DDEVPLSTIK — Forensic Risk Report

Date: 2026-06-23
Hygiene Verdict: FLAG
Summary: Strong returns and low debt offset by rising debtor days and weakening FY26 cash conversion.

Contents

Company Overview

Introduction

Ddev Plastiks Industries Ltd. is India's largest listed polymer compound manufacturer, with an installed capacity exceeding 233,400 MTPA across five plants in West Bengal, Daman & Diu, and Dadra & Nagar Haveli [annual_report]. Its core business is developing and producing specialized polymer compounds—primarily XLPE, Sioplas, semicons, PVC, and Halogen-Free Flame Retardant (HFFR) compounds—that serve as critical insulation and jacketing materials for the wire and cable industry [concall_transcript Q1 FY26].

The company operates a B2B model, supplying large domestic cable manufacturers such as KEI, Polycab, Havells, and Apar, as well as Tier-2 players and new entrants. Its top five customers account for approximately 20% of revenue [concall_transcript Q3 FY25]. Pricing is predominantly spot-based, with raw material cost fluctuations passed through to customers, protecting per-unit margins [concall_transcript Q1 FY26]. Exports contribute roughly one-quarter of revenue, spanning over 55 countries [investor_presentation].

In FY25, revenue from operations stood at ₹2,603 Cr, with net profit of ₹186 Cr. The wire and cable segment generates approximately 80% of turnover, with niche leadership positions—management cites ~50% market share in Sioplas and ~33% in XLPE compounds for the 11 kV–66 kV range [annual_report] [concall_transcript Q1 FY26]. The company has recently announced an entry into Battery Energy Storage Systems (BESS) assembly, targeting Phase-1 capacity of 5 GW, to be developed in phases as an adjacent revenue stream [concall_transcript Q4 FY26].

Valuation Context

Hygiene Quality Assessment

Valuation vs history

- The current P/E of 14.1x sits near the lower end of a FY2023–FY2026 implied yearly P/E range of ~9x–19x (based on reported EPS and high/low prices).
- Rolling-trailing P/E has compressed notably from the FY24/FY25 highs; the stock currently trades below its 2-year median.
- Despite the optically moderate multiple, robust ROE (21.8%) and ROCE (31.0%) suggest the market is not excessively pricing in growth.
- **Verdict: pass** — valuation is reasonable and not stretched versus the company's own historical band.

Receivables/debtors trend vs revenue

- Debtor days have risen consistently: 53 days (FY23) → 60 (FY24) → 65 (FY25) → 69 (FY26).
- Revenue grew ~17% from FY23 to FY26, but the 30% increase in debtor days implies receivables are growing faster than sales, straining working capital.
- The cash conversion cycle has nearly doubled from 41 days (FY23) to 85 days (FY26).
- **Verdict: flag** — the persistent elongation in receivables merits scrutiny, though absolute days remain below 70.

Equity dilution (shares outstanding trend)

- Equity capital moved from ₹9 Cr (FY22–FY23) to ₹10 Cr (FY24–FY26) — a one-time ~11% increase, consistent with a bonus or small issuance.
- Post FY24, shares outstanding have been stable; promoter holding is steady at ~75%.
- No evidence of recurring dilution or disproportionate promoter stake changes.
- **Verdict: pass** — a single, modest dilution event with no ongoing erosion.

Margin trajectory

- Operating margin: 6% (FY23) → 11% (FY24) → 10% (FY25–FY26). Margins have stabilised at 10% after a sharp FY24 expansion.
- Quarterly OPM has oscillated in the 8–14% band; recent quarters indicate a narrowing range around 9–10%, consistent with input cost normalisation.
- Gross-level expansion appears volume-driven rather than structural pricing power, but stability is an improvement over FY22's sub-5% levels.
- **Verdict: pass** — margins have improved and are holding, though further upside is unproven.

Depreciation as % of gross block

- Gross block (Fixed Assets + CWIP) has grown from ₹227 Cr (FY23) to ₹354 Cr (FY26).
- Depreciation increased from ₹12 Cr (FY23) to ₹18 Cr (FY26).
- The ratio implicitly ranges around 5–6% across the period, typical for a chemicals/plastics processing asset base.
- No sudden drop in depreciation rates, no large asset write-downs.
- **Verdict: pass** — depreciation policies appear consistent.

Interest coverage

- EBIT/Interest: FY23 5.2x → FY24 11.7x → FY25 13.0x → FY26 10.4x.
- Coverage is robust throughout, supported by declining borrowings (₹130 Cr in FY22 down to ₹57 Cr in FY26) and rising operating profit.
- **Verdict: pass** — comfortable coverage with zero near-term solvency risk.

CFO vs PAT quality

- Cumulative FY23–FY26 PAT: ₹674 Cr; cumulative CFO: ₹483 Cr. CFO/PAT ratio average is ~72%.
- FY26 stands out as the weakest year: CFO of ₹85 Cr vs PAT of ₹202 Cr (ratio ~42%), driven by a sharp working-capital build (debtor and inventory days both spiked).
- The divergence suggests profits are not fully converting to cash in recent periods; working capital absorption is the primary drag.
- **Verdict: flag** — cash conversion is deteriorating despite healthy reported earnings.

ROCE and ROE trends

- ROCE: 32% (FY23) → 42% (FY24) → 34% (FY25) → 31% (FY26).
- ROE (based on trailing book value): ~25% in FY23, 27% in FY24, 22% in FY25, and the current 21.8% implies sequential moderation.
- Both metrics remain comfortably above cost of capital but are on a gentle downward trajectory as the equity base swells and returns normalise.
- **Verdict: pass** — high-quality returns, albeit with a mild softening trend.

Overall hygiene verdict

The business demonstrates clean financial hygiene on most structural parameters — low debt, stable margins, strong returns, and reasonable valuation. Two yellow flags exist: working-capital intensity (especially receivables) is rising faster than revenue, and cash conversion weakened notably in FY26. Neither flag indicates aggressive accounting or existential risk, but they demand monitoring.

Overall verdict: flag

Key caveats / data gaps

- FY21 data is entirely zero, signifying the current corporate entity was likely formed via a merger or restructuring; pre-FY22 trends are unavailable.
- The source (Screener.in) provides only high-level aggregates — breakout of “Other Assets” and “Other Liabilities” is absent, limiting complete working-capital decomposition.
- No segmental or customer-concentration disclosure is available; debtor-day elongation could be benign if driven by a single large, credit-worthy customer.

Detailed Analysis

Promoter background and history

The promoter story at Ddev Plastiks is one of a family-run business navigating a deliberate post-demerger identity shift, though the legacy of the group's older entity remains a shadow that warrants scrutiny.

The company's roots stretch back to 1985, when the Kkalpana Group set up a PVC compounds plant in Daman (per AR FY25). For decades, the compounding business operated as part of Kkalpana Industries (India) Ltd (KIIL), a listed entity. In 2022, a demerger was executed under a Scheme of Arrangement sanctioned by the NCLT Kolkata Bench on March 10, 2022, separating the polymer compounding division into the newly incorporated Ddev Plastiks Industries Ltd — leaving KIIL to focus on its recycling (upcycling) business. The promoters have been candid that this was a strategic move to sharpen focus: in the Q4 FY24 concall, Chairman & Managing Director Mr. Narrindra Suranna stated, "Kkalpana is focusing solely and solely on recycling... Ddev Plastiks team is looking solely only after Ddev Plastiks business."

At the helm is **Mr. Narrindra Suranna**, the Chairman and Managing Director, who has been with the business since its inception and brings over three decades of plastics-industry experience. His educational background — B.Com (Hons.) and L.L.B from Calcutta University — is consistent with a first-generation entrepreneur, though not technically specialised in polymers. The baton is being passed to his son, **Mr. Ddev Surana**, who serves as Whole Time Director & CEO. His credentials are notably stronger on paper: a B.Com (Hons.) from St. Xavier's, Kolkata, an MSc in Management for Business Excellence from the University of Warwick, UK, and an MBA from Babson University, USA (per AR FY25). He has been associated with the company since its incorporation and was previously a Whole Time Director at KIIL, indicating a structured grooming path.

The core promoter group is concentrated through **Bbigplas Poly Private Limited**, which holds the controlling stake. The shareholding trajectory reveals a deliberate consolidation: as of the AR FY25, Bbigplas Poly held 74.17%, with Mr. Narrindra Suranna individually holding a negligible 15,862 shares (0.02%) and Mr. Ddev Surana holding 752,235 shares (0.73%). This was further tightened in February 2026, when an inter-se transfer among promoter group members saw Bbigplas Poly acquire 849,602 equity shares at ₹380 apiece, raising its stake from 74.17% to 74.99% while simultaneously reducing individual promoter holdings to minimal levels — effectively consolidating control under a single corporate entity, likely for succession and governance streamlining purposes.

On the critical issue of **share pledging**, the record is clean. The company formally submitted a disclosure confirming no encumbrance on promoter shares during FY26, and no pledges have been reported in any annual report since listing. This is a positive signal in a market where promoter leverage frequently destroys minority value.

However, certain governance blemishes require acknowledgement. In FY26, the company was fined ₹11,800 by BSE and NSE for failing to provide prior intimation of a Board meeting held on February 10, 2026. The company attributed this to an "unintentional lapse during consideration of an interim dividend" and paid the penalty on March 16, 2026. Separately, in September 2025, Ddev Plastiks submitted a Revised Annual Report for FY 2024-25 to the exchanges, citing "inadvertent errors/omissions" in the original filing submitted a month earlier. While these are minor procedural infractions and the sole compliance deviation reported in the FY26 Annual Secretarial Compliance Certificate, they collectively suggest that the company's secretarial and disclosure infrastructure is not yet at the standard expected of a ₹2,800+ Cr market-cap entity.

A more substantive concern lies in the **ongoing entwinement with the legacy Kkalpana entity**. Mr. Narrindra Suranna simultaneously serves as Chairman & MD of both Ddev Plastiks and Kkalpana Industries (India) Ltd. KIIL's financial health provides little reassurance: its standalone sales collapsed from ₹272 Cr in FY23 to ₹40.5 Cr in FY25, with operating profit margins deeply negative (-13.93% in FY25) and a 10-year sales CAGR of -34.63%, per ICICI Direct financials data. While management insists the teams operate separately, shareholders of Kkalpana Industries approved material related-party transactions with Ddev Plastiks worth up to ₹50 Cr (sales) and ₹30 Cr (purchases) for FY27 via postal ballot in 2025. These RPTs, while disclosed, create a potential conduit for value transfer that merits monitoring — particularly when one entity is financially distressed and under common control.

A ValuePickr user in 2024 noted that "corporate governance remains an area of scrutiny due to the company's historical associations with the erstwhile parent company Kkalpana Industries" (ValuePickr · @santoshbadal1111 · 2024-03-31). While this is a forum observation rather than an adjudicated finding, it captures the sentiment that the demerger, while operationally clean on paper, leaves room for vigilance on how transactions between the two entities evolve.

On balance, the promoter trajectory presents a **mixed but manageable picture**. The positives are tangible: a clear succession plan with a professionally-educated next-generation leader, zero share pledges, and a corporate holding structure that simplifies control. The negatives — the minor compliance lapses and the enduring Kkalpana connection with significant RPTs — are not disqualifying but demand ongoing attention. Investors should track the scale and pricing of related-party transactions with KIIL as a leading indicator of governance quality.

Promoter remuneration is another datapoint worth noting. According to Yahoo Finance data, Mr. Narrindra Suranna drew ₹8.72M (~₹0.87 Cr) in total compensation, while Mr. Ddev Surana received ₹6.22M (~₹0.62 Cr) — 62.7% of which was salary and 37.3% in bonuses or stock-based compensation. For a company generating ₹202 Cr in net profit, these figures are modest and do not raise red flags. However, Mr. Ddev Surana's direct shareholding of 0.001% (worth ~₹1.38 Lakh, per Simply Wall St) is strikingly low for a CEO — a point that could suggest limited skin-in-the-game relative to his positional authority, though the promoter group's collective 75% stake partially mitigates this concern.

Capital intensity, capex, working capital requirements

Capital Cycle Overview

Ddev Plastiks operates a relatively asset-light conversion business — mixing base polymers with additives and fillers to produce wire and cable compounds. But the capital cycle has intensified over the last two years as capacity expansion, working capital absorption, and a new diversification into Battery Energy Storage Systems (BESS) all compete for internally generated cash. The core compounding business remains high-return, but the incremental capital deployed is yielding lower turnover and meaningfully weaker cash conversion today than three years ago.

Capex: From Maintenance Play to Multi-Front Buildout

The FY22 base (post-demerger) was lean: fixed assets of ₹207 Cr, minimal debt, and capex of just ₹18 Cr — essentially sustaining spend. Since then, management has progressively scaled up its reinvestment ambitions.

Phase	Period	Total Capex*	Key Additions
Phase 1 (debottlenecking)	FY23-FY24	~₹50 Cr	3,000 MT HFFR; land at Bhilad
Phase 2 (organic compound expansion)	FY25-FY26	~₹153 Cr	30,000 MT PVC/HFFR (₹50 Cr); 48,000 MT XLPE in Rajasthan (₹80 Cr)
Phase 3 (XLPE + BESS)	FY27 (planned)	~₹175 Cr	BESS Phase 1 (₹150-200 Cr total, ₹70+ Cr in FY27); further HFFR/PE

**Sources: FY25 capex ₹55–73 Cr (per Q4 FY25 concall and AR FY25); FY26 capex ₹96–100 Cr (per FY26 investor presentation and Q4 FY26 concall); FY27 planned ₹175 Cr (per Q4 FY26 concall).*

The character of capex has shifted. The FY25-FY26 spend of ~₹153 Cr added roughly 78,000 MTPA of compound capacity — approximately 30% of FY24-end capacity (~238,400 MTPA as of Sep 2025, per Q2 FY26 concall). This is growth capex, but within the company's core competence. The FY27 plan layers on BESS, an entirely unrelated manufacturing vertical with 6–8% EBITDA margin guidance (per Investor Feed, FY26 concall notes) versus 10–11% in the compounding business.

Management commitment to fund all capex through internal accruals is clear and consistent — reiterated across FY24, FY25, and FY26 concalls — and is supported by net debt-free status since Q4 FY24 (per investor presentation FY26). No term loans or equity dilution are planned.

Asset Turnover: Dilution Underway

A critical metric for capital-intensity analysis is how many rupees of revenue each rupee of fixed assets generates. Ddev Plastiks itself uses Net Asset Turnover (reported in investor presentations), while a simpler Fixed Asset Turnover (Sales / Gross Fixed Assets incl. CWIP) tells the same story:

Year	Revenue (₹ Cr)	Gross Fixed Assets + CWIP (₹ Cr)	Fixed Asset Turnover (x)	Net Asset Turnover (x) — as reported
FY23	2,504	226	11.1	11.15
FY24	2,431	234	10.4	—
FY25	2,603	276	9.4	9.62
FY26	2,948	354	8.3	10.56**

*Screener.in data for revenue and Gross FA+CWIP; *FY26 Net Asset Turnover per investor presentation FY26 appears calculated on a different base; the Fixed Asset Turnover trend is the reliable comparison across years.*

The steady decline — from 11.1x to 8.3x on Fixed Asset Turnover — reflects that new capacity is coming online faster than revenue can absorb it. The 48,000 MT XLPE plant at Bhiwadi, Rajasthan commenced operations only in April 2026, post the FY26 close (per Q4 FY26 concall), meaning the ₹80 Cr invested has yet to contribute a full year of revenue. Management guided: “For fresh capex, the company is eyeing an asset turnover of 4x to 5x, compared to higher turns on older assets” (Q3 FY25 concall). This implies a structural decline in blended asset efficiency as legacy low-cost assets get diluted by new-build capacity.

The incremental capital required to generate ₹1 Cr of additional revenue is rising. From FY23 to FY26, revenue increased by ₹444 Cr while gross fixed assets rose by ₹128 Cr — an incremental fixed asset turnover of approximately 3.5x (₹444/₹128), well below the legacy 10–11x ratio and closer to the 4–5x guidance for new expansions.

Working Capital Cycle: Structural Elongation

Working capital intensity has overtaken capex as the dominant cash-flow drag. Ddev Plastiks’ cash conversion cycle (debtor days + inventory days – payable days) tells an unambiguous story of deterioration:

Year	Debtor Days	Inventory Days	Payable Days	Cash Conversion Cycle (Days)
FY23	53	37	49	41
FY24	60	38	34	64
FY25	65	42	35	72
FY26	69	59	43	85

Source: Screener.in data

The cash conversion cycle has more than doubled in three years — from 41 days to 85 days. This is driven primarily by two forces:

1. Receivables elongation (53 → 69 days): Management has attributed this partly to a deliberate reduction in reliance on supplier credit to secure cash discounts (per Q4 FY25 concall). The AR FY25 reports a Debtors Turnover Ratio of 6.02x, down from 6.39x in FY24. Ex-management commentary on exports — “payments on cash-against-documents terms are received in 30 days, max 90” (Q3 FY25 concall) — suggests domestic customers are a larger source of the elongation.

2. Inventory spike in FY26 (42 → 59 days): This is substantially a price effect. Management clarified that “close to 50%+” raw material price inflation inflated the rupee value of inventory in FY26, and that at constant prices, inventory levels are comparable to the prior year (Q4 FY26 concall). This is corroborated by the broader industry context — PVC resin prices surged ~78% from early February 2026 levels after the Iran-US-Israel conflict disrupted supply chains (per Nexizo, March 2026), and polymer prices broadly rose 15–25% (per Plastics Today, May 2026). The inventory-day metric mechanically rises when input costs spike, even with no change in physical stock levels. This portion of the elongation is arguably one-off.

The combined effect: working capital absorbed approximately ₹590 Cr in FY26 (trade receivables ₹554 Cr + inventories ₹392 Cr – trade payables ₹283 Cr, per investor presentation FY26), up from ~₹420 Cr in FY23. This is the largest single contributor to the cash-flow divergence detailed below.

Cash Conversion: The Widening Gap

The cash-conversion tables below are pre-computed from Screener.in data and reconcile reported profitability with actual cash generation.

Cash Flow Summary (₹ Cr)

FY	EBITDA	CFO (after tax)	Cash Tax (approx)	CFO (before tax)	Capex
FY21	0	0	0	0	0
FY22	106	26	21	47	18
FY23	160	145	36	181	28
FY24	258	116	64	180	22
FY25	270	137	65	202	57
FY26	287	85	71	156	96

Cumulative Cash Conversion Ratios

Period	Cum. CFO (BT) (₹ Cr)	Cum. EBITDA (₹ Cr)	Cash Conversion
3-Year (FY24-FY26)	538	815	66%
5-Year (FY22-FY26)	767	1,081	71%

Commentary on trends:

Cash conversion has weakened materially. The 5-year ratio of 71% is pulled higher by FY23's atypically strong conversion (CFO/BT of 113% of EBITDA, likely a one-off working-capital release post-demerger). The 3-year ratio of 66% more accurately reflects the current regime, and the single-year FY26 paints an even starker picture: CFO (before tax) of ₹156 Cr against EBITDA of ₹287 Cr — a cash conversion of just 54%.

What drives the 34-percentage-point gap between EBITDA and CFO (before tax) in FY26?

- **Working capital build** is the dominant factor. The ₹13-day jump in inventory days and the 4-day rise in debtor days together absorbed an estimated ₹130–150 Cr of operating cash, offset by a smaller increase in payables (8-day rise).
- **Cash taxes** of ~₹71 Cr (at the ~26% effective rate) are the second material deduction, unremarkable in level but growing with profits.
- **Capex** of ₹96 Cr further consumed cash, taking the full free-cash-flow picture to negative ₹11 Cr (Screener.in FCF: –₹11 Cr in FY26).

Notably, in FY24 and FY25, when working-capital pressure was building but less acute, CFO (before tax) comfortably exceeded 65% of EBITDA. The FY26 deterioration is partly cyclical (commodity price surge inflating inventory) and partly structural (receivables trends). Management's guidance that "debtors are at more controlled levels compared to inventory" (Q4 FY26 concall) and that the BESS business will have a working-capital cycle of 60–75 days (Q3 FY26 concall) implies they do not expect a return to FY23-era sub-50-day cycles.

Forward View: Capital Demands Are Compounding

The FY27 planned capex of ₹175 Cr (₹70+ Cr for BESS, balance for compounds) plus BESS's estimated ₹200–250 Cr working-capital requirement for Phase 1 (per Q4 FY26 concall) implies a total incremental capital demand of ₹375–425 Cr over the next 12–15 months. Against FY26 CFO (before tax) of ₹156 Cr, this is 2.4–2.7x annual cash generation. Management states that "sufficient limits" exist and that BESS will be funded by excess cash after the compounding capex priority is met (Q3 FY26 concall). But even without external borrowing, this level of reinvestment will consume substantially all internally generated cash, leaving limited headroom for dividend growth or debt reduction.

The net-debt-free balance sheet (net worth ₹1,013 Cr, borrowings ₹57 Cr as of FY26) provides a safety buffer, but does not eliminate the tension between high-return compounding capacity build-out and an unrelated, capital-intensive diversification.

Summing Up

The capital intensity of Ddev Plastiks' business is rising. Fixed asset turnover has compressed from 11x to 8x and is guided towards 4–5x on new assets. The cash conversion cycle has doubled to 85 days. Cumulative cash conversion over the last three years stands at 66% — acceptable for a growth-phase industrial, but a clear step-down from the immediate post-demerger period. FY26 alone saw conversion drop to 54%, with working-capital absorption as the primary culprit, exacerbated by a geopolitical raw-material price shock.

Whether this represents a permanent reset or a cyclical peak in working-capital intensity will depend on PVC and polyethylene resin price normalisation following the Strait of Hormuz disruption and on the company's ability to impose tighter credit discipline on domestic customers — a discipline its own export book already demonstrates.

Corporate governance concerns raised by analysts + management response

The governance framework at DDev Plastiks presents a mixed picture — clean on formal compliance metrics but shadowed by persistent concerns around promoter concentration, related-party structures, and a parent entity with collapsing financials.

Promoter Concentration and the Kkalpana Overhang

The most inescapable governance issue is the promoter group's history and the fate of the former parent, Kkalpana Industries (India) Limited. Following the 2022 NCLT-approved demerger, DDev Plastiks received the compounding business while Kkalpana retained the reprocessing operations. The latter has since experienced a dramatic financial deterioration. Kkalpana's standalone sales collapsed from ₹272 Cr in FY23 to approximately ₹37 Cr in FY26, with revenues shrinking at a 10-year CAGR of -34.6% and negative operating margins in every recent year (per [ICICI Direct financials]). In FY26, Kkalpana reported a net profit of just ₹79.39 lakh on revenue of ₹37.4 Cr (per [ScanX]). When an analyst on the Q4 FY24 concall asked about Kkalpana's "revenues falling off the cliff" despite sector tailwinds, Chairman Mr. Narrindra

Suranna deferred, stating: “we can discuss separately on Kkalpana… Because we are focusing only on Ddev Industries today” (per Q4 FY24 concall). The refusal to address the question in a public forum is, at minimum, evasive.

A ValuePickr user noted in March 2024 that governance scrutiny remains elevated “due to the company’s historical associations” with the erstwhile Kkalpana Group, adding that DDev Plastiks must “continue to demonstrate its commitment to high governance standards to maintain investor confidence” (ValuePickr · @santoshbadal1111 · 2024-03-31).

Related Party Transactions: Structural, Not Exceptional

Material related-party transactions exist by design. The Annual Report for FY25 discloses that DDev Plastiks and Kkalpana Industries share the same registered office and a common Chairman & Managing Director (Mr. Narrindra Suranna). RPT limits approved for FY25 include sales/purchases up to ₹300 Cr with the fellow subsidiary, a royalty/branding fee of Re. 1 per kg (capped at ₹20 Cr), and lease rent of up to ₹3.6 Cr (per AR FY25). In FY26-27, Kkalpana shareholders approved material RPTs with DDev Plastiks worth ₹50 Cr for sales, ₹30 Cr for purchases, and ₹2 Cr for services (per ScanX). The existence of an approved RPT policy and audit committee oversight provides administrative comfort, but the economic substance — an entity whose revenues have vanished transacting with the entity that got the valuable business — warrants ongoing scrutiny.

An Escrow Account Without Resolution

The FY25 Annual Report confirms that 644,360 equity shares remain in an escrow account from the demerger, pending claims by physical shareholders of the parent entity Kkalpana Industries. Three years after the scheme was sanctioned, these unresolved claims represent a minor but persistent legal tail that has not been addressed publicly.

Compliance Record: Minor, but Revealing

The formal compliance record is largely clean: no auditor qualifications, no frauds reported, and no penalties by regulators in FY25 (per AR FY25). However, FY26 introduced a blemish. DDev Plastiks paid a penalty of ₹11,800 (₹10,000 plus GST) to BSE and NSE for failing to provide prior intimation of a board meeting held on February 10, 2026 where an interim dividend was declared. The company attributed this to an “unintentional lapse” (per ScanX). The Annual Secretarial Compliance Certificate for FY26 confirmed only this single deviation from SEBI (LODR) Regulations (per InvestorFeed). Separately, in September 2025, the company submitted a revised Annual Report for FY25 after discovering “inadvertent errors/omissions” in the original August 2025 filing. While the amounts involved are trivial, filing errors and missed intimations — especially at a company with a ₹2,800 Cr market cap — undermine the image of operational discipline.

An analyst on the Q2 FY25 concall directly criticized the pattern of late results publication, stating that “these are the factors that get you notches up in the investing circle” and suggesting the company hire better audit teams to accelerate reporting. Management attributed Q2 delays to festive season holidays and said they aim to report within 30–37 days (per Q2 FY25 concall).

Promoter Compensation and Wealth Extraction

Promoter compensation is modest relative to profits. The FY25 Annual Report discloses Mr. Ddev Surana (CEO and Whole-Time Director) drew a salary of ₹42.5 lakh in FY25, proposed at ₹49.5 lakh for FY26. Mr. Narrindra Suranna's ratio to median employee remuneration was 15.32:1. External data from Yahoo Finance shows Mr. Suranna's total compensation at ₹8.72M (~₹87.2 lakh) and Mr. Surana's at ₹6.22M (~₹62.2 lakh) (per Yahoo Finance). Against a net profit of ₹202 Cr in FY26, aggregate promoter remuneration of under ₹2 Cr represents less than 1% — an unremarkable level. Dividends provide a clearer mechanism for promoter cash extraction: the promoter group holds 74.99% and has received the bulk of ₹2.25 per share in dividends over the past 12 months. Critically, the company has confirmed zero promoter share encumbrance throughout FY26 (per ScanX), eliminating pledging risk.

One structural shift warrants attention. In February 2026, Bbigplas Poly Private Limited — the promoter group entity — consolidated control by acquiring 849,602 shares from individual promoter group members at ₹380 per share through an inter-se transfer, taking its aggregate holding to 74.99% (per ScanX). This consolidation significantly reduced individual promoter holdings to minimal levels and centralised control under a single corporate entity. While legal under SEBI Takeover Regulations, such consolidation reduces accountability visibility.

Dividend Policy: Conservative or Inconsistent?

On the Q3 FY26 concall, analyst Mr. Saket Kapoor questioned the ₹0.50 per share interim dividend (₹5 Cr payout) against 9M EPS of approximately ₹14, implying a payout ratio below 4%. CFO Mr. Arihant Bothra explained it was benchmarked to a similar percentage from a prior period (per Q3 FY26 concall). The dividend payout ratio has been historically low — approximately 9–10% of net profit in FY25 and FY26 — and Simply Wall St flags that the dividend is "not well covered by free cash flows" (per Simply Wall St). The policy appears neither generous nor consistently communicated.

Auditor Appointments

In May 2025, the Board appointed M/s. R. Singhi & Associates, Chartered Accountants, as Statutory Auditors for FY26. The prior-year audit opinion was unmodified, and no auditor resignations have been reported (per InvestorFeed). The audit firm is not a Big Four entity, which is not unusual for a company of this size but reflects a degree of preference for cost and control over external signalling.

Assessment

The formal governance scorecard is adequate: no audit qualifications, modest promoter pay, zero pledging, and transparent RPT disclosures. Counterbalancing factors are substantive: a related-party entity in visible distress, an escrow account unresolved after three years, a pattern of minor filing lapses, and management's reluctance to address the Kkalpana parent situation publicly. These are not deal-breakers for an investment thesis, but they are reasons to apply a governance discount — one the market arguably already prices in at a P/E of 14x against the broader sector.

Forensic Risk Report

RED FLAGS

Kkalpana Industries — Legacy SEBI Shell-Company Investigation

> *Search origins: `[legal_criminal · fraud]` — entity searched: Kkalpana Group (historical); `[financial_crime · shell company]` — entity searched: Kkalpana Industries (India) Limited (historical predecessor of Ddev Plastiks); `[regulatory · SEBI]` — entity searched: Kkalpana Industries (India) Ltd*

In 2017–18, the government placed Kkalpana Industries (India) Ltd (KIIL) — the former parent and current related party of Ddev Plastiks — on a list of 331 "suspected shell companies." SEBI imposed trading restrictions. In July 2018, SEBI revoked these restrictions after finding no "prima facie" evidence of financial misrepresentation in Kkalpana's financials (Economic Times, Times of India). The company was cleared. **Materiality assessment**: The "shell company" tag is historical, resolved, and attached to the demerged parent, not Ddev Plastiks directly. However, this remains a governance overhang because Ddev Plastiks shares a common Chairman (Mr. Narrindra Suranna), common registered office, and ongoing material RPTs with KIIL — an entity with a now-collapsed business (revenue fell from ₹272 Cr in FY23 to ~₹37 Cr in FY26). The SEBI cloud over the group's history heightens the need for scrutiny of related-party transactions, even though Ddev Plastiks itself was not the subject of the order.

Kkalpana Group — Aggressive Use of IBC as an Operational Creditor

> *Search origins: `[regulatory · nclt]` — entity searched: Kkalpana Group (historical); `[regulatory · nclat]` — entity searched: Kkalpana Group (historical)*

The demerged parent KIIL has filed at least three Section 9 IBC petitions as an Operational Creditor against its debtors: (i) CMI Ltd at NCLT New Delhi (IB-339/ND/2021, hearing deferred July 2023); (ii) India Acoustics Pvt Ltd at NCLT New Delhi (B-1530(ND)/2019, dismissed for non-prosecution on 24 July 2024); and (iii) Patron Industries Pvt Ltd at NCLT Mumbai (CP (IB)/1991/MB/2019, pending as of Jan 2023). Additionally, KIIL pursued an NCLAT appeal against Atharva Poly-Plast Pvt Ltd (IBC Laws). **Materiality assessment**: Four insolvency proceedings initiated (or appealed) by KIIL signal persistent receivable-collection stress in the residual entity's customer base. Since Ddev Plastiks transacts with KIIL as a related party (up to ₹80 Cr in sales/purchases approved for FY26-27), any financial pressure on KIIL — evidenced by aggressive IBC filings — elevates counterparty risk on those inter-company balances. One petition was already dismissed for non-prosecution, suggesting weak claim enforcement. The volume of IBC litigation from a demerged entity with collapsing revenues is a red flag for the group's overall credit culture.

Active Criminal Proceeding — Cheque Dishonour under Section 138 NI Act

> *Search origins: `[legal_criminal · court case]` — entity searched: Ddev Plastiks Industries Ltd; `[financial_crime · economic offenses wing]` — entity searched: Ddev Plastiks Industries Ltd*

Pravin Kumar Agarwal & Ors. vs. Ddev Plastiks Industries Limited (CRR 2301/2024) was heard and disposed of by the Calcutta High Court on 8 May 2026. The criminal complaint arose from dishonoured cheques issued for goods supplied by the complainant to an accused company, with Ddev Plastiks as the opposite party. The petitioners (accused directors) sought quashing of proceedings in Case No. CS-26711/2024 under Section 482 CrPC, arguing abuse of process and lack of vicarious liability (Calcutta High Court Judgment, Caseon.in). **Materiality assessment**: Ddev Plastiks is directly implicated as the complainant/opposite party in a criminal cheque-bounce case. While such cases are common in Indian commerce, the existence of an active Section 138 NI Act proceeding signals either working-capital strain or a dispute with a supplier. The fact that this reached the Calcutta High Court (and concluded May 2026) rather than being settled at the magistrate level suggests a material quantum in dispute. The judgment was only recently delivered; the final outcome (whether the proceedings were quashed or directed to continue) should be verified from the full order.

AMBER FLAGS

Kkalpana Industries — Ongoing Income Tax Search-Assessment Litigation

> *Search origins: `[legal_criminal · india kanoon]` — entity searched: Kkalpana Group (historical); `[financial_crime · income tax raid]` — entity searched: K Kalpana Industries India Ltd (historical)*

An appeal by the Dy. Commissioner of Income Tax (Central) vs. K Kalpana Industries India Ltd was heard at ITAT Kolkata “C” Bench — judgment issued 21 March 2024. The case was filed under sections 153A/153C of the Income Tax Act, which deal with search-and-seizure assessments (Indian Kanoon). **Materiality assessment**: This is a tax assessment triggered by an income tax search — a material event for any entity. While the litigation is against the historical entity KIIL (not Ddev Plastiks), a search-assessment finding of undisclosed income at the parent could create contingent tax liability and reputational spillover. The ITAT judgment date (March 2024) indicates the appeal was relatively recent. The outcome of the ITAT ruling should be obtained and reviewed for any substantive adverse findings or tax demands.

Multiple BSE Additional Surveillance Measure (ASM) Placements

> *Search origins: `[legal_criminal · probe]` — entity searched: Ddev Plastiks; `[accounting_governance · blacklisted]` — entity searched: Ddev Plastiks Industries Ltd*

Ddev Plastiks has been placed under BSE’s Additional Surveillance Measure (ASM) on five separate occasions between September 2022 and October 2024, including one instance of Long Term ASM Stage II (the more restrictive tier) in November 2022 (Trendlyne). The stock is not currently under ASM as of June 2026. **Materiality assessment**: While ASM is an exchange-driven price-surveillance mechanism (not a finding of wrongdoing), multiple placements —

especially Stage II — indicate BSE flagged unusual price/volume action or possible non-compliance with listing norms over an extended period. This aligns with the company's documented late-filing pattern and the 52-week price decline from ₹360 to ~₹190. The pattern amplifies concerns about market perception and corporate discipline, though no formal investigation is implied.

Kkalpana Industries — Force Majeure Production Halt in April 2026

> *Search origins: `[operational_industry · strike]` — entity searched: Ddev Plastiks (serendipitous finding for Kkalpana)*

On 8 April 2026, Kkalpana Industries (India) Ltd notified BSE of a "disruption in company's manufacturing operations" due to force majeure arising from the Middle East geopolitical conflict. KIIL's production was halted; the disruption materially impacts an already-fragile entity with FY26 revenue of ~₹37 Cr. **Materiality assessment**: While this directly affects KIIL, not Ddev Plastiks, it exacerbates the financial vulnerability of a related party with which Ddev Plastiks shares a Chairman and RPT arrangements of up to ₹80 Cr (sales + purchases + services combined). A production shutdown at KIIL could delay or impair the commercial rationale for some RPTs (e.g., purchases of reprocessed material) and heightens the risk of KIIL becoming non-operational, which would leave Ddev Plastiks as the sole viable entity within a shared-promoter structure — a situation that invites governance scrutiny over RPT arm's-length pricing.

Promoter Group Consolidation — Centralisation of Control Under Bbigplas Poly

> *Search origins: `[accounting_governance · acquisition]` — entity searched: Ddev Plastiks Industries Ltd; `[regulatory · sebi order]` — entity searched: Ddev Plastiks Industries Ltd*

On 4–5 February 2026, Bbigplas Poly Private Limited acquired 849,602 shares from individual promoter group members (Narrindra Suranna, Tara Devi Surana, Ddev Surana) at ₹380/share in an off-market inter-se transfer. This increased Bbigplas Poly's holding from 74.17% to 74.99% and reduced individual promoter holdings to minimal levels (ScanX — acquisition, ScanX — SEBI filing). **Materiality assessment**: The transaction is legal under SEBI Takeover Regulations (inter-se transfer exemption), but it materially alters the accountability structure: individual promoter-directors who previously held personal stakes have now effectively surrendered their direct economic exposure. Control is centralised in a single private corporate vehicle. While this may streamline decision-making, it reduces the transparency of individual promoter wealth alignment. The fact that this was executed just months before FY26 results — a period when the stock was declining sharply from 52-week highs — warrants noting, even if no rule was violated.

SEBI Compliance Fine and Revised Annual Report Filing

> *Search origins: `[regulatory · sebi penalty]` — entity searched: Ddev Plastiks Industries Ltd; `[accounting_governance · fraud]` — entity searched: Ddev Plastiks Industries Ltd*

Ddev Plastiks paid an ₹11,800 penalty (₹10,000 + GST) to BSE/NSE for failing to provide prior intimation of a Board meeting held on 10 February 2026 where an interim dividend was declared. The company attributed this to an "unintentional lapse" (ScanX — penalty, InvestorFeed). Separately, on 22 September 2025, the company submitted a Revised Annual Report for FY2024-25 after discovering "inadvertent errors/omissions" in the original August 2025 filing (BSE Filing). **Materiality assessment**: Individual penalties are trivial (₹11,800) and the filing errors appear administrative. However, two separate compliance lapses within a span of six months at a company with a ₹2,500-2,800 Cr market cap — combined with analyst criticism on earnings calls about late results publication — reveal weak internal processes in the secretarial/compliance function. This is a pattern, not an isolated incident, and it undermines confidence in the rigour of financial reporting controls.

CLEAN SIGNALS

- **Legal and criminal background**: No FIRs, arrests, convictions, fraud charges, money laundering allegations, ED/CBI/SFIO actions, or personal criminal proceedings were found against Ddev Plastiks or its identified promoters (Narrindra Suranna, Ddev Surana) across all searched keywords.
- **Audit and accounting**: No auditor resignations, qualifications, adverse opinions, emphasis of matter paragraphs, forensic audits, or going-concern qualifications were identified. The auditor for FY26 remains M/s. R. Singhi & Associates; prior-year opinion (FY2025) was unmodified.
- **Promoter pledging**: Zero promoter share encumbrance confirmed throughout FY26. The company formally disclosed this to exchanges in April 2026 (ScanX — no encumbrance).
- **Credit profile**: CRISIL upgraded Ddev Plastiks' long-term rating to CRISIL A+/Stable and short-term rating to CRISIL A1+ in April 2025, indicating improving creditworthiness and no default indicators (CRISIL rating).
- **Promoter conduct**: No family disputes, personal litigation, political entanglements, lifestyle red flags, arrests, or debarment proceedings were found against Narrindra Suranna or Ddev Surana. The one "buys house" search result pertains to a different individual (Dilip Surana of Micro Labs).
- **Environmental and labour**: No environmental violations, pollution notices, strikes, lockouts, or labour unrest were identified at Ddev Plastiks' facilities. The company filed BRSR reports for FY2023-24 and FY2024-25 voluntarily.
- **Related-party transactions**: No evidence of RPT abuse, tunneling, or fund diversion was found. An RPT policy exists, and limits appear to be approved via audit committee and shareholder resolutions — though the economic context of KIIL's collapse warrants continued monitoring.

INFORMATION GAPS

- **Full judgment in Kkalpana Industries SEBI order**: Indexed on CaseMine behind a paywall. The full order text (beyond the public summary of "restrictions revoked") should be reviewed to confirm whether any findings of procedural irregularities were recorded even if no penalty was imposed. **Concerning gap — resolution recommended.**
- **Calcutta High Court CRR 2301/2024 judgment details**: The case was heard on 22 April 2026 and judgment delivered 8 May 2026, but the final order (whether the criminal

proceedings were quashed or directed to proceed) is not visible in the available judgment PDF. **Concerning gap — resolution recommended.**
- **ITAT Kolkata judgment outcome (K Kalpana Industries tax appeal, March 2024)**: The judgment is available on Indian Kanoon but the financial outcome (tax demand sustained, reduced, or set aside) was not extracted from the search snippets. **Concerning gap — resolution recommended.**
- **Kkalpana Industries — NCLT petition vs Patron Industries Pvt Ltd**: The 25 January 2023 NCLT Mumbai order was a procedural listing (adjourned for paucity of time). The final outcome of this IBC petition is unknown. **Acceptable gap** given that KIIL is a non-material entity for Ddev Plastiks' operations, though relevant for counterparty risk assessment on RPTs.
- **No ValuePickr community thread**: No dedicated community discussion could be scanned. **Expected gap** — the stock has limited retail-investor mindshare on that forum.

OVERALL RISK ASSESSMENT

- **Risk Rating**: ELEVATED
- **Reasoning**: Ddev Plastiks itself is largely clean on direct financial-crime, audit, and promoter-conduct checks — no fraud, no auditor flags, no pledging. However, the risk rating is elevated due to the *aggregation* of indirect but substantive red flags tied to the Kkalpana Group legacy: (i) a historical SEBI shell-company tag on the demerged parent, (ii) ongoing income-tax search litigation against that same parent, (iii) aggressive IBC filings by the parent signaling deep financial distress, and (iv) Ddev Plastiks' own pattern of compliance lapses. The core governance concern is that Ddev Plastiks remains structurally interlinked with a rapidly deteriorating related entity through shared promoters, premises, and material RPTs. An investor cannot fully diligence Ddev Plastiks without understanding KIIL's contingent liabilities.
- **Key monitoring items**:
- Outcome of the Kkalpana Industries ITAT search-assessment appeal and any tax demands confirmed.
- Final resolution of the Calcutta High Court cheque-dishonour proceedings (CRR 2301/2024).
- Quarterly RPT disclosures — specifically any increase in transactions with or exposure to Kkalpana Industries (India) Ltd beyond approved limits, and whether sales/purchases remain at arm's length given KIIL's production halt.
- Trend in debtor days and CFO/PAT ratio — working-capital stress is the clearest financial red flag from the hygiene check and should be tracked against management commentary on receivables quality.

Search Scope & Methodology

The following theme × entity combinations were searched. Each finding in the report above is tagged with its `[theme · keyword]` origin so you can trace it back to this table.

Theme	Description	Entities Searched	Keywords (sample)	Outcome
`legal_criminal`	Legal proceedings, criminal cases, and law enforcement actions	Ddev Plastiks Industries Ltd Ddev Plastiks DDEVPLSTIK Ddev Plastiks Industries Ltd (DPIL) Kkalpana Group (historical)	`fraud`, `FIR`, `arrested`, `convicted`, `chargesheet` … (+16 more)	Findings present
`regulatory`	SEBI, NCLT, competition commission, and regulatory orders	Ddev Plastiks Industries Ltd Ddev Plastiks DDEVPLSTIK Ddev Plastiks Industries Ltd (DPIL) Kkalpana Group (historical)	`sebi order`, `sebi investigates`, `sebi debarred`, `sebi penalty`, `nclt` … (+14 more)	Findings present
`financial_crime`	Money laundering, hawala, ED raids, CBI, and financial crime investigations	Ddev Plastiks Industries Ltd Ddev Plastiks DDEVPLSTIK Ddev Plastiks Industries Ltd (DPIL) Kkalpana Group (historical)	`money laundering`, `hawala`, `hundi`, `shell company`, `benami` … (+16 more)	Findings present
`accounting_governance`	Audit issues, accounting manipulation, related party transactions, shareholder concerns	Ddev Plastiks Industries Ltd Ddev Plastiks DDEVPLSTIK Ddev Plastiks Industries Ltd (DPIL) Kkalpana Group (historical)	`qualified opinion`, `adverse opinion`, `emphasis of matter`, `auditor resignation`, `auditor change` … (+42 more)	Findings present
`operational_industry`	Labour issues, bans, industry regulatory changes, import threats, raw material pricing	Ddev Plastiks Industries Ltd Ddev Plastiks DDEVPLSTIK Ddev Plastiks Industries Ltd (DPIL) Kkalpana Group (historical)	`strike`, `lockout`, `labour issues`, `labour unrest`, `union trouble` … (+42 more)	Findings present
`promoter_personal`	Promoter personal conduct, family disputes, political ties, lifestyle red flags	Narrindra Suranna Ddev Surana Bbigplas Poly Private Limited	`dispute in family`, `family feud`, `family split`, `sexual`	Findings present

Theme	Description	Entities Searched	Keywords (sample)	Outcome
			`harassment`, `politician` … (+11 more)	
`community_flags`	Community-raised red flags from ValuePickr forum (governance, promoter conduct, accounting concerns)	—		Findings present

Disclaimer

This report is intended as a research aid for professional analysts and does not constitute investment advice, a recommendation, or an offer to buy or sell any security. All findings should be independently verified before making investment decisions. Data sources may contain errors or omissions.