On account of Demerger of Plywood & Block Board and Particle & laminated board (both divisions) of The Mysore Chip Boards Limited in to the Archidply Industries Limited in the financial year 2007-08:
- i) Various parties had filed a civil suit for recovery of dues/ damages against The Mysore Chip Boards Limited, which has been disputed by The Mysore Chip Boards Limited and had deposited an amount of Rs. 11,46,419/- (P.Y. Rs. 11,46,419) with Hon'ble High Court of Gujarat.
- ii) The Archidply Industries Limited, for and on behalf of The Mysore Chip Boards Limited has given a guarantee towards a show cause notice issued by the Excise Department demanding a dues from The Mysore Chip Boards Limited. However The Mysore Chip Boards Limited had deposited an amount of Rs. 16,00,000/- (P.Y. Rs. 16,00,000/) with Central Excise Department. The Mysore Chip Boards Limited had filed an appeal & disputed the said demand and the demand has been reduced to Rs.81,01,637/- (P.Y. Rs.81,01,637/) and the penalty of the same amount by Commissioner of Central Excise, Mysore on 05/10/2006. The Mysore Chip Board Ltd has filed an appeal to Custom, Excise & Service Tax Appellate Tribunal, Bangalore and obtained a stay order against that demand. The tribunal has remanded back the case to the Commissioner of Central Excise for taking fresh decision after following the principles of natural justice. The Department has filed the appeal before the Honourable Supreme Court against the order of the Tribunal.
- b) Archidply Industries Limited has received demand from Income Tax Department, demanding income tax of Rs. 2,67,890 /- for the AY 2009-10. The company has filed an appeal against the same which is pending with CIT Appellate 1

Archidply Industries Limited has received demand from Income Tax Department, demanding income tax of Rs. 4,85,350 /- for the AY 2010-11. The company has filed an appeal against the same which is pending with CIT Appellate 1

GOVERNMENT APPROVALS

Pursuant to the Scheme, Chintamani Division is transferred and vested into Archidply Décor Limited as a going concern w.e.f. Appointed Date i.e. 1st April, 2018. Being in existence for several years, the Chintamani division has got all approvals and government permissions. However, the Company has already applied to registrar for seeking change of name on all permissions / approvals pursuant to the Scheme of Arrangement.

REGULATORY AND STATUTORY DISCLOSURES

Authority for the Listing

The National Company Law Tribunal, Allahabad Bench vide its Order dated 8th January, 2020 approved the Scheme of Arrangement by way of Demerger between Archidply Industries Limited and Archidply Décor Limited and their respective shareholders and creditors for demerger of Chintamani division into Archidply Décor Limited (Resulting Company) and retaining the residual business of Rudrapur Division of Archidply Industries Limited (Demerged Company).

Archidply Décor Limited received the certified copies of the Order on 15th January, 2020 and the same was filed with Registrar of Companies, Uttarakhand on 1st February, 2020. Hence the effective date of the Scheme of Arrangement is 1st February, 2020 and the Appointed Date was 1st April, 2018. Archidply Industries Limited fixed record date as 14th February, 2020 for the purpose of ascertaining eligible members for the allotment of shares pursuant to the Scheme and the same was taken on record by BSE and NSE. Upon Scheme becoming effective, the shareholders of Archidply Industries Limited without any act, or deed were allotted 1 equity shares of Archidply Décor Limited of the face value of Rs. 10/- fully paid up, in the following manner for every existing 4 shares held in Archidply Industries Limited of the face value of Rs. 10/- each fully paid-up.

In accordance with the said scheme, the Equity Shares of Archidply Décor Limited issued pursuant to the Scheme shall be listed and admitted to trading on BSE and National Stock Exchange of India Limited (NSE). Such listing and admission for trading is not automatic and is subject to fulfillment by Archidply Décor Limited of listing criteria of BSE and NSE and also subject to such other terms and conditions prescribed by BSE and NSE at the time of application seeking listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations, 2018 do not become applicable. However, SEBI has vide the SEBI Circular granted relaxation of clause (b) to sub-rule (2) of the rule 19 thereof by making an application to the board under sub-rule (7) of rule 19 of the SCCR, as amended. Archidply Décor Limited has submitted the Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and National Stock Exchange of India Limited (NSE) for making the said Information Memorandum available to public through their websites www.bseindia.com. And www.nseindia.com. Archidply Décor Limited has made the said Information Memorandum available on its website at www.archidplydecor.com.

ADL has published an advertisement in the newspapers containing its details as per SEBI Circular. The advertisement shall contain specific reference to the availability of this Information Memorandum on the website of our Company.

Prohibition by SEBI

The Company, its' Directors, its Promoters, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Disclaimer Statement by Archidply Décor Limited

Archidply Décor Limited accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI Circular or any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk should be incorporated. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of ADL. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at BSE Limited and National Stock Exchange of India Limited (NSE) is completed within such period as approved by SEBI.

In principle Approval from BSE

The Company has received in-principle approval under Regulation from BSE bearing no. CS/AMAL/SD/R37/1352/2018-19 dated November 30, 2018 and listing approval from BSE bearing letter no. DCS/AMAL/SV/IP/1768/2020-21 dated 7th August, 2020.

In principle Approval from NSE

The Company has received in-principle approval under Regulation from NSE bearing no. NSE/LIST/58074-1 dated November 30, 2018 and listing approval from NSE bearing Letter No. NSE /LIST/30 dated 12th May, 2020.

SEBI Relaxation of Rule 19(2) (b) of Securities Contracts (Regulation) Rules,1957

The Securities and Exchange Board of India (SEBI) has given relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 to the company vide the letter bearing no. SEBI, vide its letter no. SEBI/HO/CFD/DIL2/OW/P/2020/10682/1 dated 28th May, 2020.

Disclaimer Clause - BSE

As required, a copy of this Information Memorandum has been submitted to BSE. BSE has vide its letter dated November 30, 2018 approved the Scheme of Arrangement and virtue of that approval, the BSE's name is included in this Information Memorandum as one of the stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner

- (a) Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- (b) warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- (c) take any responsibility for the financial or other soundness of this Company; and
- (d) It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to

independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause - NSE

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter dated November 30, 2018 approved the Scheme of Arrangement and virtue of that approval, the NSE's name is included in this Information Memorandum as one of the stock Exchanges on which the Company's securities are proposed to be listed.

The NSE does not in any manner

- (a) Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- (b) warrant that this Company's securities will be listed or will continue to be listed on the NSE; or
- (c) take any responsibility for the financial or other soundness of this Company; and
- (d) It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the NSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copy of this Information Memorandum has been filed with BSE and NSE.

Demat Credit

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE0CHO01012. Shares have been allotted to those shareholders who have provided necessary details to the Company and/or who were holding their shares in ARCHIDPLY Industries Ltd. in demat form as on the Record Date, 14th February, 2020. The demat shares have been credited to the demat accounts of the shareholders by CDSL on 01st April 2020 and NSDL on 24th March, 2020.

Dispatch of share certificates

ADL has issued and allotted equity shares on 20th February, 2020 pursuant to the Scheme, to the eligible shareholders of Archidply Industries Limited. ADL has dispatched share certificates to the eligible shareholders in physical form on 12th March, 2020 and have dispatched Physical Share Certificates to concerned shareholders against NSDL & CDSL Electronic Credit Rejection Shares of M/s. Archidply Décor Limited on 8th May, 2020.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained an expert opinions.

Previous Rights and Public Issues

The Company has not made any public or rights issue since its incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

This is the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by the Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity Shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Disposal of Investor Grievances

Kfin Technologies Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/ complaints from the investors/ shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries / actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The Company has set up service standards for each of the various processors involved such as effecting the transfer/ dematerialization of securities/ change of address. Kfin Technologies Private Limited maintains an age-wise analysis of the process to ensure that the standards are duly adhered to.

Mr. Rajneesh Sharma, Company Secretary and Compliance Officer of the Company is vested with the responsibility of addressing the Investor Grievances in coordination with Registrar & Transfer Agents. She may be contacted in case of any queries at the following address:

Company Secretary and Compliance Officer

Mr. Rajneesh Sharma

Tel: +91 080 4371 4281

Email: rajneeshsharma@archidply.com

Change in Auditors

There has been no change in the Auditors of the Company since incorporation.

SECTION 6: OTHER INFORMATION

MAIN PROVISIONS OF THE NEW SET OF ARTICLES OF ASSOCIATION

The main provisions of the set of Articles of Association of the Company (since incorporation) are furnished hereunder:

| Title of Article | Article Number and contents |
|------------------|---|
| Table "F" | 1. The regulations contained in Table F in the first Schedule of the Companies Act, 2013 (herein after called the said Act) as far as they are applicable to a private company, shall apply to this Company. Save as far as they are expressly or by implication, excluded by the following articles |

| INTERPRETATION | |
|----------------|--|
| | <ol style="list-style-type: none">1. In these regulations --<ol style="list-style-type: none">(a) "the Act" means the Companies Act, 2013,(b) "the seal" means the common seal of the company.2. The Company is a Public Company within the meaning of Section 2 (71) of the Companies Act 2013, and accordingly, which:<ol style="list-style-type: none">(a) is not a Private Company;<p style="margin-left: 40px;">Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.</p>3. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company. |

| of Article | Article Number and contents |
|---------------|--|
| SHARE CAPITAL | <ol style="list-style-type: none">1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --<ol style="list-style-type: none">(a) one certificate for all his shares without payment of any charges; or(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. |

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders

3. i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

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| <p style="text-align: center;">LIEN</p> | <p>9.(i) The company shall have a first and paramount lien --</p> <p style="padding-left: 40px;">(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p style="padding-left: 40px;">(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p style="padding-left: 40px;">Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p style="padding-left: 40px;">(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> <p>10.The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p style="padding-left: 40px;">Provided that no sale shall be made --</p> <p style="padding-left: 40px;">(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p style="padding-left: 40px;">(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p> <p>11.(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof</p> <p style="padding-left: 40px;">(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p style="padding-left: 40px;">(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p> <p>12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p style="padding-left: 40px;">ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p> |
| <p style="text-align: center;">CALLS ON SHARES</p> | <p>13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p style="padding-left: 40px;">Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p style="padding-left: 40px;">(ii) Each member shall, subject to receiving at least fourteen days' notice specifying</p> |

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| | <p>the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>(iii) A call may be revoked or postponed at the discretion of the Board.</p> <p>14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.</p> <p>15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p> <p>16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p> <p>17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p> <p>18. The Board --</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p> |
| <p>TRANSFERS OF SHARES</p> | <p>19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> <p>20. The Board may, subject to the right of appeal conferred by section 58 decline to register --</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the company has a lien.</p> <p>21. The Board may decline to recognise any instrument of transfer unless --</p> <p>(a) the instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to</p> |

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| | <p>which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p> <p>22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p> |
| <p>TRANSMISSION OF SHARES</p> | <p>23. i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares</p> <p>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> <p>24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either --</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> <p>25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p> <p>26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of</p> |

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| | <p>all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> |
| <p>FORFEITURE OF SHARES</p> | <p>27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p> <p>28. The notice aforesaid shall --</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p> <p>29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p> <p>30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> <p>31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p> <p>32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(iii) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p> <p>33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p> |

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| <p>ALTERATION OF CAPITAL</p> | <p>34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.</p> <p>35. Subject to the provisions of section 61, the company may, by ordinary resolution, --(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> <p>36. Where shares are converted into stock, --</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.</p> <p>37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p> |

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| <p>CAPITALISATION OF PROFITS</p> | <p>38. (i) The company in general meeting may, upon the recommendation of the Board, resolve --</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards --</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p> <p>39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall --</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power -</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p> |
| <p>BUY-BACK OF SHARES</p> | <p>40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p> |

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| <p>GENERAL MEETING</p> | <p>41. All general meetings other than annual general meeting shall be called extraordinary general meeting.</p> <p>a) The general meeting of a company may be called by giving not less than clear</p> |
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| | <p>seven days' notice either in writing or through electronic mode. The general meeting may be called after giving a shorter notice, with the consent, given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at the meeting.</p> <p>42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p> |
| <p>PROCEEDINGS AT GENERAL MEETINGS</p> | <p>43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p> <p>44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.</p> <p>45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.</p> <p>46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.</p> |
| <p>ADJOURNMENT OF MEETING</p> | <p>47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> |

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| <p>VOTING RIGHTS</p> | <p>48. Subject to any rights or restrictions for the time being attached to any class or classes of shares, --</p> <p>(a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> <p>49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.</p> <p>50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> <p>51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.</p> <p>52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.</p> <p>53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.</p> <p>54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p> |
| <p>PROXY</p> | <p>55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.</p> <p>56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.</p> <p>57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p> |

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| BOARD OF DIRECTORS | <p>58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.</p> <p>The following persons shall be the first Directors of the Company: 1.SHYAM DAGA 2.ARPITA DAGA 3.RAJIV DAGA</p> <p>59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them -- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company.</p> <p>60. The Board may pay all expenses incurred in getting up and registering the company.</p> <p>61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine</p> <p>63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.</p> <p>64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p> |
| PROCEEDINGS OF THE BOARD | <p>65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> |

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

70. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

71. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

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| <p>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY CHIEF FINANCIAL OFFICER</p> | <p>74. Subject to the provisions of the Act, --</p> <p>(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p> |
| <p>THE SEAL</p> | <p>76 (i) The Board shall provide for the safe custody of the seal.</p> <p>(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p> |
| <p>DIVIDENDS AND RESERVE</p> | <p>77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.</p> <p>78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.</p> <p>79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> <p>80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall</p> |

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| | <p>rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> <p>81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.</p> <p>82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.</p> <p>84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.</p> <p>85. No dividend shall bear interest against the company.</p> |
| ACCOUNTS | <p>86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p> |
| WINDING UP | <p>87. Subject to the provisions of Chapter XX of the Act and rules made thereunder --</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p> |
| INDEMNITY | <p>88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p> |

MATERIAL CONTRACTS AND DOCUMENTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company), which are or may be deemed material have been entered or are to be entered into by the Company. Copies of these contracts and also the documents for inspection referred to hereunder, will be delivered to the BSE Limited and National Stock Exchange of India Limited(NSE). These documents may be inspected at the Registered Office of Archidply Décor Limited at Plot. No.7, Sector 9, Integrated Industrial Estate, Sidcul, Pant Nagar, Rudrapur, Udham Singh Nagar, Uttarakhand from 10.00 A.M. to 01.00 P.M. on all working days from Monday to Friday.

1. Memorandum of Understanding dated 11th February, 2020 entered into between the Company and Kfin Technologies Private Limited, Registrar and Share Transfer Agent.
2. Certificate of Incorporation of the Company dated 14th June, 2017 and fresh Certificate of Incorporation of the Company due to shifting of its registered office from the State of Karnataka to the State of Uttarakhand dated 08th January, 2018.
3. Tripartite Agreement dated 11th February, 2020 entered between the Company, National Securities Depository Limited (NSDL) and Share Registrar and Share Transfer Agent.
4. Tripartite Agreement dated 11th February, 2020 entered between the Company, Central Depository Services (India) Limited (CDSL) and Share Registrar and Share Transfer Agent.
5. Listing Agreement with BSE Limited and National Stock Exchange of India Limited (NSE)
6. Audited financial statements and Independent Auditors Report of the Company for the Financial Year 2018-19 and 2019-20.
7. Order dated 08th January, 2020 of the National Company Law Tribunal at Allahabad approving the Scheme of Arrangement.
8. Observation Letter dated 30th November, 2018 under Regulation 37 of Listing Agreement of BSE Limited approving the Scheme of Arrangement.
9. Observation Letter dated 30th November, 2018 under Regulation 37 of Listing Agreement of National Stock Exchange of India Limited (NSE) approving the Scheme of Arrangement.
10. SEBI'S letter bearing no. SEBI/HO/CFD/DIL2/OW/P/2020/10682/1 dated 28th May, 2020 granting relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 for the purpose of listing of shares of Archidply Décor Limited.
11. BSE Letter No. (Letter No. DCS/AMAL/SV/IP/1768/2020-21) **dated 7th August, 2020** granting in-principle approval for listing of **55,66,250** Equity Shares of Rs. 10/- (Rupees Ten) each fully paid up.
12. NSE Letter No. NSE /LIST/30 dated 12th May, 2020 granting in-principle approval for listing of **55,66,250** Equity Shares of Rs. 10/- (Rupees Ten) each fully paid up.

DECLARATION

To the best of our knowledge and information, all statements made in this Information Memorandum is true and correct.

For and on behalf of the Board of Directors of Archidply Décor Limited

Sd/-
(Shyam Daga)
Director
Dated:14.09.2020