



Archidply Industries Limited  
Annual Report 2023

# DRIVING GROWTH



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**“GROWTH IS  
NEVER BY MERE  
CHANCE; IT  
IS THE RESULT  
OF FORCES  
WORKING  
TOGETHER.”**

*James Cash Penney*

At Archidply, our business growth has happened through years of patient perseverance in creating an array of diverse products and solutions, building brand awareness and providing a compelling value-proposition to our customers.

As we move forward, we are adding an critical growth lever which will give our customers' one more reason to choose us as their interior designing partner. And drive our growth.

# STATEMENT FROM THE CHAIRMAN





**DEAR SHAREHOLDERS,**

It is a pleasure to communicate my thoughts through this narrative as your Company posted a satisfying performance despite the multi-dimensional global challenges that cast a shadow on India's progress.

Notwithstanding prevailing volatility, our resilient nation deftly maneuvered through the maze to register solid economic progress that buoyed corporate India's sentiments and the ordinary person on the street.

Moreover, the real estate also rebounded well, with all segments within this vast space reporting appreciable growth. These realities provided tailwinds to the Company's performance. The improvement in profitability parameters was particularly heartening as it happened in a period of elevated inflation and rising interest rates. It adds a credibility watermark to our business model and strategies. As we step into the current year, we hope to sustain our momentum, which will help us create significant value for all our stakeholders.

**Into the future**

India is the beacon of economic hope for the world. While the Western world strives to battle recessionary conditions, India is marching ahead to strengthen its position in the global economic pecking order. The Government is leaving no stone unturned to establish India as a global manufacturing hub. Its policies are alluring global conglomerates to set shop in our country.

As the trend gains momentum over the coming years, I am optimistic that it will usher in considerable positivity for the real estate and our business space over the medium-term.

India's demographic dividend is another important positive that should

contribute to a more promising outlook for our sector and business.

1) India's more than 1.4 billion people, with an average age of 29, has one of the youngest populations globally. With this youth force stepping into the workforce, it will create a 'demographic dividend' to spur demand across sectors.

**INDIA IS THE BEACON OF ECONOMIC HOPE FOR THE WORLD. WHILE THE WESTERN WORLD STRIVES TO BATTLE RECESSIONARY CONDITIONS, INDIA IS MARCHING AHEAD TO STRENGTHEN ITS POSITION IN THE GLOBAL ECONOMIC PECKING ORDER."**

2) India's middle-class will continue to grow. According to the estimate of People Research on India's Consumer Economy (PRICE), the share of the middle class with an annual household income in excess of ₹5-30 lakh has more than doubled from 14% in FY05 to 31% in FY21. It is projected to rise to 63% by FY47.

**Our plan for tomorrow**

Over the years, the entire Archidply parivaar has persevered to build a strong base for our plywood and laminate verticals. We have created new

products that have gained considerable traction among opinion-influencers and decision-makers. It is reflected in our growing business volumes and increasing topline.

Having established our brand in the minds of discerning customers, we have planned to add a critical business level that promises to transition the organisation into the next level of growth.

We are foraying into the high-potential MDF Boards business under our Wholly Owned Subsidiary (WOS), with a capacity of 250 CBM per day greenfield facility at Sitarganj, Uttarakhand. This strategic initiative marks a significant milestone in our journey to become a future-ready organisation.

Alongside, we will continue to invest in augmenting our capacities and capabilities, drive product innovation and process improvement with equal zeal and accelerate our digital outreach efforts to cement our brands among the new-age consumers – the Indian youth. Moreover, we will work consciously on growing our dealer network to ensure we remain proximate to all consuming markets. Additionally, we will rejuvenate our product basket to ensure we effectively cater to premium and value segments. These prudent strategies will allow us to effectively capitalise on emerging opportunities and sustain our growth momentum well into the future.

Before I sign off, I sincerely thank all our stakeholders for their confidence and support. I am optimistic that we will script an exciting growth journey and unpack promising value for all those who believe in us.

Thank you.

**Deen Dayal Daga**  
Chairman

# STATEMENT FROM THE MANAGING DIRECTOR





**“THE FUTURE HOLDS PROMISING OPPORTUNITIES FOR US, AND WE WILL APPROACH IT WITH CAUTIOUS OPTIMISM. WE ARE COMMITTED TO SEIZING NEW OPPORTUNITIES WITH DETERMINATION.”**

**DEAR FRIENDS,**

Fiscal 2022-23 was an outlier as it tested the business model's robustness and the organisation's resilience to withstand volatility unleashed by geo-political strains. I am pleased to state that we delivered.

Having kickstarted our entrepreneurial journey as a small plywood manufacturing company only recently, we have come a long way to emerge as a respected brand across key markets in India. This is no mean achievement considering the competitive intensity in our business space.

We have keenly focused on strengthening our relations with our 2,000+ business partners, which has facilitated in sustaining our growth. Their unwavering support gives us the confidence to undertake strategic initiatives to accelerate business growth – theirs and ours.

Furthermore, our efforts in strengthening our Balance Sheet have put us in a sweet spot to deploy our cash flow into new high-growth, high-value areas that complement our existing verticals perfectly.

We have forayed into Medium-density fiberboard (MDF) and are setting up a greenfield unit to manufacture this engineered wood panel. Our unit should commence operations in FY24.

Why are we entering the MDF space?

The use of MDF is increasingly finding market acceptance over plywood globally, driven by cost factors and environmental concerns. Globally, the MDF to plywood consumption ratio is 80:20, but in India, the consumption ratio is 20:80.

The Indian scenario is about to undergo a structural shift. As per estimates, this ratio in India will improve to 50:50 by 2030. One of the key drivers of this transformation is the work-from-home culture, which continues even as the pandemic has ended for its convenience and cost parameters, which it offers corporates. According to industry experts, the Indian work-from-home furniture market was US\$ 2.22 billion in FY2021 and is expected to be US\$ 3.49 billion by FY2026, generating higher demand for MDF.

Moreover, with Gen-Z entering the workforce and disposable income

scaling north with India's sustained economic progress, the renovation market will spur demand for MDF.

Considering the potential the product offers, our innovation and manufacturing capabilities and our entrenched and expansive dealer base, we hope to make a good beginning. Over the medium-term, I see this vertical substantially contribute to the Company's growth and profitability.

In closing

The future holds promising opportunities for us, and we will approach it with cautious optimism. We are committed to seizing new opportunities with determination. I am sincerely grateful for the support we have received thus far, which we believe will continue to propel us forward.

With warm regards,

**Rajiv Daga**  
*Managing Director & CEO*



About Us

**ARCHIDPLY  
INDUSTRIES LTD  
SPECIALISES IN THE  
MANUFACTURING  
OF PLYWOOD,  
LAMINATE AND  
OTHER ALLIED  
PRODUCTS.**





Starting from Assam, Archidply Industries Limited (Archidply Group) came into existence in 1976; the Company has its corporate office in New Delhi, India.

The Company's state-of-the-art manufacturing facilities in Uttarakhand manufactures a wide range of products, including plywood, laminate, doors, high-pressure laminate (HPL) cladding, and other products catering to domestic and international customers.

Archidply has a well-coordinated distribution network with more than 2,000 dealers that caters to its retail network in more than 27 states across India; the Company enjoys a global presence in more than 20 nations worldwide.

Archidply is headed by its founder-Chairman Mr. Deen Dayal Daga. He possesses extraordinary experience in plywood & wood products. He has received several awards for his entrepreneurial skill and contribution towards the nation's economic development.

The Company's sharp focus on stringent quality control has been trend-setting. The Company recently introduced a new range of eco-friendly panel products that have gained significant traction. Archidply received the Industry Trend Setter Power Brand in India award.

Archidply's equity is listed on the BSE Limited and The National Stock Exchange of India Limited.

**5**

Product categories

**28**

Products

**42,174.92**

Revenue from Operations  
(consolidated) (₹ Lakhs)

**1,654.69**

EBITDA (consolidated)  
(₹ Lakhs)

**1,225.13**

Net Profit (consolidated)  
(₹ Lakhs)

**10,381.07**

Networth (consolidated)  
(₹ Lakhs)

**18,636.52**

Capital Employed  
(consolidated) (₹ Lakhs)

**10,151.01**

Market Capitalisation – BSE  
as on March 31, 2023  
(₹ Lakhs)



# OUR JOURNEY

**1976**

Starting as Assam Timber Products, the Company was primarily into the business of tea chests and saw timbers

**1990**

Conception of Bordhumusa Tea Estates Pvt. Ltd

**1999**

Our Chairman was awarded Swatantra Swarna Jayanti Udyog Vibhushan for contributing to the nation's economic development.

**2006**

Formation of Uttarakhand facility to manufacture a comprehensive range of panel products such as plywood, laminates, densified film-faced plywood, decorative laminates, pre-laminated particle boards, and many more.

**1982**

The Chairman of our Company was honoured with the prestigious Udyog Patra award, which increased our Company's credibility and motivated our employees immensely.

**1995**

The takeover of The Mysore Chipboard Ltd after which it saw a steep rise in its success rate.

**2000**

Established Shree Shyam Tea Pvt Ltd, a tea manufacturing, and refining unit of Archidply Group.

**2007**

TVC was launched based on Healthy Breathing about Low Formaldehyde Emissions in Plywood.

Eco-mark was issued by the Bureau of Indian Standards (BIS) as a certification mark for ecologically safe products.