Greenply/2023-24
August 25, 2023

| | |
|---|---|
| **The Manager** | **The Manager** |
| BSE Limited | National Stock Exchange of India Limited |
| Department of Corporate Services | Exchange Plaza, Bandra Kurla Complex |
| Floor 25, P. J. Towers, Dalal Street | Bandra (E) |
| Mumbai - 400 001 | Mumbai - 400 051 |
| Security Code: 526797 | Symbol - GREENPLY |

Dear Sir/Madam

**Sub: Submission of Annual Report for the Financial Year 2022-23**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a copy of Annual Report of the Company for the financial year 2022-23.

The aforesaid Annual Report has also been placed on the website of the Company viz. www.greenply.com/investors.

Thanking you,

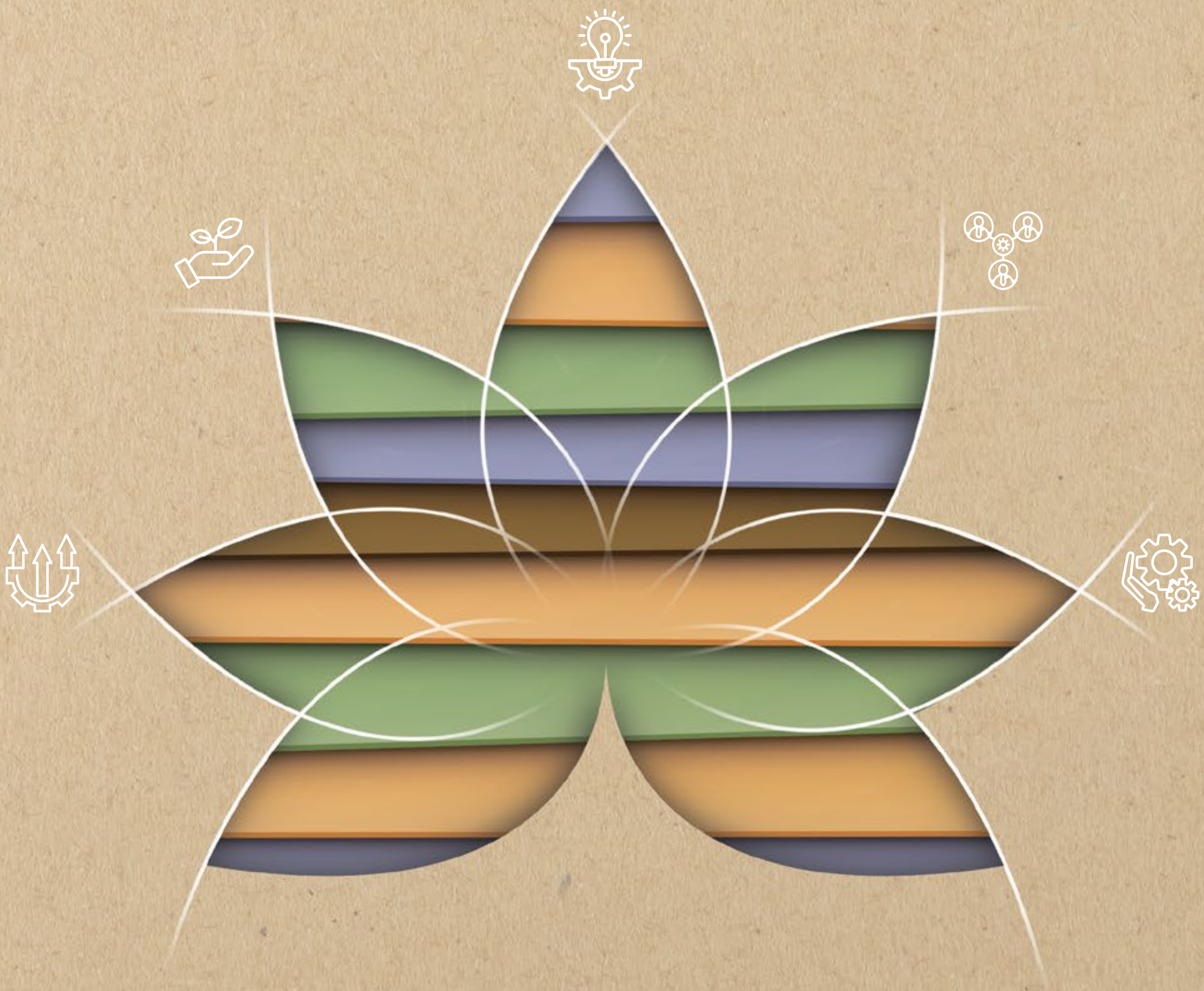
Yours faithfully,
For **Greenply Industries Limited**

KAUSHAL KUMAR AGARWAL

Digitally signed by KAUSHAL KUMAR AGARWAL
Date: 2023.08.25 14:24:33 +05'30'

**Kaushal Kumar Agarwal**
**Company Secretary &**
**Vice president-legal**

Encl.: A/a



# PROGRESSING SUSTAINABLY

Greenply Industries Limited

Annual Report 2022-23

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**To download or view this report online, please visit**
www.greenply.com

### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

**As one of India's largest interior infrastructure brands, we are transforming to maintain our leading position in this rapidly changing landscape, while prioritising sustainability.**

# PROGRESSING SUSTAINABLY

We remain committed to progress and growth at Greenply, and have strategically prioritised initiatives to build a strong team, introduce cutting-edge technologies, and enhance our capacity for plywood production. As a step forward, we have also introduced MDF into our portfolio, positioning us as a value-accretive business for a larger stakeholder community.

As we strive to excel in these areas, we remain firmly committed to achieving sustainability in all our efforts. Our business operates under a holistic lens of sustainability, with a formalised ESG360 roadmap to guide our sustainability efforts. This approach has been integral to our business since the beginning, with sustainability principles and practices at the core of our operations.

We recognise our responsibility to restore the natural resources we consume and to cultivate the well-being of the communities within the geographical areas of our operation. As we continue to expand, our unwavering commitment to sustainability ensures that we amplify value for all our stakeholders while staying true to our promise of value creation for all.

## PREPARED
# FOR TOMORROW

**Established in 1994, Greenply Industries Limited (GIL) is a leading Indian interior infrastructure brand, producing superior quality plywood and allied products , decorative veneers, and Medium Density Fibre (MDF) boards.**

At GIL, we are deeply committed to leveraging the power of technology and adopt innovative manufacturing practices. These advances enable us to deliver a portfolio of products that stand apart in quality and craftsmanship, continually meeting the expectations of our customers.

Along with a keen emphasis on progress, we consistently strive to enhance our sustainability efforts. We believe that it is our responsibility to safeguard the environment and contribute positively to the communities we serve. Our proactive approach to ESG not only helps us abide by regulatory standards, but also empowers us to create value for all our stakeholders and contribute to a greener and more sustainable future.

**E-0**
India's first Zero emission plywood

**35+**
Years of experience

**One of the largest**
Interior infrastructure brands in India

## Our Mission

- Ensure on-time delivery of high quality products
- Create a cordial atmosphere within the organisation
- Implement environmentally and socially considerate decisions for ourselves and the community

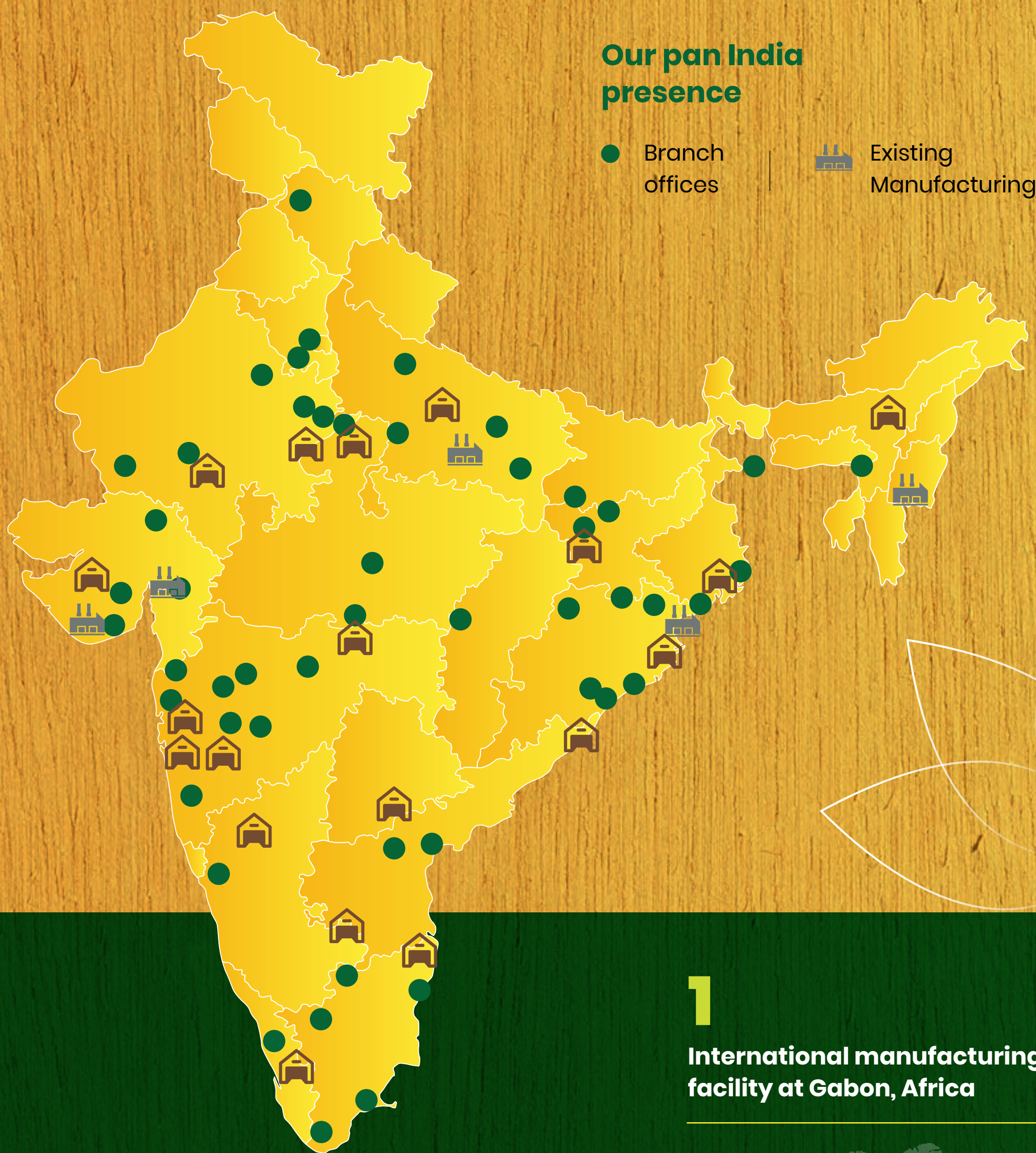
## Our Vision

- Transform every house into a home

## Our Core Values

- Nurturing a growth -oriented environment where passionate and skilled problem - solvers can unleash their potential
- Offering right products through a deep understanding of consumer requirements
- Adopting ground-breaking measures that reshaped the plywood industry

## BROADENING
# OUR FOOTPRINT



**Our pan India presence**

- Branch offices
- Existing Manufacturing Units
- Hubs & Godowns

**56**
**Branch offices**

**5**
**Domestic manufacturing facilities**

**Cities covered**

**200+**
**Urban**

**900+**
**Rural and semi-urban**

**1**
**International manufacturing facility at Gabon, Africa**





## REFLECTING ON
# SUSTAINABLE GROWTH

**1980s**

- Mr. Rajesh Mittal establishes the first sawmill and sets up a plywood manufacturing plant in Nagaland

**1990s**

- Incorporation of the Company as Mittal Laminates Private Ltd.
- Merger between Mittal Laminates Limited and Greenply Industries Limited, transferring the Nagaland plywood manufacturing unit
- Listing of the Company's equity shares
- Renaming of the organisation as Greenply Industries Ltd.
- Launch of Green 710, the flagship brand
- Introduction of Green Club, a premium grade plywood with a 300% lifetime warranty
- Merger with Worthy Plywoods Limited and transfer of the West Bengal plywood manufacturing unit

**2000s**

- Acquisition of Galaxy Decor and Platinum Veneers, granting access to a plywood manufacturing facility in Gujarat
- Launch of the Optima brand
- Introduction of Green Club Plus, a low-emission plywood
- Introduction of the Ecotec brand

**2010s**

- Recognition as the leading Indian Company in the Plywood sector
- Establishment of a veneer manufacturing unit in Myanmar
- Launch of the consumer-facing platform, Ask Greenply
- Commencement of face veneer production in Gabon

**2020s**

- Commencement of commercial production at the Decorative Veneers unit in Gujarat
- Introduction of Green Club 5 Hundred, a plywood with anti-bacterial coating
- Launch of a range of CARB-certified E0 plywood, including Green Club Plus Seven Hundred, Green Club 500 and Green Gold Platinum
- Expansion into the Medium Density Fibreboard (MDF) segment

# GIL AT A GLANCE

### Experience and reach

**35+**
Years of experience

Presence in
**27**
States & 6 Union Territories

Serving
**1,100+**
Cities, towns & villages

**2,300+**
Network of channel partners

### Operational statistics

**48.4** Million
Sq m p.a. plywood capacity

**2,596**
Total employees

**₹ 1,861** Cr
Total income

**₹ 91** Cr
Profit After Tax

**₹ 246**
Average realisation per sq m

### Environmental impact and sustainability

**24.8** Million
Saplings planted till date

**31,000+**
Acres of land covered under plantation


Team celebrating first MDF board production

# FROM THE CHAIRMAN'S DESK

> "Technology adaptation played a vital role in our organization's progress, with the implementation of lead management software for salesforce automation, enabling seamless lead tracking, communication, and documentation."

## Dear Shareholders,

As I reflect on the past year, I am pleased to acknowledge the eventful journey we have experienced. The real estate sector witnessed a sustained recovery, fuelled by positive consumer sentiments towards homeownership in semi-urban and rural areas, which bolstered our sales momentum. While we encountered challenges such as the rise in timber costs impacting our operating margins, our resilience and focused efforts resulted in strong operational and financial performance.

During the year, we made significant progress in enhancing efficiency, market expansion, and strengthening our position. A major milestone was achieved with the successful trial production initiation at our MDF unit in Vadodara, Gujarat, marking our entry into the MDF segment. Additionally, our largest greenfield plywood plant in Sandila, Lucknow commenced commercial production, contributing 28% of our plywood capacity in India with its unique single-line production capability.

### Innovative product and increased use of technology

Innovation remained at the forefront as we launched Green platinum, a premium product offering properties such as 2x fire resistance and waterproof, received encouraging response. Furthermore, we introduced 10ft x 4ft extra-large plywood sheets, catering to the demands of the new age customer segment, enhancing our brand portfolio.

Technology adaptation played a vital role in our organization's progress, with the implementation of lead management software for salesforce automation, enabling seamless lead tracking, communication, and documentation. The introduction of the Dealer Management System (DMS) provided our channel partners with a comprehensive platform for inventory management, order tracking, transactions, and post-sales support, streamlining business operations.

### Sustainability

Sustainability has become increasingly significant for businesses, particularly in the wood-based product sector. We have demonstrated our commitment to sustainability by planting over 12.15 million saplings, covering more than 14,077 acres near our manufacturing locations, in FY23. Additionally, we are proud to release our first sustainability report as part of our ESG360 initiative, setting a benchmark within the wood panel industry.

### People first approach

Our dedicated employees and business partners remain our most valuable assets, and we continue to prioritize their engagement and growth. Greenply's recognition as a "Great Place to Work" for the third consecutive time exemplifies our commitment to fostering a progressive and fulfilling work environment.

> "Sustainability has become increasingly significant for businesses, particularly in the wood-based product sector. We have demonstrated our commitment to sustainability by planting over 12.15 million saplings, covering more than 14,077 acres near our manufacturing locations, in FY23."

Looking ahead, we remain optimistic due to the resilient demand in the residential sector and the shift towards organized segments. The government's continued focus on infrastructure activities further opens opportunities for growth. Leveraging our core strengths, including innovative capabilities, strong brand presence, established distribution network, and diverse product portfolio, we are confident in our ability to meet the growing demand and uphold our position as a leading plywood company in India.

I extend my heartfelt gratitude to our employees for their dedication and valuable contributions. I thank our shareholders for the unwavering support during this journey. Lastly, I express my sincere appreciation to our customers worldwide for their trust in us, and we look forward to meeting their diverse needs.

**Rajesh Mittal**
Chairman cum Managing Director

# Q&A WITH
# JOINT MD AND CEO

"At Greenply, we are adopting a multi-pronged approach to capitalise on emerging opportunities in the industry and have identified the following focus areas to drive our future growth"

Dear Shareholders,

### How would you describe the major developments of the year under review?

The fiscal year 2022–23 was a remarkable period of learning and delivering, with several headwinds in our operating environment. However, our deep understanding of consumer needs, insights into the evolving market and industry landscape, has helped us deliver a satisfactory overall performance amid the challenging scenario. Our growth throughout the year can be attributed to the improving demand scenario, the consumer shift from the unorganised to the organised sector and our consistent efforts towards driving premiumisation.

In FY 2023, we recorded a consolidated revenue of Rs. 1,846 crore, as compared to Rs. 1,563 crore in FY 2021-22, marking a 18% growth.

### Considering that raw materials, domestic logistics, shipping and container costs comprise major cost components for your business, could you elaborate on how this has impacted volume offtake and pricing strategy?

Over the last two years, raw material and logistics costs have shot up. However, during the last fiscal, chemical prices has started softening, but timber prices continued the uptrend. To offset the impact, we have taken considerable price hikes during the year.

With the underlying uptick in consumer sentiments, our brand pull and our enhanced capacities, we have achieved decent volume growth in the last fiscal. To offset soaring logistics costs, we focused on strengthening our supply chain, optimising routes and vehicle usage.

### How has the Company enhanced its commercial capabilities over the years?

We, at Greenply, have made consistent efforts towards honing our commercial capabilities. Operating with a large dealer base, huge sales team and pan India branches, we have endeavoured to foster commercial discipline in the Company with well-defined processes.

Over the years, we have implemented robust commercial policies to streamline our operations and improve customer satisfaction. Moving ahead, we will continue prioritising improved credit control, faster processing of sales orders and process automation, to achieve optimum results and organisational objectives.

### The Company has been significantly increasing its marketing expenditure every year and has been a partner for IPL teams. What are your thoughts on the same in terms of ROI?

In response to the dynamic operating environment where consumers' preferences are always changing, we are initiating targeted measures to improve our brand visibility. Our association with IPL-2022 has been successful, offering us good brand mileage. We are also delighted to have partnered with the Australia tour of India, T-20 Series. In addition, we organised an MDF launch event, wherein we invited the Lucknow Super Giants team to our factory along with an esteemed celebrity.

We firmly believe that our brand appeal will be instrumental in reaching a broader customer base, especially when we introduce new, innovative products. In keeping with this, we will continue allocating budgets for our marketing initiatives.

### Can you explain in brief your overall strategy going forward?

Looking ahead, we maintain a positive outlook for the plywood industry, driven by the ongoing recovery in the real estate sector and consumer shift towards branded products. At Greenply, we are adopting a multi-pronged approach to capitalise on emerging opportunities in the industry and have identified the following focus areas to drive our future growth:

- Diversifying our product portfolio
- Increasing our focus on ESG
- Consistently introducing innovative and futuristic products
- Encouraging employee engagement
- Promoting automation and digitisation
- Expanding our manufacturing presence at various locations

**Manoj Tulsian**
Joint MD and CEO

# FINANCIAL PERFORMANCE
# OVER PAST FIVE YEARS

### Total Income
(INR Crore)

| | |
|---|---|
| FY19 | 1,290 |
| FY20 | 1,274 |
| FY21 | 1,025 |
| FY22 | 1,390 |
| FY23 | 1,861 |

### Profit After Tax (PAT)
(INR Crore)

| | |
|---|---|
| FY19 | 61 |
| FY20 | 33 |
| FY21 | 58 |
| FY22 | 95 |
| FY23 | 91 |

### EBITDA
(INR Crore)

| | |
|---|---|
| FY19 | 61 |
| FY20 | 33 |
| FY21 | 58 |
| FY22 | 162 |
| FY23 | 184 |

### Average Realisation per sq metre
(INR)

| | |
|---|---|
| FY19 | 219 |
| FY20 | 221 |
| FY21 | 219 |
| FY22 | 235 |
| FY23 | 246 |

### Cash profit
(INR Crore)

| | |
|---|---|
| FY19 | 80 |
| FY20 | 54 |
| FY21 | 75 |
| FY22 | 107 |
| FY23 | 127 |

### ROCE
(%)

| | |
|---|---|
| FY19 | 10.7 |
| FY20 | 12.9 |
| FY21 | 18.5 |
| FY22 | 24.5 |
| FY23 | 20.8 |

### EBITDA Margin
(%)

| | |
|---|---|
| FY19 | 9.8 |
| FY20 | 10.6 |
| FY21 | 10.4 |
| FY22 | 10.4 |
| FY23 | 10.0 |

### PAT Margin
(%)

| | |
|---|---|
| FY19 | 4.8 |
| FY20 | 2.6 |
| FY21 | 5.7 |
| FY22 | 6.5 |
| FY23 | 5.0 |

### Earnings per Share
(INR)

| | |
|---|---|
| FY19 | 5.0 |
| FY20 | 2.7 |
| FY21 | 4.7 |
| FY22 | 7.2 |
| FY23 | 8.8 |

# PAVING A SUSTAINABLE GROWTH PATH WITH A MULTIPRONGED APPROACH

Our emphasis on building a sustainable organisation is driven by our quest to create value for diverse stakeholders. With a holistic business view, we maintain a sharp focus on taking the Company to newer heights of success while prioritising our primary growth drivers.

## Product portfolio Expansion

By diversifying our product portfolio, we are expanding our consumer base. This positions us as a versatile brand that caters to various customer needs and tastes, whether we are seeking classic plywood products, or premium decorative veneers.

## Focus on ESG

Our focus on Environmental, Social, and Governance aspects reflects our dedication to sustainable practices, which attract eco-conscious consumers and investors. We have set ourselves apart in the wood panel industry by being the first company to voluntarily publish sustainability reports. By participating in plantation drives we aim to preserve the environment, promote biodiversity, and support local communities.

## Employee Engagement

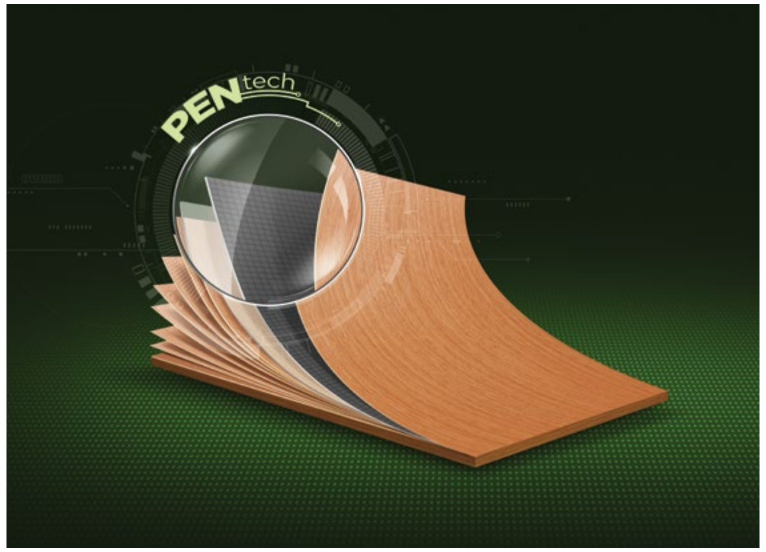
Employee engagement is one of our key focus areas. We believe engaged employees are more productive, more committed, and more likely to stay with us. They also provide exceptional customer service, further enhancing our reputation in the market. Additionally, our Employee Stock Ownership Plans align employee incentives with company performance, fostering a sense of ownership and driving higher engagement levels among our workforce.





## Producing innovative and futuristic products

We continue to introduce innovative products to the market. We launched our Green Platinum brand, featuring 2x fire resistance, waterproofing, and a money-back guarantee, and introduced India's first 10ft x 4ft extra-large plywood sheets. We further elevated our E-Zero initiative with Ross Life Science, benchmarking emission levels against competitors. Our Green Club Flexiply now offers Zero Emission and Vira-shield protection for safer interiors. The E-0 campaign showcases Green Platinum's enhanced features, enabling customers to reimagine their spaces with our products.




## Automation and digitisation

We are promoting digital transformation to enhance our operations across various functions. Leveraging a range of technological solutions, we have managed to optimise processes, including sales and order management, financial control, material management, and logistics. Our focus on integration provides seamless user experiences and real-time visibility into transactions, increasing overall efficiency. We have also incorporated digital applications into loyalty programe and employee reimbursement processes for ensuring simplicity and convenience.

## Expanding manufacturing base at diverse locations

This strategy helps us optimise shipping costs, reduce delivery times, and mitigate supply chain risks associated with relying on a single location. It also offers us opportunities to better understand and cater to local market needs in across different regions.

# AN EXTENSIVE PRODUCT PORTFOLIO

At GIL, our ability to create a wide range of products that align with changing market demands keeps us a step ahead of the curve. Dedicated to quality and eco-friendly practices, we craft our products from sustainably sourced timber near our production facilities. Striking the perfect balance between premium and economy segments, we have successfully diversified into the development of various environment-friendly and sustainable products.

### Plywood and Block board

- Green
- Flexiply
- Optima G
- Ecotec
- Bharosa
- Jansathi

### Doors

- Green
- Optima G
- Ecotec

### Specialty Plywood

- Green Compressed Wood Plate
- Cali-Form Plywood

### Decorative Veneers

- Wood Crrests
- Burma Teak
- Royal Crown
- Kohl Forest
- Engineered Veneers

### PVC Products

**Brands**

- Green Ndure

**Products**

- Boards
- Doors
- Plastic Section

### Medium Density Fibre

# MDF

We look forward to constantly strengthening our presence in the MDF segment with products that are manufactured with the advanced PRODIQ NEO technology. It not only makes the surface texture extremely smooth, but also provides the optimal balance between sturdiness and lightness. It leads to the development of products that have anti-bacterial, anti- fungal and anti-viral properties, making it an ideal choice for households. Besides, our MDF is resistant to borers and termites, making it an durable product with a prolonged lifespan.

# DRIVING MANUFACTURING EXCELLENCE

## Procurement

**To ensure manufacturing excellence, we have substantially improved our production capacity, while maintaining a strong emphasis on operating sustainably. We have also taken a unique approach to strengthening our procurement strategy.**

### Promotion of local agroforestry

We encourage large-scale plantation of different plant species that are used for the manufacturing of our products. This initiative has enabled us to nurture over 12 million seedlings and transform more than 14,000 acres of land into thriving forests. The entirety of our raw material base, from timber to fuel wood, is sourced from these agroforestry initiatives, thereby safeguarding our natural resources and contributing to our vision of sustainable manufacturing.

**12+** Million

**Seedlings planted in FY23**

**14,000+**

**Acres covered**

### Strategic location of manufacturing facilities

Our manufacturing facilities are strategically located in close proximity to our plantations. This reduces our logistics delivery time, thereby increasing manufacturing efficiency and cost-effectiveness. This integration ensures a seamless flow of raw materials, enhancing our operational capability.

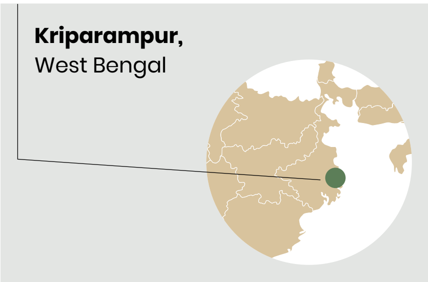
### Distribution of clonal plants

We distribute high-quality clonal plants to farmers to improve raw material productivity. Our team of experts provides regular advice to farmers, recommending land-specific clones that maximise yield. We also promote intercropping, a practice that optimises land use and increases crop yield.

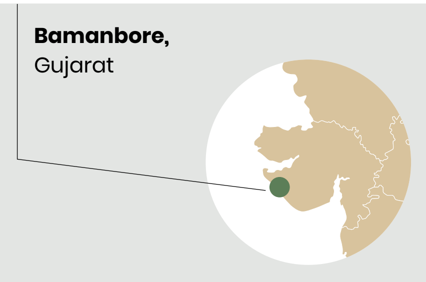
## Production

**Our extensive manufacturing operations are strategically spread across multiple units in India. Each unit is equipped with the latest technology, ensuring reliability of the production processes and facilitating the creation of high-quality, innovative and futuristic products that considerably reduce our ecological footprint.**

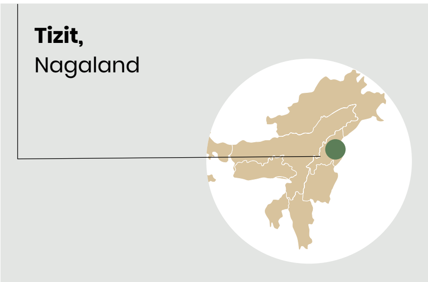
### Manufacturing units in India



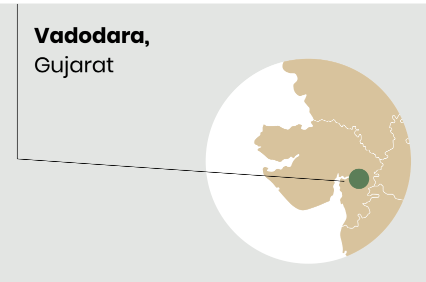

Our manufacturing plant in Kriparampur, West Bengal has a capacity of 11 million sq m p.a. This facility plays a significant role in supporting our domestic business operations.




Strategically positioned near Kandla Port, our Bamanbore facility in Gujarat is our largest manufacturing unit. The plant has a robust capacity of 15.80 million sq m p.a. and bolsters our domestic output.

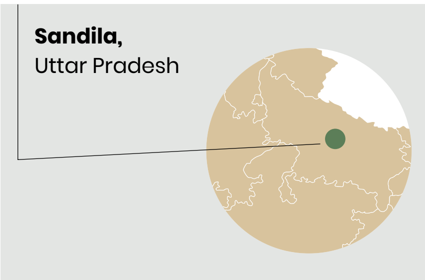



Nestled close to the timber belts of Nagaland, our Tizit unit has optimal access to a forested area that is ideal for sourcing our raw material. This unit has a capacity of 8.10 million sq m p.a.



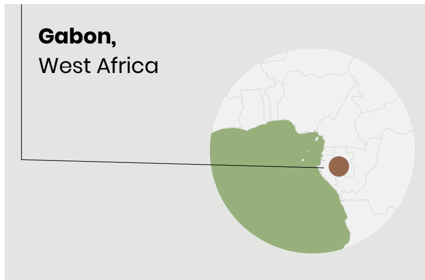

As a leading brand in the plywood sector, we made a natural progression into the MDF business. Our ambitious project in Vadodara, Gujarat was completed in a record time of 15 months. We have started the dispatch of our products and continue to produce sustainable products.

## DRIVING MANUFACTURING EXCELLENCE




Our Sandila unit in Uttar Pradesh is in the vicinity of an agroforestry hub that provides a secure channel for sourcing timber. Serving the northern and central markets of India, this facility has a capacity of 13.50 million sq m p.a.

### International Manufacturing Unit




### TAPPING INTO ABUNDANT RESOURCES

Our Gabon unit in West Africa enjoys strategic proximity to an abundant supply of Okoume species and the port, enabling access to global markets. With a face veneer peeling capacity of 96,000 CBM p.a., this facility bears a strong testament to our international manufacturing prowess.

### Sandila
# Uttar Pradesh

We initiated commercial production at our greenfield plywood manufacturing unit in Sandila, Uttar Pradesh, marking a strategic expansion of our manufacturing capacities.

### Capacity
# Expansion

In FY 2022-23, we continued to expand our manufacturing capabilities with a focus on sustaining manufacturing excellence and catering to the premium segment. Concurrently, we aimed to move the mid-segment from a trading model to a more collaborative partnership model.





## Distribution

**Our robust distribution network is strategically spread across the length and breadth of the country, ensuring comprehensive coverage of the entire nation.**

We have judiciously selected key areas for our hubs and warehouses to optimise both cost-efficiency and accuracy. This strategic layout minimises logistics expenses and reduces the potential for errors, thereby offering a seamless distribution experience.

In addition to our strategic network design, we leverage advanced technology platforms to further enhance operational efficiency. These platforms facilitate the tracing and tracking of each product dispatch. Not only does this ensure accurate, real-time monitoring of goods, but also provides our trade partners with clear visibility into the status of their orders. The use of technology enhances our operational performance and customer satisfaction, adding an additional layer of transparency and accountability in our services.

**2,300+**
Dealer distribution network

**1,100+**
cities covered

## Quality control

**Quality control is at the heart of our operations, underscoring our commitment to provide premium quality plywood and associated products.**

We implement stringent quality control procedures to ensure quality products that meet the highest industry standards.

We ensure that all raw materials adhere to our quality standards and employ state-of-the-art machinery in our production process to prevent inconsistencies. Besides, our skilled workforce is trained to strictly adhere to quality protocols.

# BACKED BY A DYNAMIC DIGITAL INFRASTRUCTURE

Over the past few years, we have embarked on a digital transformation journey with a focus on automation and digitalisation of our operations. We utilise latest technologies to optimise our processes, improve user experience, and ensure security of internal operations.

Along with an upgradation of our digital infrastructure, our digital transformation drive encompassed areas including networking, security, end-user services and sustainability initiatives. With the adoption of innovative technologies and best practices, we remain determined to drive sustainable growth.

MDF unit in Vadodara

## Network upgrades

Our digital infrastructure now boasts improved network bandwidth at all key locations, to enhance the user experience and enable seamless communication. We have also improved network redundancy using SDWAN for all plants and hubs, thereby improving dispatch of products. The reports generated by SAP infrastructure also helps to mitigate threats.

MDF unit in Vadodara

EV charged vehicles with forklift at the MDF unit

## Enhanced security measures

The security of our digital infrastructure has been significantly bolstered through various initiatives.

01 Raising security awareness through campaigns for end-users

02 Adding additional layer for security through two-factor authentication for email access

03 Utilising Cloud-based endpoint anti-malware for protection against threats

04 Continued focus on security with regular patch and firmware upgrades

Additionally, single sign-in has been enabled for all enterprise applications, and password policies have been configured to enhance user account security.

## Improved end-user experience

We have taken numerous steps to optimise the end-user experience. These include the implementation of cloud-based IT service management and IT asset management, development of dynamic distribution lists, and the deployment of Teams-enabled meeting rooms at critical locations.

## Green initiatives

As part of our commitment to sustainability, we have taken several steps to reduce our carbon footprint. We also ensure proper disposal of old and unusable IT infrastructure by certified e-waste handlers.

**BACKED BY A DYNAMIC**
# DIGITAL INFRASTRUCTURE

## Applications used to enhance efficiency

Advancements in technology continue to reshape the business landscape, prompting organisations to embrace digital solutions to enhance efficiency, improve customer experiences, and drive growth. Greenply is at the forefront of this digital transformation, leveraging a suite of applications to optimise operations across its spectrum of activities.

### Integrated CRM system

We utilize an integrated CRM system, enhancing our sales process, customer onboarding, order management, and more. This platform communicates seamlessly with other in-house and third-party applications, creating an interconnected digital ecosystem. The result is real-time visibility of transactions and an optimized user experience.

### Enterprise Resource Planning (ERP) system

Our robust ERP system covers a wide range of modules including finance, control, material management, and sales. It interfaces with various satellite applications, providing seamless data flow and real-time insights. This ongoing integration allows us to adapt to evolving business needs and enhances decision-making processes.

### Loyalty program management

We offer a loyalty program that leverages digital technologies for an enriched user experience. From onboarding to purchase registrations and redemptions, this application integrates with other platforms to ensure seamless operations.

### Transport Management System (TMS)

Our end-to-end logistics operations are streamlined via a comprehensive TMS. This platform helps to optimize transport channels, schedule dispatches, track vehicles in real-time, and digitally reconcile with transport agencies. It's also integrated with our CRM and ERP systems, ensuring seamless user experiences and real-time visibility.

### Quality control application

We deploy a custom application designed specifically for quality control at our facilities. This platform monitors various quality parameters across different sections, providing a comprehensive list of KPIs and deviation reports. It's a crucial tool in our pursuit of continuous quality improvement.

### Employee travel and expense management

We employ a self-service web and mobile application that simplifies employee travel and reimbursement processes. It automates a range of tasks, from travel requests and expense claims to policy compliance checks and approval workflows. Integration with our ERP system ensures seamless and efficient claim processing.





## Interconnected digital ecosystem

The collaboration between these applications creates an interconnected digital ecosystem for optimising operations and enhancing real-time visibility across the organisation. This robust integration allows seamless data flow, improves decision-making and overall operational efficiency.

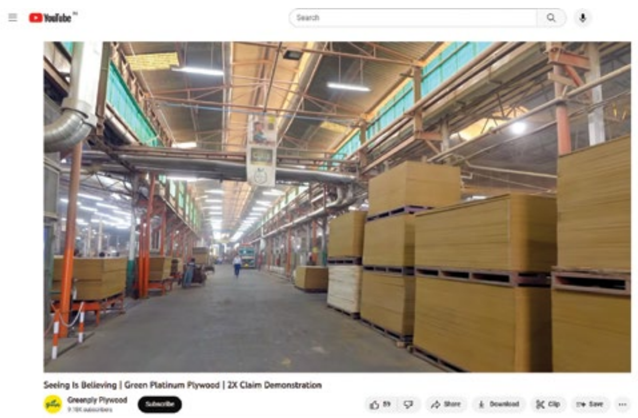
| Application | Collaboration with | Impact |
|---|---|---|
| Integrated CRM System | ERP, Loyalty Program, Dealer Management, Transport Management Platforms | This platform enhances sales processes by integrating core operational systems, loyalty programs, dealer management systems, and transport management. |
| Enterprise Resource Planning (ERP) System | CRM, Loyalty Program, Dealer Management, Transport Management, Expense Management, and Quality Management Applications | Serves as the core ERP system, interfacing with sales, loyalty, transport, reimbursement, and quality management applications. |
| Loyalty Program Management | ERP, CRM, and Redemption Platforms | Strengthens the loyalty program by connecting with core operational systems, sales platforms, and redemption platforms for seamless operations. |
| Transport Management System (TMS) | ERP, CRM, Dealer Management Platforms | Enhances outbound logistics by coordinating with the central operational system, sales, and dealer management applications. |
| Employee Travel and Expense Management | ERP | Streamlines travel and expense management by interfacing with the central operational system, thus enhancing process efficiency. |
| Quality Control Application | ERP | Boosts quality control by linking to the core operational system for real-time data and insights, assisting in quality improvement initiatives. |

# BUILDING BRAND RECALL WITH ROBUST ENGAGEMENTS

Our marketing and branding initiatives are designed to enhance brand connect and strengthen engagement with customers. With targeted brand building campaigns we seek to reach out to a broader customer base and aim for sustainable progress.

## Green Platinum

Green Platinum, a revolutionary plyboard that is fireproof and waterproof, is renowned for its exceptional durability and zero emission feature. Our marketing initiatives were designed to raise awareness about this exceptional product and its value proposition, under the tagline 'Plywood ke Piche ab science hai'.




### Social media engagement

Utilising the power of social media, we created engaging content across platforms to highlight the 2x proposition of Green Platinum, to effectively reach our target audience.

**45,000**
People reached organically


### Enhanced visibility

We prioritised in-store visibility by strategically placing posters and distributing informative leaflets that helped customers know more about Green Platinum.

**262**
Outlets covered

### Dealer and contractor awareness

To empower our dealers and contractors, we shared informative product videos via WhatsApp, equipping them with the knowledge to effectively communicate the benefits of Green Platinum to their customers.

**11,800**
Dealers and contractors engaged





### Lead generation campaigns

Through comprehensive SEO and SEM strategies, including compelling blogs and targeted web advertisements, we generated leads by emphasising Green Platinum's 2x value proposition.

**4,000**
Leads generated

### Brand visibility initiatives

To increase brand visibility and establish a strong market presence, we undertook various impactful initiatives across multiple platforms.

### Signage installation

We launched an extensive campaign to install eye-catching glow signs and acrylic boards at retail locations to create brand visibility and recognition.

### Radio campaigns

During festive seasons, we conducted compelling radio campaigns to communicate the 2x value proposition of Green Platinum.


### Television Ads

TV commercials were aired on leading channels during the festive season to enhance our brand reach and increase the visibility of Green Platinum.

### Sponsorship for cricket series

Our association with the Indian cricket team further leveraged our brand presence through targeted advertisements in cricket stadiums.

### Industry events and product launches

We participated in industry events and product launches, showcasing the innovative features of Green Platinum and engaging with key stakeholders to increase awareness and foster brand engagement.

**BUILDING BRAND RECALL WITH**
# ROBUST ENGAGEMENTS

## IPL Sponsorship

Our partnership with Lucknow Super Giants during the IPL season significantly increased brand awareness and identity. Our multi-channel approach effectively leveraged this opportunity to yield impressive results.


### Digital channels

Regular engagements with a target audience, through interactive sessions on social media platforms, fostered brand awareness and recall.


### Merchandising

We distributed branded merchandise for our dealers to increase in-store visibility and capture customer attention.


### Match visits

Our dealers, contractors, and architects were invited to watch live matches in stadiums during the IPL season to create a deeper engagement with our value chain partners.

### Focus on Uttar Pradesh

As the sponsors for Lucknow Super Giants, we conducted targeted activities focused on the local market to strengthen our presence in Uttar Pradesh.

## Engaging with value chain partners

We undertook a number of brand building initiatives to enhance the reach and recall of Greenply in the market.


### Green Samriddhi 2.0 initiatives

Virtual launch of Green Samriddhi to facilitate communication and a deeper connect with dealers and contractors.

**140+**
Artists participated in the event

### Hindustan ki Shaan awards

Hindustan ki Shaan Awards, a unique initiative to engage carpenters and contractors across India, through digital and physical events, strengthened brand visibility. Four zonal winners and one pan-India winner were awarded in the event.

## Consumer engagement

Our efforts to enhance consumer engagement forms a crucial part of our marketing efforts.

### Social media

Through social media engagement, we continuously connect with our customers, showcasing product features and unique propositions through innovative and captivating content.

### TV Commercials

High-impact TV commercials on prominent news channels significantly increase brand visibility, effectively communicating the key features of our product offerings.

# SECURING OUR FUTURE WITH AN AGILE AND EMPOWERED WORKFORCE

We recognise the importance of our people as a driving force for our success. With an emphasis on employee growth and development, we seek to create a conducive working environment that creates a sense of belonging and motivates our people to realise organisational objectives as a collective goal.

## Growth and talent management

In FY2022-23, we achieved a remarkable milestone, with the recruitment of the highest number of people in a year at Greenply. Our focus on people development led to the launch of an inaugural Manager Orientation Programme, aimed at enhancing leadership skills. Additionally, our Sales Management Programme, implemented across the regional zones, played a significant role in driving our sales training efforts.

## Technology integration and efficiency

We are committed to integrating technology into our HR processes to enhance efficiency of our operations. Our HR portal has made it easier to streamline attendance management. We have also introduced digital solutions for managing employee expenses and have partnered with a renowned technology company to create secure logins for our employees to help maintain confidentiality.

## Employee recognition and rewards

At Greenply, we value and appreciate the significant contribution of our employees. To create an engaged and motivated workforce, we acknowledge and reward the hard work of our people through various employee engagement initiatives.

### 01 Khul ke Kamao – monthly incentive plan

Our rewarding culture has been exemplified through our innovative 'Khul ke Kamao' initiative. The monthly incentive programme has been a resounding success, creating a positive ripple effect across the organisation. We are happy to report that an impressive number of employees have earned the highest payouts, reflecting the robust engagement and commitment within our workforce.

### 02 family travel scheme

In addition to monetary incentives, we believe in celebrating the personal achievements of our team. Our 'Family Travel Scheme' is a testament to this belief. This initiative rewards our high-performing sales employees with holiday vouchers, allowing them to spend quality time with their loved ones, a gesture that truly celebrates their dedication to Greenply.

### 03 High - performance culture

We hold an annual recognition programme, which provides an opportunity for our Chairman and CEO to personally acknowledge 'The High Performers' and reward the branches that have accomplished highest sales targets. The event, held this year in Kolkata, was a notable occasion for the winning branches as well as the entire Greenply family, as we celebrated our success together.





## Health and safety

Focusing on our employees' health and safety is fundamental to our business. Our plants, including the new plywood plant in Sandila and the MDF plant in Vadodara, are environmentally compliant, reflecting our commitment to safe and healthy working conditions. In addition, we have constructed concrete houses for our workers in Sandila and Vadodara, to provide a safe and hygienic living conditions.

## HR policies

Our HR policies are aligned with our commitment to sustainability and are designed with a futuristic vision. It enables us to inculcate practices that ensure the holistic well-being of individuals. We are also exploring the potential of hybrid working, which we believe will help us leverage the benefits of in-person as well as remote working.

## Awards and accolades

### GREAT PLACE TO WORK

Our commitment to creating an inclusive safe, and conducive workplace has been acknowledged and honoured by the Great Place to Work Institute. We have accomplished this phenomenal achievement for the third consecutive year.

### BEST MANUFACTURING WORKPLACE

Additionally, we earned a spot among the top three best manufacturing workplaces in the country in 2021. These achievements serve as a testament to our constant commitment to ensuring the well-being of our people.

# FOSTERING ENVIRONMENTAL STEWARDSHIP ACROSS THE VALUE CHAIN

At Greenply, we recognise the criticality of preserving and protecting our environment. As one of the largest interior infrastructure brands, we are committed to reducing our environmental footprint and fostering sustainable business practices. Powered by a sustainable growth ethos, we continue to adopt a systematic approach to maintain the ecological balance.

## Sustainable forest management

We are using a 4:1 strategy, where we plant four young trees for every one tree that's harvested. It has resulted in the cumulative plantation of 24.85 million saplings, covering approximately 31,471 acres of land. Besides, we source timber from Forest Stewardship Council (FSC) certified forests to promote sustainable forest management and biodiversity conservation. Our initiatives also support reforestation efforts and sustainable land use practices.

**24.8 million**
**Saplings planted till date**

**31,000+**
**Acres of land covered**

### Eco-restoration drive

Our eco-restoration drive spans India and involves a large number of associates who are indirectly linked to us. Through their direct involvement, we collectively work towards environmental conservation and promote sustainable practices on a broader scale.

## Resource efficiency and waste reduction

To minimise waste, we optimise our manufacturing processes and maximise raw material utilisation. Our robust recycling policies ensure that waste products from our operations are either reused or recycled, to contribute towards a circular economy and minimise our environmental impact.

### Plastic Free Tiranga initiative

Our commitment to sustainability is clearly demonstrated through our 'Plastic Free Tiranga' initiative. Launched on Independence Day, it is a step towards creating a plastic-free environment, thereby contributing to the well-being of the community.

## Energy management

We invest in energy-efficient technologies and aim to utilise renewable energy to reduce energy consumption and greenhouse gas emissions. Our adherence to ISO 50001 energy management standards enables us to continually monitor and improve our energy usage, thereby contributing to climate change mitigation.

### Energy management initiatives

#### Embracing renewable energy

We have sourced a sizable portion of energy from renewable sources such as wind and solar, specifically for our Medium Density Fibreboard (MDF) unit. This shift enables us to tap into cleaner and renewable sources for our energy needs. Additionally, we introduced electrically charged vehicles and forklift capabilities reducing our dependency on traditional fuel motor vehicles. This blend of solar power and electric mobility demonstrates our dedication to incorporating renewable energy across various facets of our operations.

#### Sustainable fuel sources

We made a significant shift in our choice of fuel by transitioning completely away from coal, making a conscious choice towards a more sustainable alternative. Additionally, we now use some of our byproducts, to power our operations.

## Water conservation

We implement significant measures to reduce water consumption and prioritise the recycling and treatment of wastewater. Through these efforts, we demonstrate our commitment to water stewardship and the preservation of water resources.

## Climate change mitigation

We are working towards achieving Science-Based Targets for greenhouse gas emissions from our operations. Additionally, we are exploring opportunities for carbon offsetting, aiming to become a carbon-neutral Company. These efforts are integral to addressing the pressing issue of climate change across the globe.

# EMPOWERING LIVES, NURTURING INCLUSIVE DEVELOPMENT

We realise our business cannot operate in isolation and the community plays an important role in our journey. Our constant emphasis on giving back to society drives us to undertake initiatives that make meaningful change possible.

### Community development project

To improve the quality of life in Tizit, Nagaland, we have adopted a school and a village. Our efforts include:

- Creating provision for medical and educational facilities.
- Operating a mobile van for village-to-village doctor check-ups to make healthcare easily accessible in rural areas.

### Health, Safety, and Environment (HSE)

Our HSE initiatives ensure all our plants are in compliance to regulations concerning health and safety, which is integral to safeguarding both our workers' well-being and the well-being of nearby communities. We also work towards making our operations environment friendly.

### Worker Welfare in Sandila and Vadodara

For our dedicated workers in Sandila and Vadodara, we have constructed concrete houses. This initiative not only helped create safe and hygienic living conditions, but also contributed to the holistic welfare of our people.

### Employee benefit scheme

We are dedicated to employee welfare and have reiterated our commitment through the Future Service Gratuity (FSG) and ESOP Plan 2020. We contribute to the success of our employees by providing financial support and making them a part of a rewarding journey.

### Green Rise project

Our unique Green rise project, located in Nagaland, assigns individual plants to our associates, such as architects and dealers. These plants are strategically placed, and the benefits accrued after maturity are utilised for the well-being of the local community. This project improves environmental conditions, minimises our carbon footprint, and encourages mass involvement and community engagement for ecological conservation.

### Agricultural support and education

We aspire to empower local farmers through education on best practices, access to high-quality clonal plants, and advice on suitable intercropping strategies. Our partnership with Navasari University bolsters research in the field of plantations and further strengthens our approach in this field.

### Community health

We provide free medical services to local communities and conduct regular health check-ups for residents living in the vicinity of our plants, emphasising our commitment to community health and well-being.

### Carbon credit projects

We have initiated projects that benefit farmers through carbon credits, providing them with additional income opportunities. These projects promote sustainable farming practices, aligned with our commitment to environmental sustainability.

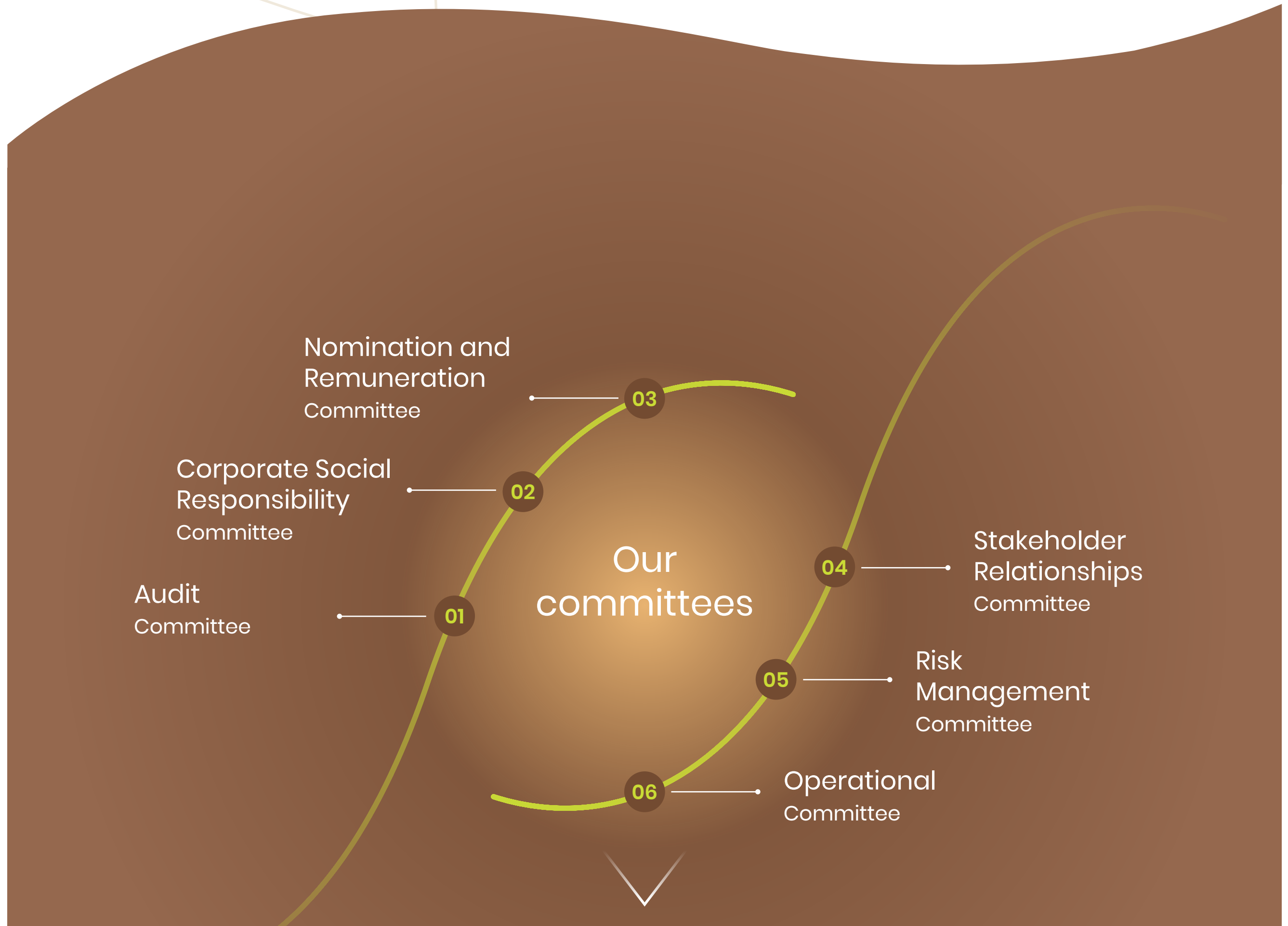
# SUSTAINING A CULTURE OF GOOD GOVERNANCE

At Greenply, our foundational principle is to uphold the highest standards of ethical business conduct and our governance framework is firmly rooted in fair and responsible practices. We aim to align ourselves with industry best practices and ensure compliance with all regulatory requirements.

A number of committees and policies have been established to guide our governance practices. These committees are tasked with steering our business with integrity, while creating a necessary framework for ethical conduct through appropriate policies.

These elements are integral to our corporate governance structure and serve as a critical support for our sustainable business operations. Together, they promote an organisational culture that values transparency, accountability, and ethical conduct, to foster a healthier business environment.

We believe, by adhering to these principles we can retain the trust of our stakeholders and contribute positively to the industry. Further, these measures enable us to mitigate risks, ensure transparency in decision-making and secure long-term success in an evolving business landscape.




**Our policies**

- Vigil Mechanism Policy
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy
- Dividend Distribution Policy
- Business Responsibility Policy
- Policy on Prevention of Sexual Harassment

# Management Discussion and Analysis

## Global economy

The global economy has been reeling under the impact of several macro-economic challenges over the past year, including geopolitical headwinds like the Russia-Ukraine war, food and energy crisis in Europe, and mounting inflationary pressures across key economies. Consequently, these have resulted in widespread supply chain disruptions. The commodity prices shot up and profoundly impacted global trade.

However, reviving consumer sentiment and investor confidence, global economic output is expected to witness steady growth. The employment scenario in the US and other advanced economies has improved from pandemic levels and rising disposable income is also likely to facilitate growth in the coming years. Few major emerging economics are showing signs of recovery, fuelled by government focus on infrastructure and manufacturing sectors.

Central banks' monetary policies are expected to result in a drop in global inflation from 8.7% in CY22 to 7.0% in CY23 to 4.9% in CY24. It is anticipated that the pent-up demand in numerous economies, along with a considerable reduction in inflation, will contribute to accelerated economic growth in CY23. The global economy is anticipated to experience a growth rate of 2.8% in CY23, which is expected to gradually increase and stabilise at 3.0% in CY24. Emerging markets and developing economies, including India, are powering ahead in many cases, with growth rates expected to witness a significant upsurge this year.

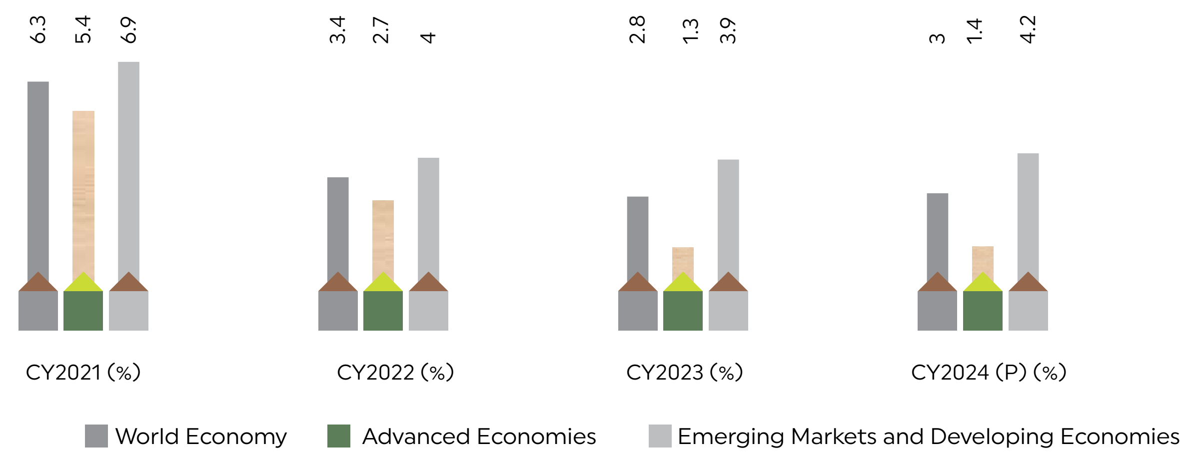
[Source- IMF World Economic Outlook, April 2023]

### Outlook

Structural improvements can have a positive impact in an inflationary environment by bolstering productivity and unwinding global supply chains. Efforts by central banks to tighten monetary policy are also anticipated to curb inflation, which has been a concern for past few years. This will also aid in stability in the prices of essential commodities, thereby offering some relief to the consumers. Targeted, need-based measures of governments and central banks across the globe will help shape a promising outlook for global economic growth, going forward.



**Real GDP Growth %**




[Source – World Economic Outlook, April 2023, Real GDP Growth]

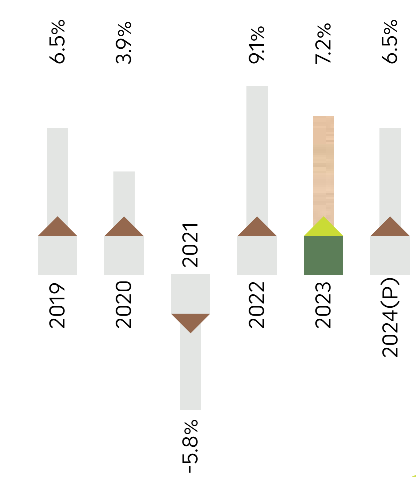
## Indian economy

The Indian economy emerged as one of the fastest growing major economies in the world in FY23. The economy experienced a strong rebound during the second quarter of the same year, driven by the normalisation of domestic supply chains and improved consumer sentiments. The corporate sector came out of the pandemic with healthy balance sheets demonstrating strong rebound in the consumer demand. Banking sector depicted a steady growth in corporate credit implying strong overall industrial activity. Furthermore, the Central Government's significant boost on capital expenditure played a crucial role in facilitating this rebound.

The Government has managed to maintain a favourable domestic policy environment and prioritise structural reforms, allowing the country's economy to remain resilient amid global challenges. Government initiatives, including the PM Gati Shakti - National Master Plan, the National Monetisation Plan (NMP) and the Production-Linked Incentive (PLI), have been instrumental in fostering economic growth. The Reserve Bank of India (RBI) has also exercised prudent and proactive measures to ensure financial stability and address liquidity constraints.

Private consumption in FY23 is projected to have clocked a growth rate of 7.7%. The surge in private consumption has also fuelled production activities, leading to higher capacity utilisation across various sectors. In the Union Budget FY24, there has been a notable surge of 37.4% in budgeted capital expenditure, with the railways receiving the highest-ever capital allocation of INR 2.4 lakh crore. Additionally, the allocation of interest-free loans to states for capital expenditure has been increased to INR 1.3 lakh crore, up from INR 1.0 lakh crore in FY22. Projections indicate that India's economy will continue to progress and expand at a rate of 7.2% during the fiscal year 2022-23.[1]

**GDP growth YoY (%)**




(Source- National Statistical Office)

[1]https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1931834

**Outlook**

The International Monetary Fund (IMF) has recognised India as a relative 'bright spot' in the global economy. This recognition stems from the country's sound macroeconomic policies, the presence of a robust digital public infrastructure and a remarkable increase in exports. The availability of credit, stable financial markets and the Government's focus on infrastructure are expected to aid substantial investments. India shows signs of recovery and pent-up demand over the last two years offers hope for new growth opportunities in the domestic market.

## Industry overview

**India's real estate industry**

Real estate is the second-largest employer in India after agriculture. Being a crucial sector of the Indian economy, it is estimated to account for approximately 13% of India's GDP by FY25 and reach USD 1 trillion by FY30[2]. Housing, retail, hospitality and commercial are the four broad subsectors of this industry.

Residential demand in India has remained relatively unaffected in light of elevated inflation, construction costs and the synchronised rate hikes implemented by the Reserve Bank of India. In fact, the sector witnessed a surge in annual sales, reaching a nine-year high in CY22, indicating strong market demand.

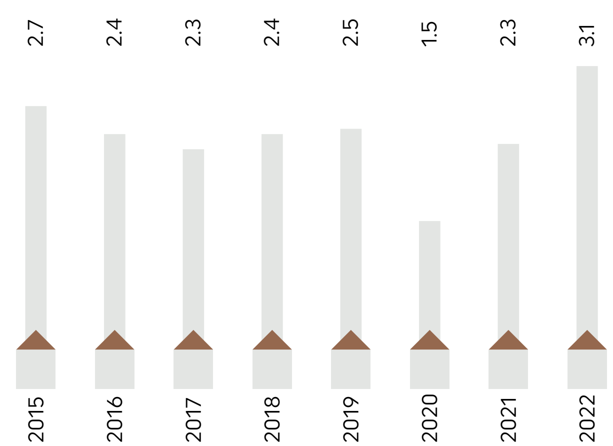
The demand for office spaces, urban housing and semi-urban housing is on the rise due to a growing population and rapid urbanisation.[3] This has attracted investors to both the residential and commercial real estate. The Government has introduced various incentives to support the industry, including investments in smart city projects and tax exemptions on housing loan interest. In line with the PM Awas Yojana (PMAY), the Government has allocated INR 79,590 crore in the affordable housing segment in the Union Budget 2023-2024. The objective of this is to construct 80 lakh houses for eligible beneficiaries of the PMAY in both rural and urban areas, addressing the need for affordable housing.[4]

**Outlook**

Two years following the pandemic, the real estate sector in the country gained momentum in the year 2022 as consumer sentiments improved. The low interest rates and government support to the sector aided this recovery in the housing sector demand. Apart from the residential sector, the commercial space too attracted investors and homebuyers. This rebound in residential and commercial demand will act as a key growth driver to the furniture and allied industries. In addition to this, rapid population growth, low mortgage rates and inflated housing demand will have a positive contribution to this sector's expansion.

**Housing sales are at a nine-year high**

**Housing sales in top 8 cities (units in lakhs)**




Source (Knight Frank research)

[2]https://www.investindia.gov.in/sector/construction/real-estate-commercial

[3]https://www.investindia.gov.in/sector/construction/real-estate-commercial

[4]https://www.indiabudget.gov.in/doc/Budget_at_Glance/budget_at_a_glance.pdf



**India's furniture industry**

India is the fifth-largest producer and the fourth-largest consumer of furniture worldwide. The domestic furniture market is presently estimated to be at USD 32 billion. However, it is anticipated to reach USD 37.7 billion by 2026, expanding at a double-digit CAGR of 13%[5] during 2020-2026. It has been observed that northern and southern India are the primary regions boosting this demand for furniture. Rapid urbanisation and expanding real estate in India are two major propellers for the furniture industry's growth. This sector has also witnessed substantial investments due to an enhanced focus on infrastructure renovation.

Rising disposable income and higher living standards are boosting the demand for aesthetic and unique home décor options. Consumers today prefer affordable products with enhanced aesthetics, rather than prioritising durability. This trend has significantly contributed to the growth and popularity of ready-made furniture. Ready-made furniture is also favoured due to minimal maintenance and mobility.

India's overall exports in FY23 were estimated to be USD 770 billion, marking a remarkable growth of 13.8% over FY22[6]. This can be attributed to numerous interventions from the Government. Export promotion schemes such as the Merchandise Exports from India Scheme (MEIS) are incentivising furniture manufacturers and are catalysing exports.

Additionally, the government's focus on improving infrastructure and the ease of doing business has also contributed to the growth of India's furniture exports. However, challenges such as increasing competition from other countries and fluctuating global demand continue to pose a threat to the sustainability of this growth.

**Online platform**

The online space for India's furniture industry players has grown substantially in recent years. With the rise of e-commerce platforms, furniture companies are now able to reach a wider audience and expand their customer base. Additionally, the use of advanced technology such as virtual reality and augmented reality has revolutionised the way customers shop for furniture online, providing them with a more immersive and personalised experience.

The e-commerce market for India's furniture and appliances is projected to reach a value of USD 8.6 billion, representing 12% of the total e-commerce market in India. This segment is anticipated to sustain the growth momentum in the coming years, with a projected CAGR of 13.9% from 2023 to 2027. As a result, the market volume is expected to reach USD 14.4 billion by 2027[7].

**India's wood panel industry**

India's wood panel industry includes plywood, MDF, particle boards and laminates. This segment is estimated to be worth INR 40,000 crore[8] in FY23 and is anticipated to record an upsurge due to rising urbanisation, a greater thrust on infrastructure and a higher demand for affordable housing. Demand for wood-based panels is likely to grow from investments in domestic and commercial development projects. Despite the availability of numerous alternatives for wooden furniture, the demand for wood panels remains high due to its durability, cost-effectiveness, easy repair ability and the versatility.

[5]https://www.investindia.gov.in/sector/consumer-goods/furniture

[6]https://www.pib.gov.in/PressReleasePage.aspx?PRID=1916220

[7]https://ecommercedb.com/markets/in/furniture-homeware

[8]https://economictimes.indiatimes.com/industry/indl-goods/svs/paper-/-wood-/-glass/-plastic/-marbles/century-plyboards-eyes-20-25pc-revenue-growth-this-fiscal-from-rs-3050cr-in-fy22/articleshow/94431296.cms

**India's plywood industry**

India's plywood market showed a substantial growth in FY23. The demand for plywood in India is driven by urbanisation and consumer preferences due to its strength, dimensional stability, durability, and versatility. Additionally, the rising demand for renovation activities, coupled with the growing popularity of semi- and fully furnished apartments, is contributing significantly to the market's expansion. The Indian government's thrust on low-cost housing for its citizens is also expected to spur plywood demands. The Government has implemented several policies, such as Pradhan Mantri Awas Yojana, Delhi Development Authority (DDA) Housing Scheme and NTR Housing Scheme in Andhra Pradesh, to name a few, aimed at encouraging the development of real estate sector. Additionally, the increasing demand for superior quality and premium plywood variants, driven by the improving living standards of consumers, is anticipated to further bolster the plywood market in India in the coming years.

**India's MDF (Medium Density Fibreboard) Industry**

The MDF industry in India is currently estimated to be over INR 4,000 crore and is expanding at a compound annual growth rate (CAGR) of 15%.[9] The medium-density fibreboard (MDF) industry is witnessing an upsurge in demand for wood-based products for applications in furniture, flooring, and construction. However, the Indian MDF industry faces several hurdles, such as raw material availability, high energy costs, and intense competition from other wood-based products.

Around 30% of the world's furniture needs are satisfied by plywood and 70% by MDF, whereas in India, this is other way round. However, with the rising acceptance of MDF, has been increasing its penetration over the past decade, this gap in the Indian market is anticipated to decrease.

Additionally, the industry faces a significant challenge from cheap imports, which has prompted industry associations to combat this issue through the imposition of anti-dumping duties. However, the Central Government possesses discretionary power to accept or reject the findings of the review conducted by the Directorate General of Trade Remedies (DGTR).

**Growth drivers of the organised wood panel industry**

- **Revived real estate demand**

  The residential real estate market in India experienced a consistent upswing in demand and prices during the first quarter of 2023, signifying the continuation of a positive trend observed over the past five quarters. Notably, Bengaluru, Mumbai, Chennai, and Hyderabad took the lead in price appreciation, with a notable increase ranging from 5% to 7%. In terms of sales, Q1 FY23 sales totalled 79,126 units, representing 1% growth compared to the previous year. [10]

  Commercial properties, including office buildings, hotels, and restaurants are an important part of the real estate sector. The growth of the commercial real estate industry in India is influenced by various factors, including the implementation of digitalisation and increasing number of tenants. Additionally, economic growth, transparency, and efficiency have boosted the development and occupancy of commercial real estate. Commercial real estate leases are typically long-term, with rental rates increasing by 15% every three years, making it a lucrative prospect for developers. This has spurred the construction of numerous new office space projects that are currently in progress and will soon be available for use. The expanding real estate industry presents significant opportunities for furniture manufacturers, distributors, and retailers, acting as a key catalyst for their growth .[11]

- **Increased acceptance of sustainable and eco-friendly products**

  A majority of consumers believe that companies should strive hard to reduce their carbon footprint and transition to becoming net-zero emitters. Moreover, most of them have expressed that these factors are crucial in determining their purchasing decisions, indicating a growing demand for goods and services from environmentally responsible businesses.

  In response to this, the Company has introduced an innovative product known as Green Club Plus Seven Hundred. This cutting-edge product is India's first 2-in-1 zero emission plywood, and is in line with Greenply's commitment to environmental responsibility by providing interior spaces with improved air quality. As part of the Green Club range, which represents the Company's premium plywood offerings, Green Club Plus boasts an impressive array of features, including fire retardant properties and exceptional acoustic performance.

[9]https://www.careratings.com/uploads/newsfiles/24022023122649_Medium_Density_Fibreboard_CareEdge_Report.pdf

[10]https://economictimes.indiatimes.com/industry/services/property-/-cstruction/key-indian-property-markets-see-5-7-rise-in-housing-prices-in-march-quarter/articleshow/99207061.cms

[11]https://economictimes.indiatimes.com/news/how-to/what-are-the-factors-pushing-the-commercial-real-estate-sector/articleshow/99639397.cms?from=mdr





- **Higher consumer spending**

  As the disposable income of consumers rises, they tend to increase discretionary expenses on home decor and furniture, consequently increasing demand for wood panels. This has led to a shift towards branded products and an increased preference for high-quality, durable wood panels.

- **Growth of organised players and consumer preference for branded products**

  In the post-pandemic era, consumers are increasingly seeking seamless experiences in discovering, researching, evaluating options, and making purchases. This shift in consumer behaviour has prompted organised players to develop new retail formats designed to cater to the preferences of modern consumers. This has also revitalised the demand for branded products and brought with it access to innovative technologies. The expansion of organised players is a key catalyst for the industry's growth, as they have made substantial investments in state-of-the-art manufacturing facilities, ensuring consistent quality and a reliable supply chain. All these improvements have contributed to a surge in consumer demand for branded furniture.

## Government initiatives

- The PLI scheme offers financial incentives to qualified businesses to ramp up furniture production. The programme intends to scale up domestic manufacturing and India's share in the global furniture industry.
- The 'Make in India' campaign promotes domestic manufacturing and promotes foreign investment in a variety of sectors, including furniture. These government initiatives are meant to accelerate the development of the furniture industry in the country and establish the nation as a major economic player.
- The Government's initiative to create Urban Infrastructure Development Funds (UIDFs) will be supervised by the National Housing Bank. As per the Union Budget 2023-24, an allocation of INR 10,000 crores has been made to this end .[13,15] UIDFs will facilitate infrastructure development in Tier II and Tier III cities, which will have a spillover effect on furniture demand.
- A sum of INR 79,000 crores for the Pradhan Mantri Awas Yojana has been allocated according to the Union Budget 2023–24. This is an increase of 66% when compared to the previous year. The PMAY will utilise this amount to ensure the availability of affordable housing[13] .
- The Government has launched several initiatives to upskill workers in the plywood industry. The Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and the National Skill Development Corporation (NSDC) are two such programmes that offer training and skill development opportunities to these workers, helping them to improve their productivity and efficiency.
- The Government has announced the establishment of a furniture park in Uttar Pradesh, which will provide common facilities for manufacturing and marketing, testing and certification facilities, and training facilities for artisans and craftsmen in the furniture industry. This initiative is expected to boost the furniture industry in the state and create employment opportunities for local furniture retailers.
- A scheme that has been instrumental in promoting the growth of the furniture industry is the Duty Drawback Scheme. Under this scheme, exporters are refunded the duty paid on inputs used in manufacturing exported products. This has helped furniture manufacturers reduce their input costs and has increased their competitiveness in the global market.
- The Export Promotion Capital Goods (EPCG) scheme is another important initiative that has helped the furniture industry in India. This scheme allows manufacturers to import capital goods at zero duty for the purpose of manufacturing goods for export. This has enabled manufacturers to upgrade their technology and improve product quality.

[12]https://timesproperty.com/news/post/union-budget-2023-24-insights-from-real-estate-sector-perspective-blid3848

[15]https://timesproperty.com/news/post/union-budget-2023-24-insights-from-real-estate-sector-perspective-blid3848

## Company overview

Greenply Industries Limited (hereafter referred to as 'the Company' or 'Greenply') is a leading brand of plywood & allied products Greenply's cutting-edge manufacturing facilities in Tizit (Nagaland), Kriparampur (West Bengal), Bamanbore (Gujarat), and Sandila (Uttar Pradesh) have an annual plywood production capacity of 48.4 million square metres. Notably, the Company has commenced trial production at its Medium Density Fibreboard (MDF) unit in Vadodara, Gujarat. Greenply also has a facility in Gabon, West Africa, with a face veneer peeling capacity of 96,000 cubic metres each year.

**35+ years**

**Experience in delivering quality plywood products**

**1100+**

**Cities, towns and villages serviced**

### Products and brands

Greenply has a comprehensive range of renowned brands, comprising high-quality products, to cater to diversified customer preferences across regions and price points. The products are aligned with evolving consumer and market trends. Greenply maps and analyses these trends and continues to innovate its offerings in tandem with evolving consumer needs.

**Plywood & Blockboard**

- Green
- Flexiply
- Optima G
- Ecotec
- Bharosa
- Jansathi

**Doors**

- Green
- Optima G
- Ecotec

**Speciality Plywood**

- Green Compressed Wood plate
- Cali-form plywood

**Decorative Veneers**

- Wood Crrest
- Burma Teak
- Kohl Forest
- Royal Crown
- Engineered Veneers

**PVC Products**

- Green Ndure

**MDF**

- Greenply MDF

### Plywood and blockboards

Incorporating technological advancements armed with several certifications, Greenply not only provides excellent plywood and blockboard with maximum precision, uniform thickness and greater strength, but it also ensures safe indoor air quality. Being the best-selling brand of plywood in India, Greenply offers branded, quality plywood at reasonable prices. Greenply also manufactures the finest commercial, marine-grade or blockboard plywood of different sizes and thicknesses, across various price points. Plywood and blockboards are branded as Green, Optima G, Ecotec, Bharosa and Jansathi.

Greenply, as industry pioneers in the plywood sector, has consistently strived to introduce innovative solutions, such as introducing E-0 emission plywood to the Indian market. The zero-emission plywood comprises various products, including Green Absolute Calibrated Ply, Green Gold, Green Gold Platinum, Green Defender, Optima-G and numerous others. This plywood adheres to one of the strictest formaldehyde emission standards and is certified by the California Air Resources Board (CARB), as authorised by the Environment Protection Agency (EPA).

The Company also offers an extraordinary product, Green Club Plus Seven Hundred, which has remarkable features. It is India's first zero-emission plywood and has an anti-bacterial coating that makes the product safe for every household. This pioneering 2-in-1 plywood, with the combined power of two functionalities, conforms to the structural grade of IS:10701 and possesses fire-retardant properties as per IS:5509 standards. Undergoing the rigorous Penta (5) Tech process, the Green Club Plus Seven Hundred plywood guarantees precision, strength, and quality by eliminating core gaps and undulations.





### Decorative veneers

Made from unique, hand-picked varieties from America, Brazil, Europe and Africa, Greenply's veneers add a hint of a wooden look to contemporary furniture. Each veneer flake has a distinctive pattern, is sturdy and complies with E1 criteria. The Company offers a vast range of decorative veneers.

### Flush doors

Greenply's flush doors are designed to provide security, protection, strength, dimensional stability, and high impact resistance. The flush doors are specifically designed to cater to consumers' demands for residential or commercial usage. These doors come in three varieties: non-decorative wooden flush doors, one-sided decorative doors and doors with ornamental panels on both sides. All these doors have lock provisions on both sides. The doors undergo protective treatment and are sturdy enough to withstand knocking and slamming. To prevent warping and delamination of products, several precautionary measures are also taken. Greenply offers a selection of flush doors at affordable prices.

### Speciality plywood

Greenply has the best selection of products from Green Compreg. Green Compreg is used in several products, from railways to automobiles and building structures. Backed by exceptional quality and performance, Greenply's plywood is resilient and tightly compressed.

### PVC products

Greenply's PVC products have always been the preferred material for interiors. Products from Greenply Ndure are of stellar quality and durable. Green Ndure promises to make living spaces good looking and complete and are affordable, fireproof and waterproof. The Green Ndure line of PVC/WPC boards and uPVC doors offers dual assurance of aesthetic appeal and durability. Sustainability has become even more crucial now. Also, Green Ndure is eco-friendly and is a perfect choice for customers who are environmentally conscious.

### Medium Density Fibreboard (MDF)

Medium-density Fibreboard (MDF) is one of the fastest-growing wood panel products. Its high demand is fuelled by changing consumer preferences. MDF also offers a cost advantage over its substitutes. The portfolio includes all possible product sub-categories, such as thin and thick, pre-lam and other value-added products, under the brand name Greenply MDF.

Greenply has employed the best-in-class technology, PROD-IQ NEO TECH, to manufacture MDF (Medium Density Fibreboard) with exceptional precision. This innovative German technology harnesses the power of Artificial Intelligence to analyse microfibres, ensuring that each board is crafted with the utmost accuracy and precision. The Company also offers MDF boards that incorporate advanced technology to withstand high humidity levels and maintain dimensional stability. Additionally, Greenply provides HDF (High-Density Fibreboard) boards that are built to resist expansion and contraction caused by fluctuations in humidity levels, making them ideal for demanding applications. Moreover, they offer pre-laminated MDF boards that exhibit exceptional durability, resistance to abrasion, and protection against cracks and stains.

### Manufacturing facilities

Currently, with four state-of-the-art manufacturing facilities for plywood at Tizit (Nagaland), Kriparampur (West Bengal), Bamanbore (Gujarat) and Sandila (Uttar Pradesh), the Company has a total capacity of 48.4 million square metres per annum. Outside India, the Company has a unit in Gabon, West Africa, with a face veneer peeling capacity of 96,000 CBM per annum. It has recently started production at its Medium Density Fibreboard (MDF) unit in Vadodara, Gujarat.

| Plywood and allied (Own Manufacturing) Locations | Capacity (Mn Sq mtrs pa) |
|---|---|
| Bamanbore, Gujarat | 15.80 |
| Sandila, Lucknow (U.P.) | 13.50 |
| Kriparampur, West Bengal | 11.00 |
| Tizit, Nagaland | 8.10 |
| Total plywood & Allied Existing Capacity | 48.40 |

| Plywood & allied (Domestic Partner) Location | Capacity (Mn SqM pa) |
|---|---|
| Bareilly, Uttar Pradesh | 10.00 |
| Hapur, Uttar Pradesh (Upcoming) | 7.50 |

| Face Veneer Peeling Location | Capacity (CBM / pa) |
|---|---|
| Gabon, West Africa | 96,000 |

| MDF Manufacturing Location | Capacity (CBM / pa) |
|---|---|
| Vadodara, Gujarat | 2,40,000 |

## Business strengths

**Having a leading position and high brand equity**

Greenply is a trusted name in the plywood sector, with rich industry expertise spanning three decades. It has consistent positioning and strong brand recall.

**Catering to all customer segments**

The Company offers a broad selection of products at all price points, catering to both the premium and value market segments. Brands such as Green, Club, and Optima G serve as indicators of Greenply's presence in the premium market.

Through brands like Ecotec, Bharosa and Jansathi, the Company meets the requirements of the mid- and mass-market segments.

**Strategically located manufacturing facilities**

The Company's manufacturing facilities are strategically located close to raw material sources. This guarantees the necessary raw material supply at a reasonable cost.

**Innovative and eco-friendly products**

The Company makes investments in cutting-edge technology to promote product innovation and superior quality. The Company was the first to release E-0 plywood that was approved by the California Air Resources Board (CARB) and issued by the Environmental Protection Agency (EPA). This highlights the Company's ongoing efforts to introduce unique products to the market to gain competitive advantage

**Pan-India distribution network**

The Company has a robust dealer network of more than 2,300 dealers who are present in over 1,100 cities, towns, and villages in 27 states and 6 union territories. They are served by 56 branches, which are prudently positioned between urban and contemporary construction hubs. As a result, the Company can market its products all over the nation.

**Operational sustainability**

Greenply is committed to promoting sustainable growth, and thus, each of its manufacturing facilities is surrounded by plantation operations. As a result, the Company has been able to source a steady supply of raw materials and offer inclusive, long-term growth.






- **Expanding the product portfolio**

  The Company intends to diversify its product portfolio by introducing various products under the wood panel and building material industry.

- **Making ESG a priority**

  Greenply prioritises the production of plywood that is environment-friendly, ensuring that it is free from harmful emissions and gases, making them the preferred option for usage in furniture, construction and interior design. Greenply also focuses on waste reduction and the promotion of Agro-forestry methods, which help preserve natural resources and minimise environmental impact.

- **Introducing cutting-edge and futuristic products**

  The Company is diversifying its product portfolio with the introduction of MDF boards. It has made substantial advancements in its manufacturing processes and facilities and adopted digital advancement across multiple organisational levels. The Company's customer-centric approach and focus on product innovation have played a pivotal role in driving its growth in the MDF segment.

- **Encouraging employee engagement**

  Greenply encourages a culture of learning and growth as it considers its people its most valuable asset. The Company has been recognised as a 'Great Place to Work' for three successive years, starting in 2020.

- **Promoting automation and digitisation**

  The company has enhanced its manufacturing and supply chain capabilities by prioritising the establishment of a digital ecosystem and implementing automation. This strategic approach has enabled the Company to achieve seamless operations and improved tracking capabilities.

- **Increasing the manufacturing base in various locations**

  Greenply has established a unit in Vadodara, Gujarat, equipped with European machinery and manufacturing items at an impressive daily installed capacity of 800 Cubic Board Metres (CBM). In addition to this, Greenply has further expanded its existing plywood capacity through their new unit in Sandila, Uttar Pradesh. The Sandila facility will manufacture value-added products, adding to the Company's diverse offerings. Furthermore, Greenply has two units in Bareilly, Uttar Pradesh, operating through partnerships that specifically focus on the production of plywood, doors, film face plywood, and other related products.

## Threats

**Intense competition**

The plywood and wood products industry are highly competitive, with both local and international players vying for market share. The Company may face challenges from competitors offering similar products at lower prices or with innovative features.

**Raw material availability and cost**

Fluctuations in the availability and cost of raw materials, such as wood and adhesives, can impact production costs and profitability of the Company. Changes in environmental regulations or unsustainable sourcing practices could also affect the supply chain.

**Technological disruption**

Advances in technology and new manufacturing methods could render the Company's existing production processes obsolete, requiring significant investments in research and development to stay competitive.

**Changes in consumer preferences**

Changes in consumer preferences and trends towards alternative materials or construction methods could affect demand for traditional plywood products.

## Financial overview

**Standalone**

### Income statement analysis

- The total income of the Company rose to INR 1,66,707.07 lakh in FY23, surpassing the previous year's figure of INR 1,39,005.94 lakh in FY22. This represents a YoY growth of 19.92%.
- EBITDA experienced a surge to INR 16,200 lakh in FY2023, against the previous year's value of INR 14,360 lakh in FY2022. This indicates a YoY growth of 12.81%.
- The Company witnessed an EBITDA margin of 9.72 % as compared to the recorded EBITDA margin of 10.4 % in FY22.
- There was an increase in the profit after tax to INR 10,934.52 lakh in FY2023, as compared to INR 8,881.33 lakh in FY2022. This indicates a YoY change of 23.1 %.
- PAT margin increased to 6.65 % in FY2023 from 6.45 % in FY2022.

### Balance sheet analysis

- Total debt amounts to INR 1,830 lakh as of March 31, 2023, compared to INR 4,370 in March 31,2022.
- Net debt stood at INR 632 crore as on March 31,2023
- As of March 31, 2023, the net debt-equity ratio stood at 0.03 times.
- The net working capital days as of March 31, 2023, were 28 days, as compared to 29 days reported on March 31, 2022.
- The Return on Capital Employed (Pre-tax) was 20.75 % as of March 31, 2023, as compared to a recorded ROCE of 24.5% recorded on March 31, 2022.
- As of March 31, 2023, the Return on Equity was 19.2 %, as compared to 19.3% recorded on March 31, 2022.

**Key operating metrics-Plywood**

| Particulars | FY2023 | FY2022 |
|---|---|---|
| Annual Capacity (million. sq. mtrs) | 34.9 | 34.9 |
| Production (million. sq. mtrs) | 29.8 | 31.3 |
| Sales Volume (million. sq. mtrs) | 65.4 | 57.5 |
| Capacity Utilization (%) | 86 | 90 |

**Details of significant change in key financial ratios**

| Particulars | FY2023 | FY2022 |
|---|---|---|
| Debt Equity ratio (times) | 0.03 | 0.09 |
| Debt Service Coverage Ratio (times) | 5.45 | 5.3 |
| Return on Equity ratio (%) | 19.2 | 19.3 |
| Trade Receivables Turnover ratio (times) | 9.27 | 8.51 |
| Trade Payables Turnover ratio (times) | 5.63 | 5.29 |
| Net Working Capital Turnover ratio (times) | 13.58 | 20.63 |
| Return on Investments (%) | -4.5 | 14.9 |
| EBITDA/Net Interest (times) | 26.31 | 24.84 |
| Return on Capital Employed (ROCE) (%) (Pre tax) | 20.75 | 24.5 |
| Inventory turnover ratio (in times) | 9.45 | 9.03 |
| Operating Profit Margin (%) | 35.51 | 38.73 |
| Net Profit Ratio (%) | 6.67 | 6.48 |





## Business outlook

The outlook for Greenply remains promising owing to several reasons. There is a rising demand for eco-friendly and sustainable products and Greenply has established itself as a pioneer of such products. It is expected that this pattern will persist, bolstering the demand for Greenply's products. The Company has made significant strides towards sustainability by introducing its zero emission plywood (E0 Grade). This innovative product not only enhances the air quality within interior spaces but also contributes to a safer and healthier environment.

The Company has actively undertaken several branding and marketing initiatives to enhance brand equity and improve visibility in the future. One such initiative involved the launch of a new product, a 'wooden fragrance diffuser' as part of the Demonstration kit for Club 700, which was successfully distributed to trade partners. Additionally, the Company has expanded its reach by establishing over 980 outlet points of sale for effective communication with customers.

Greenply places a high priority on research and development. This enables the Company to innovate and launch new products in response to evolving market trends. Greenply also has an expansive distribution network that enhances its customer outreach across numerous geographies and market sectors.

The Company's future objective is to capitalise on the benefits of the furniture sector's transformation by leveraging the government's decision to broaden the scope of the Goods and Services Tax (GST) under the new regime. Before the introduction of GST, different tax rates across regions caused price differences. However, the implementation of the new GST regime has resolved this concern, bringing about standardized pricing and also more efficient procurement procedures. Consequently, the Company has experienced enhanced growth and is poised to continue thriving sustainably in the years ahead.

**Risk management**

| Risk | Description | Mitigation |
|---|---|---|
| Macro-economic risk | An economic slowdown or recession can adversely affect consumer spending for products such as furniture or housing, which can affect the demand for products. | In response to this risk, the Company has developed a diverse product portfolio, offering products at reasonable price points. It also produces emission free products which are in line with the growing awareness of climate change and environmental conservation. |
| Regulatory risk | Wood is the Company's main raw material, regulations that restrict its sources would have an impact on the Company's operations. | The Company follows sustainable sourcing for all its wood requirements.<br>The catchments areas of all its manufacturing facilities have plantations. |
| Competition risk | The entry of new competitors into the industry would likely result in intense competition, which could pose a threat to the Company's future expansion. | The Company possesses extensive scale, strong brand recall and operational efficiency that has enabled it to attain a leadership position in the industry. Its unwavering focus on product innovation, robust dealer network and wide product line across plywood and allied product categories has helped the Company deepen its market presence. |
| People risk | The inability to acquire and/or retain skilled employees can hinder the Company's ability to manufacture quality products. | The Company offers defined career paths to ensure talent retention and provides the best compensation packages in the industry. On top of that, training and skill development programmes are conducted. |

| Risk | Description | Mitigation |
|---|---|---|
| Transportation risk | Transportation expenses may escalate as a result of geopolitical tensions and rising fuel costs. | The Company has a well-structured logistics management processes beginning from raw material procurement to final product delivery, which ensures uninterrupted operations.<br>The Company has also introduced and implemented an integrated material tracking system for seamless logistics management, enhancing transparency and efficiency at every step of supply chain cycle. |
| Raw material risk | The Company's inability to source adequate raw materials may impact its capacity to meet the growing demand. | The Company's manufacturing units are located in close proximity to the raw material sources, and it procures raw materials from multiple suppliers at competitive prices. |
| Brand risk | Any controversy or negative incidents pertaining to the Company can damage the brand's reputation. | The Company maintains a hawkish stance on the market and identifies of any risks associated with its reputation. |

**Internal control systems and their adequacy**

Strong internal control systems appropriate for Greenply's size and operations have been established. The Company exercises appropriate internal controls and standardises operational procedures to protect its assets and maximise its corporate effectiveness. The organisation's corporate governance policy, principles and requirements are followed in the establishment and implementation of its internal control and risk management systems.

**IT controls system**

Greenply has consistently been at the forefront of embracing new technologies and is adopting digitisation to enhance its operational efficiency. An integrated material tracking system is in place for seamless logistics management. To bolster workforce productivity and ensure more proactive business executions, a single mobility platform has also been introduced.

The company has also implemented IT interventions in ramping up infrastructure security, application transformation and sustainability efforts. It uses 2-3 layers of security to prevent spam and phishing and diligently follows e-waste norms. Additionally, it has employed SAP for MDF Division and the Utkarsh tool for quality tracking at its plants.

**Empowering our human capital**

Greenply retains its industry leadership owing to its proactive human resource management policies. This year, the Company recorded its highest number of new hires. To attract top talent, the Company implemented numerous initiatives for both campus and lateral talent placements. It conducted formal and informal training sessions as well as on-the-job training to assist its people in advancing their careers and improving their skills and knowledge. With the help of both internal and external faculties, several innovative learning programmes were organised to help the Company's talent pool in enhancing their skills and overall development. The Company also organised a monthly incentive programme called 'Khulke Kamalo Plan' and a recognition programme called the 'High Performance Club,' for rewarding stellar performers in its sales team. As of 31st March 2023, the Company has 2,596 employee strength.

**Implementing HSE initiatives**

Greenply believes that health, safety and environmental (HSE) management key for company's sustainability in the long term. In keeping with this, the Company has launched social and environmental initiatives which will benefit its workforce, the environment and society, at large. The Company also ensures compliance with all applicable industry specific HSE regulations. During the year, it has built concrete houses for its workers close to its manufacturing facilities in Sandila and Vadodara offering them safe and hygienic living conditions.

**Caring for the community**

Striving to bring about positive change, the Greenply Foundation has undertaken several CSR initiatives centred on healthcare, education and social aid in FY23. Some of these initiatives included actions taken to improve the overall quality of life of the local communities by






conducting programmes to ensure girl child education, preventive health care and other similar activities in areas close to the manufacturing facilities.

Greenply has taken a number of CSR initiatives to demonstrate its commitment to the health and well-being of its stakeholders, environmental sustainability, and inclusive growth of the community. These initiatives include product innovation on zero emission (E-0) and programmes on health and well-being. Greenply has successfully acquired the FSC®-FM Certification, which ensures that its plantations are sourced sustainably. The Company also offers accident insurance coverage, health screenings, and eye examination camps for the safety and benefit of its partners. Additionally, Greenply has made a considerable additional contribution to the Friends of Tribals Society (FTSEkal)'s Abhiyan movement, which supports the education of tribal and rural children. These initiatives have a positive impact on the community and contribute to building a strong brand reputation.

**Environmental preservation**

- Through Project Plantation, Greenply focuses on promoting sizable, replenishable plantations with the aim of improving environmental resources and offering additional income to farmers. In Tizit, a nursery and clonal propagation centre were established to distribute planting materials with superior genetics. Free saplings were distributed among local farmers and eventually, they acquired ownership of a particular tree.
- A clonal propagation centre is also set up near the MDF unit in Vadodara for promoting quality saplings.

**Healthcare initiatives**

- The Greenply Foundation recognises the need for attention in the healthcare sector.

  The Companyhas decided to address this concern by offering the necessary healthcare assistance to enhance the lives of those who make up its community.

**Educational development**

- Along with Udayan Care, a non-profit organisation in West Bengal, Greenply undertook an initiative to help talented and deserving girls from economically underprivileged sections of society. The Udayan's Shalini Fellowship Programme, a unique initiative for academic excellence and personality development, was organised to empower girls and women. The Company conducted skill development programme for females to bridge the manpower demand/ supply gap in the industry.

**Being a responsible corporate entity**

Sustainability remained at the core of business at Greenply. As its operations significantly impact the environment, Greenply has created an Integrated Farm Management Plan/Manual to develop and implement sustainable farm management practices in the project area The ultimate goal of this project is to advance farm forestry in Nagaland's Mon district to improve the lives and livelihoods of the local group participants. Greenply received recognition for its approach to forest management and is the first company in the panel industry to have received the FSC®- FM certification.

The recent #Plastic Free Tiranga campaign organised by Greenply, reached over 150 trade architects and 1000 dealers. As part of this campaign, the company distributed flags made of wood and cotton with a letter outlining its sustainability initiatives. The company also chose to offer sustainable festive gifts, such as branded Diwali celebration kit made from eco-friendly materials., to its 1500+ dealers. By prioritizing sustainability in all aspects of its business, the company is committed to making a sustained positive impact on environment and society.

## Cautionary statement

The objectives, projections, estimates, expectations, plans, or predictions made by the Company in the 'Management Discussion and Analysis' are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Several factors, including but not limited to global and domestic economic conditions, successful implementation of devised strategies, R&D, growth plans, technological advancements, changes in laws and regulations that apply to the Company, rising competition and the conditions of its customers, suppliers and the overall industry, are likely to have an impact on the Company's performance, causing final results to differ materially from those expressed or projected. Any subsequent development, new information, future events, or other factors that may have an impact on any forward-looking statements do not have to be publicly updated, amended, modified, or revised by the Company except as required by applicable laws.





# Directors' Report

To
The Members,

Your Directors have pleasure in presenting their 33rd Annual Report on the business and operations of the Company along with the Audited Accounts of the Company for the Financial Year ended March 31, 2023.

## Financial highlights

A brief summary of the Company's standalone and consolidated financial performance during the year ended March 31, 2023, is given below:

**(₹ in Lakhs)**

| Particulars | 2022-23 | | 2021-22 | |
|---|---|---|---|---|
| | Standalone | Consolidated | Standalone | Consolidated |
| Turnover | 1,63,884.38 | 1,84,127.16 | 1,37,145.18 | 1,55,736.75 |
| Profit before Exceptional items, Finance charges, Tax, Depreciation/Amortization (PBITDA) | 16,196.35 | 18,445.31 | 14,356.00 | 16,016.37 |
| Less: Finance Charges | 615.48 | 2,624.71 | 578.03 | 1,193.15 |
| Profit before Exceptional items, Depreciation/ Amortization (PBTDA) | 15,580.87 | 15,820.60 | 13,777.97 | 14,823.22 |
| Less: Depreciation | 2,074.81 | 3,646.08 | 1,860.72 | 2,584.60 |
| Net Profit before Exceptional items & Taxation (PBT) | 13,506.06 | 12,174.52 | 11,917.25 | 12,238.62 |
| Exceptional items | (676.68) | 962.00 | - | - |
| Net Profit before Taxation (PBT) | 12,829.38 | 13,136.52 | 11,917.25 | 12,238.62 |
| Provision for taxation | 1894.86 | 1,918.13 | 3,035.92 | 3,026.32 |
| Profit/(Loss) after Taxation (PAT) | 10,934.52 | 11,218.39 | 8,881.33 | 9,212.30 |
| Share of profit/(loss) of Joint Venture | N.A. | (22075.21) | N.A. | 260.27 |
| Profit/(Loss) after Taxation and share of profit/(loss) of Joint Venture | 10,934.52 | 9,143.18 | 8,881.33 | 9,472.57 |
| Profit/(Loss) after Taxation for the year | 10,934.52 | 9,143.18 | 8,881.33 | 9,472.57 |

## Result of operations and the state of Company's affairs

During the year under review, your Company continued to grow with revenue of ₹ 1,63,884.38 Lakhs as against ₹ 1,37,145.18 Lakhs in the previous year. Profit for the year 2022-2023 was ₹ 10,934.52 lacs as against ₹ 8,881.33 lacs in the previous year.

As per the consolidated financial statements, the revenue and profit for the year 2022-2023 were ₹ 1,84,127.16 Lakhs and ₹ 9,143.18 lakhs respectively as against ₹ 1,55,736.75lacs and ₹ 9,472.57 lacs in the previous year.

Your Company remains committed to sustainable growth and have strategically prioritized initiatives to build a strong and capable team, introduced cutting-edge technologies in the manufacturing process, and enhance the Company's capacities for plywood and allied products. Your Company constantly strives to enhance its efforts to manufacture sustainably. Your Company believes that it is the responsibility of the Company to safeguard the environment and contribute positively to the communities. The real estate sector witnessed a sustained recovery, fueled by positive consumer sentiments towards homeownership in semi-urban and rural areas, which bolstered our sales momentum. While your Company encountered challenges such as the rise in timber costs impacting our operating margins, our resilience and focused efforts resulted in stable operational and financial performance.

The Company's product line is diverse to meet the needs of its customers. The Company's extensive product line comprises of plywoods and blockboards, decorative veneers, flush doors, speciality plywood, and Polyvinyl Chloride (PVC) products. The Company has been continuously driving product innovation ensuring a steady supply of safe products to its consumers. Plywood in India has matured from commodity to brand. Currently, Indian plywood industry is at a stage of consolidation with better pricing and customer experience. The Company has a wide range of product basket that spans across every price point catering to requirements of premium to mass segment consumers.

Your Company continues to retain and reinforce its market share under organised sector with a pan India distribution network comprising of distributors/dealers and retailers. Your Company makes eco-friendly and zero-emission (emits insignificant quantities of formaldehyde as per E-0 and E-1 formaldehyde emission criteria) plywood in an effort to reduce its carbon footprint. Greenply manufactures specialty plywood for varied applications, including railways, automobiles, and construction-specific architectural structures. Due to its excellent quality and performance, the super- strong, highly compressed plywood can be used in a variety of industries.

## Product Expansion, Present Scenario and Business Outlook

The Company believes that the near term outlook is positive on account of its wide product portfolio, increased brand visibility, and consumer demand revival. Plywood market is one of the major verticals within the interior infrastructure segment. Your Company is currently operating primarily in the structural sphere of interior infrastructure domain with almost all the products in its basket catering to the structural needs of the diversified customers.Your company also focused on the value-added products to improve margin.

Your Company remains optimistic due to the resilient demand in the residential sector and the shift towards organized segments. The government's continued focus on infrastructure activities further opens opportunities for growth. Your Company has an ability to meet the growing demand and maintain the position as one of the leading plywood companies in India on the back of its core strengths, including innovative capabilities, strong brand presence, established distribution network, and diverse product portfolio. Your Company has implemented robust policies to streamline its operations and improve customer satisfaction. Moving ahead, your Company will continue prioritising improved credit control, faster turn around time for sales orders as a result of process automation to achieve optimum results.

The Board of Directors of the Company at its meeting held on 4th August, 2021, had approved acquisition of M/s. Greenply Speciality Panels Private Limited (formerly Baahu Panels Pvt. Ltd.), as a wholly owned subsidiary of the Company for setting-up of a new unit in Village: Sherpura, Taluka: Savli, District: Vadodara, Gujarat for manufacturing of Medium Density Fibreboard (MDF) under the said Wholly Owned Subsidiary. The commercial production of Medium-density Fibreboard (MDF) at the said new production unit has been commenced on May 5, 2023.

The Board of Directors of Greenply Industries Limited, at its meeting held on May 8, 2023, accorded its consent to enter into a Joint Venture agreement with SAMET B.V., a company duly incorporated under the laws of Netherlands and having its registered office at Weesperstraat 61, 1018 VN, Amsterdam, the Netherlands, for manufacturing and selling functional furniture hardware such as slide systems for wooden and metallic drawers, hinge systems, lift-up systems and other connection fittings etc. through a manufacturing facility in India. Greenply Industries Limited will invest an amount of approximately ₹ 34 Crs in the joint venture over a period of next 4 years.

In this connection, the Board also approved incorporation of a Joint Venture (JV) Company in the name of "Greenply Samet India Private Limited" or such other name as mutually agreed by the Company and SAMET B.V. and as may be approved by the concerned Registrar of Companies. The said JV Company to be incorporated shall be on equal shareholding basis (1:1) as a private limited company in accordance with Indian laws.

The Company foresees robust growth marked by resurgence in demand from the real estate sector. Looking forward, your Company maintains a positive outlook for the plywood and allied product segment driven by the ongoing recovery in the real estate sector and consumer shift towards branded products. This will be driven by consumer shift towards branded and eco-friendly products, rising affordability and urbanisation. Although the volatility in raw material costs prevails, the Company is confident of managing the situation and maintain the growth trajectory.

## Subsidiaries and Joint Venture

Presently, your Company has two overseas wholly owned subsidiaries viz.(i) Greenply Holdings Pte. Ltd., Singapore, which is holding the investment in Greenply Alkemal (Singapore) Pte. Ltd., Singapore. (ii) Greenply Middle East Limited, Dubai, UAE, which is managing, controlling and holding investment in Greenply Gabon SA, Gabon, West Africa and also engaged in general trading business. Also, your Company has two Indian wholly owned subsidiary namely (i) Greenply Sandila Private Limited and (ii) Greenply Speciality Panels Private Limited (formerly Baahu Panels Private Limited).

Greenply Sandila Private Limited was incorporated on 24th May, 2021 for manufacturing of plywood and its allied products and Baahu Panels Pvt. Ltd. was acquired on 4th August, 2021 as a wholly owned subsidiary of the Company with objective for setting-up of a new unit in Village: Sherpura, Taluka: Savli, District: Vadodara, Gujarat for manufacturing of Medium Density Fibreboard (MDF).

Further, your Company has an overseas step-down wholly owned subsidiary viz. Greenply Gabon SA, Gabon, West Africa, (Subsidiary of Greenply Middle East Limited, Dubai, UAE) having manufacturing unit at Nkok SEZ in Gabon, West Africa. The same is engaged in the business of manufacturing and marketing of veneers.

Your Company also has one step-down overseas joint venture namely Greenply Alkemal (Singapore) Pte. Ltd. (a joint venture company of Greenply Industries Limited, India through its wholly owned subsidiary Greenply Holdings Pte. Ltd., Singapore and Alkemal Singapore Pvt. Ltd., Singapore) engaged in the business of trading and marketing of commercial veneers and panel products. Further, the joint venture company also control the Myanmar based company i.e. Greenply Industries (Myanmar) Pvt. Ltd., which is engaged in the business of manufacturing and trading of veneer and lumber.

During the year review, no company has become or ceased to be subsidiaries, joint ventures or associate companies of the Company.

The statement in form AOC-1 containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is annexed to this Report.

Further, the contribution of Greenply Holdings Pte. Ltd., Singapore, Greenply Middle East Limited (U.A.E.), Greenply Gabon S.A. (West Africa) (wholly owned subsidiary of Greenply Middle East Limited), Greenply Speciality Panels Private Limited (India) and Greenply Sandila Private Limited (India) and Greenply Alkemal (Singapore) Pte. Ltd., Joint Venture to overall performance of the Company during the year under review is as mentioned below:

| | Net assets (total assets minus total liabilities) | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of consolidated net assets | ₹ in Lakhs | As % of consolidated profit or loss | ₹ in Lakhs |
| **Holding Company** | | | | |
| Greenply Industries Limited | 97.77% | 62,948.22 | 119.59% | 10,934.52 |
| **Subsidiaries:** | | | | |
| **Indian** | | | | |
| Greenply Sandila Private Limited | 0.74% | 477.36 | 5.54% | 506.23 |
| Greenply Speciality Panels Private Limited | -0.91% | (588.01) | -4.67% | (426.72) |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | -2.58% | (1,660.96) | -0.10% | (8.76) |
| Greenply Middle East Limited ^ | 3.66% | 2,355.27 | -15.93% | (1,457.60) |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | -0.99% | (640.07) | -22.70% | (2,075.21) |
| **Non-controlling interests in all subsidiaries** | 0.00% | - | 0.00% | - |
| Adjustment arising out of consolidation | 2.31% | 1,489.96 | 18.27% | 1,670.72 |
| **At 31 March 2023** | **100.00%** | **64,381.77** | **100.00%** | **9,143.18** |

| | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|
| | As % of consolidated other comprehensive income | ₹ in Lakhs | As % of consolidated profit or loss | ₹ in Lakhs |
| **Holding Company** | | | | |
| Greenply Industries Limited | 15.14% | 38.03 | 116.80% | 10,972.55 |
| **Subsidiaries:** | | | | |
| **Indian** | | | | |
| Greenply Sandila Private Limited | 0.00% | (0.17) | 5.53% | 506.06 |
| Greenply Speciality Panels Private Limited | 0.00% | 0.38 | -4.66% | (426.34) |

| | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|
| | As % of consolidated other comprehensive income | ₹ in Lakhs | As % of consolidated profit or loss | ₹ in Lakhs |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | -0.48% | (1.21) | -0.11% | (9.97) |
| Greenply Middle East Limited ^ | 85.34% | 214.21 | -13.25% | (1,243.39) |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | 0.00% | - | -22.09% | (2,075.21) |
| **Non-controlling interests in all subsidiaries** | 0.00% | - | 0.00% | - |
| Adjustment arising out of consolidation | 0.00% | - | 17.78% | 1,670.72 |
| **At 31 March 2023** | **100.00%** | **251.24** | **100.00%** | **9,394.42** |

^ includes a wholly owned step-down subsidiary Company - Greenply Gabon SA

## Consolidated financial statements

For the period under review, the Company has consolidated the financial statements of its wholly owned subsidiaries viz. Greenply Holdings Pte. Ltd., Singapore, Greenply Middle East Limited, Dubai (UAE), Greenply Sandila Private Limited, India and Greenply Speciality Panels Private Limited (formerly Baahu Panels Private Limited), India. In accordance with Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.greenply.com/investors. Further, as per the said section, audited annual accounts of the subsidiary companies and Joint Venture Company have also been placed on the website of the Company, www.greenply.com/investors. Shareholders interested in obtaining a physical copy of the audited annual accounts of the subsidiary companies and Joint Venture Company may write to the Company Secretary at the Company's registered office. A statement containing salient features of the financial statements of subsidiary/ associate companies/joint venture in form AOC -1 is annexed to this Report.

## Credit Rating

During the year, "Credit Analysis and Research Ltd. (CARE)"and "India Ratings & Research" have re-affirmed our external credit rating for both long term and short-term borrowings as detailed below:

| Rating Agency | Instrument | Rating |
|---|---|---|
| CARE | Banking Facilities - Long Term | CARE AA- |
| CARE | Banking Facilities - Short Term | CARE A1+ |
| India Ratings & Research | Banking Facilities - Long Term | IND AA- |
| India Ratings & Research | Banking Facilities - Short Term | IND A1+ |
| India Ratings & Research | Short Term Debt (including Commercial Paper) | IND A1+ |

Above credit rating reflects Company's commitment and capability to persistent growth through prudence and focus on financial discipline.

## Dividend

Your Directors recommend a final dividend of 50% i.e. Re. 0.50 per equity share (compared to previous year of 50% i.e.Re.0.50 per equity share of Re.1/-each) on the equity shares of the Company of Re.1/- each for financial year 2022-2023.

The dividend payment is subject to approval of members at the ensuing Annual General Meeting. The dividend pay-out is in accordance with the Dividend Distribution Policy of the Company adopted by the Board of Directors in their meeting held on July 25, 2016 and amended on February 8, 2019. The Dividend Distribution Policy of the Company is annexed to this Report and also has been uploaded on the website of the Company available at the weblink at https://www.greenply.com/assets/investors/11/original/Dividend_Distribution_Policy.pdf?1564572436

## Transfer to Reserves

No amount has been proposed to be transferred to the General Reserve during the Financial Year 2022-23.

## Details of the transfer(s) to the IEPF

Pursuant to the provisions of the Companies Act, 2013, dividends that are unpaid/ unclaimed for a period of seven years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

| Financial Year ended | Date of declaration of dividend | Due Date for transfer to IEPF |
|---|---|---|
| 31.03.2015 | 25.08.2015 | 30.09.2022 |
| 31.03.2016 | 23.08.2016 | 28.09.2023 |
| 31.03.2017 | 21.08.2017 | 26.09.2024 |
| 31.03.2018 | 28.08.2018 | 03.10.2025 |
| 31.03.2019 | 30.09.2019 | 05.11.2026 |
| 31.03.2020 | 30.09.2020 | 05.11.2027 |
| 31.03.2021 | 15.09.2021 | 21.10.2028 |
| 31.03.2022 | 21.09.2022 | 27.10.2029 |

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 21st September, 2022 (date of previous Annual General Meeting) on the Company's website https://www.greenply.com/investors and on the website of the Ministry of Corporate Affairs.

Further, as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (hereinafter referred to as the IEPF Rules, 2016) read with Section 124 of the Companies Act, 2013, in addition to the transfer of the unpaid or unclaimed dividend to Investor Education and Protection Fund (hereinafter referred to as "IEPF"), the Company shall be required to transfer the underlying shares on which dividends have remained unpaid or unclaimed for a period of seven consecutive years to IEPF Demat Account. Accordingly, till date total 38,012equity shares, as detailed below, in respect of which dividend was unpaid or unclaimed for a consecutive period of seven (7) years or more had been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government from time to time. Out of this, during 2021-22, one shareholder, whose shares were transferred to the De-mat account of IEPF Authority, claimed and received his 2000 shares from IEPF Authority.

| Year of Transfer of Equity Shares to IEPF | No. of Equity Shares Transferred to IEPF | No. of shares claimed from IEPF | Balance lying in IEPF De-mat account |
|---|---|---|---|
| 2017-18 | 30,185 | - | 36,012 |
| 2019-20 | 7,000 | - | |
| 2020-21 | 614 | - | |
| 2021-22 | - | 2,000 | |
| 2022-23 | 213* | - | |
| **Total** | **38,012** | **2000** | **36,012** |

* Due to some technical issue, out of total 213 equity shares, transfer of 80 equity shares to IEPF De-mat account was completed in April 2023.

Details of above shares are available in the Company's website and can be viewed at www.greenply.com

The members who have a claim for the dividends and shares already transferred to IEPF may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend and shares so transferred.

## Share Capital

During the year under review, the Nomination and Remuneration Committee of the Board of Directors of the Company issued and allotted equity shares of face value of Re. 1/- each (fully paid-up) as detailed below from time to time to the eligible employees of the Company for cash at a price of ₹ 55/- per equity share (including a premium of ₹ 54/- per share), aggregating to ₹ 1,36,95,000/- under Greenply Employee Stock Option Plan 2020 ("ESOP 2020"/ "Plan"). Accordingly, the equity share capital of the Company was increased from ₹ 12,26,27,395/-(12,26,27,395 equity shares of Re.1 each) to ₹ 12,28,76,395/- (12,28,76,395 equity shares of Re.1 each).

| Sr. No. | Date of allotment | No. of shares allotted under ESOP 2020 |
|---|---|---|
| 1. | 16.05.2022 | 1,89,250 |
| 2. | 05.08.2022 | 47,250 |
| 3. | 07.11.2022 | 8,750 |
| 4. | 13.02.2023 | 3,750 |
| | **TOTAL** | **2,49,000** |

## De-mat Suspense Account/Unclaimed Suspense Account

The details with respect to de-mat suspense account / unclaimed suspense account are as follows:

| Sl. No. | Particulars | No. of shareholders | Outstanding Shares |
|---|---|---|---|
| 1. | Aggregate number of shareholders and the outstanding shares in the Suspense Account lying as on April 1, 2022; | 5 | 3020 |
| 2. | Shareholders who approached the Company for transfer of shares from Suspense Account during the year; | NIL | NIL |
| 3. | Shareholders to whom shares were transferred from the Suspense Account during the year; | NIL | NIL |
| 4. | Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act | 2 | 20 |
| 5. | Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year; | 3 | 3000 |

The voting rights on the shares outstanding in the "Greenply Industries Limited - Unclaimed Suspense Account" as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

## Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanidhya Mittal [DIN-06579890], Joint Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The details of Mr. Sanidhya Mittal [DIN-06579890] as required under Listing Regulations and SS-2 has been provided in the notice of 33rd AGM and Corporate Governance Report.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a)&(b) of the Companies Act, 2013 and a certificate dated 10th April, 2023 received from a Practising Company Secretary Ms. Nidhi Bagri, Proprietor of Nidhi Bagri & Company certifying that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority is annexed to the Corporate Governance Report.

All the Independent Directors of the Company have complied with the requirement of inclusion of their names in the Data bank of Independent Directors maintained by Indian Institute of Corporate Affairs. Mr. Vinod Kumar Kothari, Mr. Susil Kumar Pal and Ms. Sonali Bhagwati Dalal are not required to pass the online proficiency self-assessment test as per the first proviso of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 whereas Mr. Upendra Nath Challu and Ms. Vinita Bajoria has successfully qualified the online proficiency self-assessment test for Independent Director's Databank. Further, in the opinion of the Board of Directors, the Independent Directors of the Company are persons of integrity and possess relevant expertise and experience.

None of the Directors or Key Managerial Personnel were appointed or resigned from the Company during the year under review.

## Declaration by Independent directors

For the financial year 2022-23, all the Independent Directors of the Company have given their declarations to the Company that they meet the criteria of independence as provided in Section 149(7) read with Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations.

## Meetings of the Board of Directors

Six(6) Board Meetings were held during the financial year ended 31st March, 2023. The details of the Board Meetings with regard to their dates and attendance of each of the Directors there at have been provided in the Corporate Governance Report.

## Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and of the Committees of the Board, by way of individual and collective feedback from Directors.





Pursuant to Para VII of Schedule IV of the Companies Act, 2013 ('Act, 2013') and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a meeting of the Independent Directors ('IDs') of the Company was convened on 20th March,2023 to perform the following:

- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- review the performance of non-independent directors and the Board as a whole;
- assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

Further, the Nomination and Remuneration Committee also evaluated the performance of all the directors of the Company.

The overall recommendations based on the evaluation were discussed by the Board. It was noted that the Board Committees function professionally and smoothly, and besides the Board Committees' terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees. Progress on recommendations from last year and the current year's recommendations were discussed. Apart from the other key matters, the aspects of succession planning and committee composition were also discussed.

The criteria for evaluation are briefly provided below:

**a. For Independent Directors:**

- General parameters
- Roles& responsibilities to be fulfilled as an Independent director
- Participation in Board process.

**b. For Executive & Non-executive Directors:**

- Governance
- Strategy
- Stakeholder focus
- Communication& influence
- Quality or capability
- Performance improvement
- Financial & risk awareness

The result of review and evaluation of performance of Board, it's Committees and of individual Directors was found to be satisfactory.

## Familiarisation Programme

The details of the familiarisation programme undertaken during the year have been provided in the Corporate Governance Report along with the web link thereof.

## Managerial Remuneration

As per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendment thereof, the Company is required to disclose the following information in the Board's Report.

(a) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23;

| Name | Designation | Ratio to median remuneration of employees |
|---|---|---|
| Mr. Rajesh Mittal | Chairman cum Managing Director | 285.63 |
| Mr. Sanidhya Mittal | Joint Managing Director | 111.40 |
| Mr. Manoj Tulsian | Joint Managing Director & Chief Executive Officer | 320.95 |
| Mr. Susil Kumar Pal | Independent Director | 7.24 |
| Mr. Vinod Kumar Kothari | Independent Director | 7.24 |
| Ms. Sonali Bhagwati Dalal | Independent Director | 7.24 |
| Mr. Upendra Nath Challu | Independent Director | 7.24 |
| Ms. Vinita Bajoria | Independent Director | 7.24 |

(b) percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23;

| Name | Designation | % Increase |
|---|---|---|
| Mr. Rajesh Mittal | Chairman cum Managing Director | -1% |
| Mr. Sanidhya Mittal | Joint Managing Director | -3% |
| Mr. Manoj Tulsian | Joint Managing Director & Chief Executive Officer | 28% |
| Mr. Susil Kumar Pal | Independent Director | 0% |
| Mr. Vinod Kumar Kothari | Independent Director | 0% |
| Ms. Sonali Bhagwati Dalal | Independent Director | 0% |
| Mr. Upendra Nath Challu | Independent Director | 0% |
| Ms. Vinita Bajoria* | Independent Director | - |
| Mr. NitinkumarDagdulal Kalani* | Chief Financial Officer | - |
| Mr. Kaushal Kumar Agarwal | Company Secretary & Vice President-Legal | 12% |

* The % change in remuneration is not comparable as the said Director and Chief Financial Officer appointed during the previous financial year and held the position for a part of the previous financial year.

(c) percentage increase in the median remuneration of employees in the financial year 2022-23;

-1.99%

(d) number of permanent employees on the rolls of Company;

2596

(e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

-9.91% (non-Managerial personnel) 11.26% (Managerial Personnel)

(f) We hereby affirm that the remuneration paid to the Executives is as per the Remuneration Policy of the Company approved by the Board of Directors.

(g) Managing Directors and Whole-time Directors of the Company do not receive any commission from its subsidiary companies.

All elements of remuneration package as required under Listing Regulations have been provided in the Corporate Governance Report.

## Statutory Auditors and their report

The Shareholders of the Company at their 32nd Annual General Meeting held on 21.09.2022, approved appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company to hold office for a further term of 5 (five) consecutive years i.e. from the conclusion of 32nd Annual General Meeting, until the conclusion of the 37th Annual General Meeting to be held in Financial Year 2027.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for further clarification. The Statutory Auditor's Report for Financial Year ended March 31, 2023 does not have any qualification and adverse remark.

## Cost Auditors

During the year under review, cost audit was not applicable to the Company.

## Internal Auditor

The Company has in-house Internal Audit team headed by qualified and experienced Executives. The scope, functioning, periodicity and methodology for conducting internal audit were approved by the Board of Directors and reviewed by the Audit Committee from time to time. Further, the Audit committee discussed and reviewed the adequacy of internal audit function, 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.

## Secretarial Auditors & their Report

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. Nidhi Bagri & Company, Practising Company Secretary (Membership No. ACS 24765/ COPNo.9590), Kolkata, to conduct Secretarial Audit for the financial year 2022-2023. The Secretarial Audit Report of M/s. Nidhi Bagri & Company, Practising Company Secretary, in Form MR-3, for the financial year ended 31st March, 2023, is annexed to this report. The Secretarial Auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

The Secretarial Audit Report of M/s. Nidhi Bagri & Company, Practising Company Secretary, in Form MR-3, for the financial year ended 31st March, 2023, is annexed to this report. The Secretarial Auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

## Secretarial Audit of Material Unlisted Subsidiary Company

M/s. DKS & Co., Practising Company Secretaries, had undertaken the Secretarial audit of the Company's material subsidiary, Greenply Speciality Panels Private Limited (formerly known as Baahu Panels Private Limited), for the financial year 2022-23. The Secretarial Audit report confirms that the material subsidiary has complied with the provisions of the Companies Act, Rules, Regulations and Guidelines as applicable, and that there were no deviations or non-compliance. As required under Regulation 24A of the SEBI Listing Regulations, the report of the Secretarial Audit is annexed to this report. The observations of Secretarial Auditors mentioned in the Secretarial Audit Report of said material subsidiary are self-explanatory.

## Disclosure on Employee Stock Option Plan/ Scheme

The members of the Company, with a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, passed the resolutions through postal ballot including e-voting on 15th October, 2020 for approval of ESOPs) and 23rd December, 2020 for modification and introducing 'Greenply Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan").

The resolutions also accorded approval to the Board of Directors / Nomination and Remuneration Committee of the Company to create, grant and vest from time to time, in one or more tranches, not exceeding 54,00,000 (Fifty-four lakhs only) employee stock options, to or for the benefit of such person(s) who are in permanent employment of the Company and its subsidiary company(ies).

The Nomination and Remuneration Committee at its meeting held on 17th March 2021, approved the grant of 13,44,500 stock options exercisable into 13,44,500 Equity Shares of Re.1/- each of the Company to the eligible employees including Joint Managing Director & CEO. Further, the Nomination and Remuneration Committee at its meeting held on 16th March 2022, approved the grant of 10,00,000 stock options exercisable into 10,00,000 Equity Shares of Re.1/- each of the Company to the Joint Managing Director & CEO of the Company. The Nomination and Remuneration Committee at its meeting held on 20th March, 2023, approved further grant of up to 3,03,240 stock options exercisable into 3,03,240 Equity Shares of Re. 1 each of the Company. ESOP 2020 is in compliance with the applicable provisions of the Companies Act, 2013 and the Rules issued thereunder, SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and other applicable regulations, if any.

The disclosures as required under Companies (Share Capital and Debentures) Rules, 2014 and Employee Benefit Regulations as on 31st March 2023is as under:

| | |
|---|---|
| Number of Options outstanding at the beginning of the year (01.04.2022) | 21,12,750 |
| Options granted during the financial year 2022-23 | 3,03,240 |
| Options vested during the financial year 2022-23 | 9,82,250 |
| Options exercised during the financial year 2022-23 | 4,80,250 |
| The total number of shares arising as a result of exercise of option during the year 2022-23 | 2,49,000 |
| Options lapsed during the year 2022-23 | 21,250 |
| Exercise Price (₹) | 55 |
| Variation of terms of options during the year 2022-23 | No variation |
| Money realized by exercise of options during the year 2022-23 | INR 2,64,13,750 |
| Number of options outstanding at the end of the year 31.03.2023 | 19,14,490 |
| Number of options exercisable at the end of the year 31.03.2023 | 8,11,250 |
| Employee wise details of options granted to: | |
| 1. Senior managerial personnel: | |
| a) Mr. Raman Kumar Poddar (SMP) | 30,000 |
| b) Mr. Srinivas Tata (SMP) | 30,000 |

| | |
|---|---|
| c) Mr. Manish Bhatia (SMP) | 30,000 |
| d) Mr. Gourav Khandelwal (SMP) | 25,000 |
| e) Mr. Gautam Jain (SMP) | 20,000 |
| f) Mr. Partha Nath (SMP) | 15,000 |
| g) Mr. Dinesh Gupta (SMP) | 15,000 |
| h) Mr. Yatnesh Pandey (SMP) | 18,000 |
| i) Mr. Indranil Roy (SMP) | 10,000 |
| j) Mr. Narendra Kumar Puhan (SMP) | 10,000 |
| k) Mr. Nagendra Acharya | 10,000 |
| l) Ms. Shalu Bhola | 15,000 |
| 2. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year 2022-23 | Nil |
| 3. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant during the year 2022-23. | Nil |

There have been no material changes to the ESOP 2020 during the Financial Year and the scheme is in the compliance with the said regulations.

The certificate from M/s. Nidhi Bagri & Company, Practising Company Secretary (Membership No. ACS 24765/COP No.9590), Kolkata, Secretarial Auditors of the Company, for the financial year 2022-23, confirming that the scheme has been implemented in accordance with the aforesaid regulations and in accordance with the resolutions passed by the Members of the Company through postal ballot including e-voting, would be placed before the Members at the ensuing Annual General Meeting. A copy of the same will be available for inspection at the Company's website and can be accessed on the weblink www.greenply.com/investors

The disclosures on the scheme, details of options granted, changes to the scheme, if any, etc. are placed on the website of the Company as required under Employee Benefit Regulations read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 and can be accessed on the weblink www.greenply.com/investors.

In line with the Indian Accounting Standards ("Ind AS") 102 on 'Share Based Payments' issued by the Ministry of Corporate Affairs in consultation with Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India ("ICAI") and the National Advisory Committee on Accounting Standards, your Company has computed the cost of equity settled transactions by using the fair value of the options at the date of the grant and recognized the same as employee compensation cost over the vesting period. Further detailsas required under SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021are disclosed in the notes to the financial statements forming part of the Annual report.

## Audit Committee

As on 31st March,2023, the Company's Audit Committee comprises of three Non-Executive Independent Directors viz. Mr. Susil Kumar Pal, Mr. Vinod Kumar Kothari and Mr. Upendra Nath Challu and one Executive-Promoter Director viz. Mr. Rajesh Mittal. The Committee inter-alia reviews the Internal Control System, reports of Internal Auditors, compliance of various regulations and evaluates the internal financial controls and risk management system of the Company. The Committee also reviews at length the Financial Statements and results before they are placed beforethe Board. The terms of reference of the Audit Committee and other details have been provided in the Corporate Governance Report. During 2022-2023, five meetings of the Audit Committee were held i.e. on 16th May, 2022, 5th August, 2022, 22nd August, 2022, 7th November, 2022, 13th February, 2023

## Vigil mechanism

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 'Whistle Blower Policy' to establish vigil mechanism for directors, employees and stakeholders or third party to report genuine concerns had been framed and implemented. This policy provides a process to disclose information, confidentially and without fear of victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the year under review, none of the personnel has been denied access to the Chairman of the Audit Committee. The policy has been uploaded on the website of the Company and is available at the weblink at https://www.greenply.com/assets/investors/722/original/Vigil_Mechanism_Policy_%281%29.pdf?1682402162

## Nomination and Remuneration Committee

As on 31st March,2023, the Company's Nomination and Remuneration Committee comprises of four Non-Executive Independent Directors viz. Mr. Susil Kumar Pal, Mr. Vinod Kumar Kothari, Mr. Upendra Nath Challu, Ms. Vinita Bajoria and one Executive-Promoter Director Mr. Rajesh Mittal(Chairman cum Managing Director). The terms of reference and other details of the Nomination and Remuneration Committee has also been provided in the Corporate Governance Report. During 2022-2023, five meetings of Nomination and Remuneration Committee were held i.e. on 16thMay, 2022, 5th August, 2022, 7th November, 2022, 13th February, 2023and 20th March, 2023

The Remuneration Policy of the Company is uploaded on the website of the Company which can be viewed at https://www.greenply.com/assets/investors/8/original/Remuneration_policy.pdf?1564572312

However, brief outline of the Remuneration Policy is as follows:

The Remuneration Policy applies to all the "Executives" of the Company. The Policy also helps the Company to attain Board diversity and creates a basis for succession planning. In addition, it is intended to ensure that-

a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;

b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;

c) remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals.

In framing the aforesaid Remuneration Policy, the Nomination and Remuneration Committee ensures that a competitive remuneration package for all Executives is maintained and is also benchmarked with other multinational companies operating in national and global markets.

The nomination of the Independent Directors of the Company shall be in accordance with the principles as stated under the said Policy.

The assessments for Functional Heads are done on the basis of below parameters by the concerned interview panel of the Company -

a) Competencies

b) Capabilities

c) Compatibility

d) Commitment

e) Character

f) Strong interpersonal skills

g) Culture among others.

The various remuneration components would be combined to ensure an appropriate and balanced remuneration package.

The five remuneration components are -

- fixed remuneration (including fixed supplements)
- performance based remuneration (variable salary)
- pension schemes, where applicable
- other benefits in kind
- severance payment, where applicable

The fixed remuneration is determined on the basis of the role and position of the individual, including professional experience, responsibility, job complexity and local market conditions.

The performance-based remuneration motivates and rewards high performers who significantly contribute to sustainable results, perform according to set expectations for the individual in question, and generates stakeholder value within the Group.

Any fee/remuneration payable to the Non-Executive directors of the Company shall abide by the following norms -

i. If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;

ii. Such directors may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;

iii. An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law.

## Stakeholders Relationship Committee

As on 31st March, 2023, the Stakeholders Relationship Committee comprises two executive Promoter Directors viz. Mr. Rajesh Mittal and Mr. Sanidhya Mittal, and one Non-Executive Independent Director viz. Mr. Susil Kumar Pal. The detailed terms of reference and other details of the Committee has been provided in the Corporate Governance Report. During 2022-2023, four meetings of Stakeholders Relationship Committee were held on 16thMay, 2022, 5th August, 2022, 7th November, 2022 and 13th February, 2023

## Risk Management Policy

The Company recognizes that risk is inherent to any business activity and that managing risk effectively is critical for the immediate and future success of any organisation. Pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') the Company has a Risk Management Policy to identify, evaluate risks and opportunities. This framework seeks to create transparency, minimize the adverse consequence of risks on business objectives, enhance the Company's competitive advantage and assist in decision making process. On the basis of risk assessment criteria, your Company has identified risks as minor/moderate/important/material or severe depending on their impact on turnover, profit after tax and return on capital employed. A risk library wherein the Company has allotted scores to the risks based on risk significance and risk likelihood. On the basis of risk scores the Company has identified few material risks for the organization. The risks scores were initially done at the level of Operational Heads of Finance & Accounts, Sales, Production and HR and finally assessment was done based on scores given by an internal committee of the Company. However, the risks are dynamic and the Company will be adding new risks and removing some of the existing risks as and when the Company develop solutions for the existing risks. Accordingly, the Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The Audit Committee of the Board evaluates risks management system of the company on quarterly basis.

## Risk Management Committee

The Members of the Audit Committee at its Meeting held on 11th February, 2021 recommended to the Board to form a Risk Management Committee to give proper attention and time on the evaluation of Risk Management System/Policy of the Company.

Accordingly on 11th February, 2021 the Risk Management Committee was constituted, comprising of two executive directors Mr. Manoj Tulsian, Joint Managing Director & CEO, Mr. Sanidhya Mittal, Joint Managing Director and the Chief Financial Officer of the Company. Further, considering the SEBI (LODR) (Second Amendment) Regulations, 2021 issued on 5th May, 2021 bringing in various amendments in SEBI LODR, the Board of Directors had re-constituted the Risk Management Committee on 14th June, 2021. The Company's Risk Management Committee currently comprises of, one Executive - Non Promoter Director, one Executive - Promoter Director, two Non-Executive Independent Directors and the Chief Financial Officer (CFO) of the Company. The Board of Directors also defined the terms of reference of the said Committee. During 2022-23, two meetings of the Risk Management Committee held on 5th August, 2022 and 30th January, 2023.

## Annual Return

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at https://www.greenply.com/pdfs/Annual_Return_2023.pdf

## Material changes and commitments and change in the nature of business

Except as disclosed elsewhere in this Report, there have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2023till the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company except as disclosed in this report.

### Significant and material orders passed by the Regulators / Courts / Tribunals impacting the going concern status and the Company's operations in future

Except as disclosed elsewhere in this Report, there is no significant and material order has been passed by any Regulator/Court/Tribunals impacting the going concern status and the Company's operations in future.

## Internal financial controls

The Directors had laid down Internal Financial Controls procedures to be followed by the Company which ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations for orderly and efficient conduct of its business. The Audit Committee of the Board, from time to time, evaluated the adequacy and effectiveness of internal financial control of the Company with regard to:

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.

2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.

3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.

4. The existing assets of the Company are verified/checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.

5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

Further, the certificate from Joint Managing Director& CEO and Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations, provided in this Annual Report, also certifies the adequacy of our Internal Control systems and procedures.

## Insurance

Your Company's properties, including building, plant, machineries and stocks, among others, are adequately insured against risks.

## Particulars of loans/advances/investments as required under Schedule V of the Listing Regulations

The details of related party disclosures with respect to loans/advances/investments at the year end and maximum outstanding amount thereof during the year as required under Part A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company. Further, there was no transaction with person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company as per Para 2A of the aforesaid Schedule.

## Loans/advances, guarantee and investments under Section 186 of the Companies Act, 2013

Details of loans/advances granted, guarantees given and investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the financial statements attached to this annual report.

## Amount outstanding as at 31st March, 2023

| Particulars | Amount (₹ in lacs) |
|---|---|
| Loans given | 9,810.86 |
| Investments made | 23,123.86 |
| Guarantee given | 56,628.96 |

## Public Deposits

During the Financial Year 2022-23, the Company did not invite, accepted or renewed any public deposits under the Companies Act, 2013 including applicable rules made there under. As such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

## Listing of shares

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 526797 and on National Stock Exchange of India Limited (NSE) with scrip symbol GREENPLY. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2022-23 have been duly paid.

## Related party transactions

There have been no materially significant related party transactions undertaken by the Company which may have potential conflict with the interest of the Company. Related party transactions that were entered into during the year under review were on arm's length basis and were in ordinary course of business. The Particulars of material related party transaction, if any, are provided in Form AOC-2 as required under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014. Further, suitable disclosure as required by the

Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web link as required under Listing Regulations is as under: https://www.greenply.com/assets/investors/5/original/related_party_transactions_policy_14022022.pdf?1646389354

## Corporate Governance

Your Company is committed to observe good Corporate Governance practices. The report on Corporate Governance for the financial year ended March 31, 2023, as per Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report and annexed to this Report. The requisite certificate from M/s. Nidhi Bagri & Company, practicing company secretary (Membership No. ACS 24765/ COP No. 9590), Kolkata confirming compliance with the conditions of corporate governance, is attached to this Annual Report.

## Management Discussion and Analysis Report

The Report on Management Discussion and Analysis Report in terms of Regulation 34, read with Schedule V of the Listing Regulations, forms part of this Annual Report and is annexed to this Report. Certain Statements in the said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

## Policy on Prevention of Sexual Harassment of Women at Workplace

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition &Redressal) Act, 2013.

Further, the Company has complied with the provisions relating to constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was filed under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 during the year under review.

### Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed to this Report.

## Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

As on 31st March, 2023, no application has been made or no proceedings are pending under the Insolvency and Bankruptcy Code, 2016.

## Corporate Social Responsibility

As on 31st March, 2023, the Corporate Social Responsibility Committee (CSR Committee) comprises two executive Promoter Directors viz. Mr. Rajesh Mittal and Mr. Sanidhya Mittal and three Non-Executive Independent Directors viz. Mr. Vinod Kumar Kothari, Mr. Upendra Nath Challu and Ms. Vinita Bajoria. The terms of reference of the Committee have been provided in the Corporate Governance Report. During 2022-23, four meetings of CSR Committee were held i.e. on 16th May, 2022, 5th August, 2022, 7th November, 2022 and 13th February, 2023. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has also been approved by the Board. The CSR Policy may be accessed on the Company's website at the link https://www.greenply.com/assets/investors/518/original/Corporate_Social_Responsibility_Policy.pdf?1627109345

The salient features of the CSR Policy of the Company are as below:

1. Vision: The Company's CSR Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.
2. Mission: The Company's CSR Mission is primarily to pursue initiatives directed towards enhancing welfare of society based on long term social and environmentally sustainable CSR activities.
3. The Company recognises the need to carry business in accordance with principles of sustainability, balance and equity. It strives to enhance corporate value while achieving a stable and long-term growth for the benefit of stakeholders. The Company also encourages its directors and employees to recommend meaningful CSR projects that may be taken up by the Company.
4. The CSR activities carried by the Company are either identified by the CSR Committee of the Company or as recommended by various stakeholders. The Company either undertakes the activities itself or through some external agency in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (CSR Policy) Rules, 2014.
5. The CSR Committee shall periodically monitor and evaluate the performance of the Projects and seek statements and reports from the CSR Cell on the progress of each of CSR projects from time to time. A certificate shall be obtained from CFO or the person responsible for financial management that the funds disbursed have been utilised for the purpose and in the manner as approved. In case of Ongoing Projects, the Board of the Company shall monitor the implementation of the Project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
6. The Company has chosen some of the projects as mentioned in Schedule VII of the Companies Act, 2013 as its Priority Projects which are as below:

   a) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

   b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

   c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

   d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

   e) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

   f) disaster management, including relief, rehabilitation and reconstruction activities.

7. The Company shall approve Annual Action Plan every year covering list of activities to be undertaken, manner of execution, utilisation of funds, monitoring etc. Impact assessment of CSR activities will be undertaken if the conditions specified in the Policy and under the Companies (CSR Policy) Rules, 2014 in this regard is fulfilled.

Further, the CSR activities carried out during the Financial Year ended 31st March, 2023 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 including amendment thereof, is annexed to this Report.

## Directors' Responsibility Statement

In terms of provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, your directors state that:

(i) in preparation of the Annual Accounts for the financial year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(ii) the Directors had selected such Accounting Policies as listed in the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2023and of the profits of the Company for that period;

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the Annual Accounts on a going concern basis;

(v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CEO and CFO certification

Pursuant to the Listing Regulations, the Joint Managing Director & CEO and CFO certification is attached with the Annual Report. The Joint Managing Director & CEO and the Chief Financial Officer also provides a quarterly certification on financial results while placing the financial results before the Board for approval in terms of the Listing Regulations.

## Code of Conduct for Directors and senior management personnel

The Code of Conduct for Directors and Senior Management Personnel is posted on the Company's website. The Joint Managing Director & CEO of the Company has given a declaration that all Directors and Senior Management Personnel concerned, affirmed compliance with the Code of Conduct with reference to the year ended on March 31, 2023. The declaration is attached with the annual report.

## Disclosure regarding compliance of applicable Secretarial Standards

The company has complied with all the mandatorily applicable secretarial standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

## Corporate Governance and Compliance Certificate regarding compliance of conditions of Corporate Governance

A detailed Report on Corporate Governance for the financial year 2022-2023, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the certificate received from M/s. Nidhi Bagri & Company, Practising Company Secretary (Membership No. ACS 24765/COP No.9590), Kolkata, to the effect of compliance of conditions of Corporate Governance as required under Schedule V of the Listing Regulations are annexed with the Report.

## Business Responsibility & Sustainability Report

As stipulated under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report , describing the initiatives taken by the company from an environment, social, governance and sustainability perspective, has been annexed to this Report.

## Fraud Reporting

There was no fraud reported by the Auditors of the Company under sub-section (12) of section 143 of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

## Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

The relevant details in this regard have been provided in the Corporate Governance Report annexed to this Report.

## Particulars of employees

*Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-*

I. Details of Employees employed throughout the financial year who were in receipt of the remuneration for that year which, in aggregate, was not less than ₹ 1.02 Crore are: 6

II. Employees employed for a part of the financial year and who were in receipt of the remuneration during for that financial year at a rate not less than ₹ 8,50,000 per month: None

III. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn and of the aforementioned employees form part of the Directors' / Board's Report as an annexure. However, in terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the rule, the Directors'/ Board's Report is being sent to all shareholders/ members of the Company excluding the same. The said information is available for inspection at the registered office of the Company during the working hours.

Any shareholder/ member interested in obtaining a copy of the annex may write to the Company Secretary. Disclosures on managerial remuneration in terms of Rule 5(1) of the aforesaid Rules are annexed to this Report.

The members are also informed that this Report is to be considered as an abridged report to the extent of the aforesaid exclusion only and all other information as required under applicable law form part of this Report without any exclusion.

## General Disclosure

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

a. issue of equity shares with differential rights as to dividend, voting or otherwise;

b. raising of funds through preferential allotment or qualified institutions placement;

c. instance of one-time settlement with any bank or financial institution.

## Acknowledgements

Your Directors place on record their sincere thanks and appreciation for the continuing support of financial institutions, consortium of banks, vendors, clients, investors, Central Government, State Governments and other regulatory authorities. The Directors also place on record their heartfelt appreciation for the commitment and dedication of the employees of the Company across all the levels who have contributed to the growth and sustained success of the Company.

For and on behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
DIN: 00240900

Place: Kolkata
Date: May 30, 2023

## Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

| Part "A": Subsidiaries | | ₹ in Lakhs |
|---|---|---|
| 1. | Name of the subsidiary | Greenply Holdings Pte. Ltd., Singapore |
| 2. | Reporting period for the subsidiary | 01.04.2022 - 31.03.2023 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | USD / INR = 82.1725 |
| 4. | Share Capital | 3,122.56 |
| 5. | Reserves & Surplus | -2,381.68 |
| 6. | Total Assets | 5.28 |
| 7. | Total Liabilities | 27.55 |
| 8. | Investments* | 763.15 |
| 9. | Turnover | NIL |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | (2125.61) |
| 11. | Provision for taxation | - |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | (2125.61) |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

*Including ₹(2,075.21) Lacs towards share of (loss) from investment in the Joint Venture Company, Greenply Alkemal (Singapore) Pte. Ltd., Singapore

| Part "A": Subsidiaries | | ₹ in Lakhs |
|---|---|---|
| 1. | Name of the subsidiary | Greenply Middle East Ltd., Dubai, UAE |
| 2. | Reporting period for the subsidiary | 01.04.2022 - 31.03.2023 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | USD / INR = 82.1725 |
| 4. | Share Capital | 2239.03 |
| 5. | Reserves & Surplus | 60.68 |
| 6. | Total Assets | 7294.77 |
| 7. | Total Liabilities | 7778.00 |
| 8. | Investments | 2782.94 |
| 9. | Turnover | 21228.25 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | 299.36 |
| 11. | Provision for taxation | - |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | 299.36 |
| 13. | Proposed Dividend | Nil |
| 14. | % of shareholding | 100% |

| Part "A": Subsidiaries | | ₹ in Lakhs |
|---|---|---|
| 1. | Name of the subsidiary | Greenply Gabon SA, Gabon |
| 2. | Reporting period for the subsidiary | 01.04.2022 - 31.03.2023 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | USD / INR = 82.1725 |
| 4. | Share Capital | 2713.87 |
| 5. | Reserves & Surplus | 1945.13 |
| 6. | Total Assets | 26089.05 |
| 7. | Total Liabilities | 21430.05 |
| 8. | Investments | 0.00 |
| 9. | Turnover | 18744.18 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | (1895.50) |





| Part "A": Subsidiaries | | ₹ in Lakhs |
|---|---|---|
| 11. | Provision for taxation | 0.00 |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | (1895.50) |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

| Part "A": Subsidiaries | | ₹ in Lakhs |
|---|---|---|
| 1. | Name of the subsidiary | GREENPLY SANDILA PRIVATE LIMITED |
| 2. | Reporting period for the subsidiary | 01.04.2022 - 31.03.2023 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | N.A |
| 4. | Share Capital | 3500.00 |
| 5. | Reserves & Surplus | 477.61 |
| 6. | Total Assets | 18,428.39 |
| 7. | Total Liabilities | 14,450.78 |
| 8. | Investments | 0.00 |
| 9. | Turnover | 10,020.48 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | 617.00 |
| 11. | Provision for taxation | (111.76) |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | 506.12 |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

| Part "A": Subsidiaries | | ₹ in Lakhs |
|---|---|---|
| 1. | Name of the subsidiary | GREENPLY SPECIALITY PANELS PRIVATE LIMITED |
| 2. | Reporting period for the subsidiary | 01.04.2022 - 31.03.2023 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | N.A. |
| 4. | Share Capital | 15,401.00 |
| 5. | Reserves & Surplus | (587.59) |
| 6. | Total Assets | 61,691.15 |
| 7. | Total Liabilities | 46,945.06 |
| 8. | Investments | 67.32 |
| 9. | Turnover | 272.24 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | (514.83) |
| 11. | Provision for taxation | 88.49 |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | (426.34) |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

**Notes:**

1. Names of subsidiaries which are yet to commence operations –(1) GREENPLY SPECIALITY PANELS PRIVATE LIMITED
2. Names of subsidiaries which have been liquidated or sold during the year - Nil

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Part "B": Associates and Joint Ventures (JV) | | |
|---|---|---|
| 1 | Name of Joint Venture | Greenply Alkemal (Singapore) Pte. Ltd., Singapore |
| 2. | Latest audited Balance Sheet Date | 31.03.2023 |
| 3. | Shares of Associate/Joint Venture held by the Company on the year end | The Company has no direct shareholding in the JV. It holds through its Wholly Owned Subsidiary i.e. Greenply Holdings Pte. Ltd., Singapore |
| a. | Number of Shares | 37,50,000 ordinary shares of USD 1 each |
| b | Amount of Investment in Associate/Joint Venture | USD 37,50,000 |
| c | Extend of Holding % | 50% through Greenply Holdings Pte. Ltd., Singapore, a wholly owned subsidiary of the Company. |
| 4. | Description of how there is significant influence | No significant influence |
| 5. | Reason why the associate/joint venture is not consolidated | The Company has consolidated the accounts of Greenply Holdings Pte. Ltd., which has accounted for its share of profit in the Joint venture company. |
| 6 | Net worth attributable to Shareholding as per latest audited Balance Sheet | ₹ 246.14 lacs |
| 7 | Profit / (Loss) for the year (including Other Comprehensive Income) | ₹ (4,150.42) lacs |
| i | Considered in Consolidation | ₹ (2,075.21) lacs |
| ii | Not Considered in Consolidation | ₹ (2,075.21) lacs |

**Notes:**

1. Names of associates or joint ventures which are yet to commence operations - N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year - N.A.

For and on behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
(DIN: 00240900)

**Manoj Tulsian**
Joint Managing Director& CEO
(DIN: 05117060)

Place: Kolkata
Date: May 30, 2023

**Nitinkumar Dagdulal Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Vice President-Legal





## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: **Nil**

2. Details of material contracts or arrangement or transactions at arm's length basis: **Nil**

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts/ arrangement/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---|---|---|---|---|---|---|
| | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

For and on behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
(DIN: 00240900)

**Manoj Tulsian**
Joint Managing Director& CEO
(DIN: 05117060)

Place: Kolkata
Date: May 30, 2023

**Nitinkumar Dagdulal Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Vice President-Legal

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
**Greenply Industries Limited**
Makum Road,
Tinsukia,
Assam-786125

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Greenply Industries Limited** having CIN L20211AS1990PLC003484 and having registered office at Makum Road, Tinsukia, Assam-786125 (hereinafter referred to as the 'Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31.03.2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Mr. Rajesh Mittal, Executive, Chairman cum Managing Director, Promoter | 00240900 | 28.11.1990 |
| 2. | Mr. Sanidhya Mittal, Executive, Joint Managing Director, Promoter | 06579890 | 07.02.2018 |
| 3. | Mr. Manoj Tulsian, Executive, Joint Managing Director and CEO, Non-Promoter | 05117060 | 11.02.2020 |
| 4. | Mr. Susil Kumar Pal, Non-executive and Independent Director | 00268527 | 06.12.2005 |
| 5. | Mr. Vinod Kumar Kothari, Non-executive and Independent Director | 00050850 | 31.05.2006 |
| 6. | Ms. Sonali Bhagwati Dalal, Non-executive and Independent Director | 01105028 | 11.07.2007 |
| 7. | Mr. Upendra Nath Challu, Non-executive and Independent Director | 05214065 | 31.08.2012 |
| 8. | Ms. Vinita Bajoria, Non-executive and Independent Director | 02412990 | 15.09.2021 |

Please note that ensuring the eligibility of/for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on qualification/disqualification of directors as per provisions of law based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Thanking you,

For **Nidhi Bagri & Company**
(Practising Company Secretary)

**(CS Nidhi Bagri)**
Proprietor
Mem. No. 24765
C.P.No. 9590
UDIN A024765E000042486
Peer Review Cert. No. 2103/2022
Date: April 10, 2023
Place: Kolkata





## MR-3

## SECRETARIAL AUDIT REPORT

**FOR THE PERIOD FROM APRIL 1, 2022 TO MARCH 31, 2023**

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

To
The Members
**Greenply Industries Limited**
Makum Road
Tinsukia
Assam-786 125

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Greenply Industries Limited** (hereinafter called the *"Company"*). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

On the basis of verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and as shown to us during the said audit and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period, that is to say, from April 01, 2022 to March 31, 2023 (hereinafter referred to as *"Audit Period"*), complied with the statutory provisions listed hereunder and also that the Company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.

We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 and as shown to us during our audit, according to the provisions of the following laws:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. Secretarial Standards 1 and 2 issued by ICSI;
3. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
4. The SEBI (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-Laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;(FEMA)
6. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) viz :-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR");
   e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014];
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008– ***Not applicable during the Audit Period;***

h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - ***Not applicable during the Audit Period;***

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021– ***Not applicable during the Audit Period; and***

j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018– ***Not applicable during the Audit Period.***

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

7. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

a) Environment Protection Act, 1986

b) The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008

c) The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder

d) The Air (Prevention & Control of Pollution) Act, 1981

e) The Legal Metrology Act, 2009

f) Intellectual Property Acts

g) Foreign Trade Development and Regulation Act, 1992

h) Customs Act, 1962

i) Indian Boilers Act, 1923

j) Indian Forest Act read with State Rules.

k) Bureau of Indian Standards Act, 1986

The Company has further confirmed that during the Audit Period, they have not contravened any of the provisions of the above specific laws and had obtained all the requisites registrations, permits and licenses except in some units where few licenses are under process of renewal.

## We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent directors.

2. Adequate notice is given to all directors for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. We have not found any material event during the Audit Period which has major bearing on the Company's affairs in pursuance of any of the laws, rules, regulations or guidelines covered by this audit except as follows:

   **Shifting of registered office of the Company from the State of Assam to the State of West Bengal**

   The registered office of the Company is situated in the state of Assam at Makum Road, Tinsukia - 786125 and Corporate Office of the Company is situated at Madgul Lounge, 5th & 6th Floor, 23 Chetla Central Road, Kolkata-700027, West Bengal. Majority of the administration and allied operations of the Company are carried out at Corporate Office only. Since the registered office being at very distant place, the management has been facing operational difficulties in managing the affairs of the Company.

   Accordingly, after considering the benefits along with various other factors, the Board approved the proposal at its meeting held on 13.02.2023 and thereby altering Clause II of the Memorandum of Association of the Company. The members of the Company have also approved the same through postal ballot by way of remote e-voting process on 29.03.2023. As on the date of this report, an application for shifting of registered office has already been filed with the Central Government and the Company is in process of getting the approval on the same.

## Procedure for monitoring and ensuring compliance with General Laws

We have been informed that a proper procedure has been laid down to monitor and ensure compliance with general laws. On perusal of the documents provided by the Company, we observed that the Company has a system of ensuring compliance with applicable laws. The Company Secretary of the Company also provides an internal compliance certificate which is placed in the Board Meetings.

Our Secretarial Audit Report for the financial year ended March 31, 2023 of even date is to be read along with the annexure to this letter.

Thanking you,

For **Nidhi Bagri & Company**
(Practising Company Secretary)

**(CS Nidhi Bagri)**
Proprietor
Mem. No. 24765
C.P.No. 9590
UDIN A024765E000292881
Peer Review Cert. No. 2103/2022
Date: May 11, 2023
Place: Kolkata

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
**Greenply Industries Limited**
Makum Road
Tinsukia
Assam-786 125

Our Secretarial Audit Report for the financial year ended March 31, 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanking you,

For **Nidhi Bagri & Company**
(Practising Company Secretary)

**(CS Nidhi Bagri)**
Proprietor
Mem. No. 24765
C.P.No. 9590
UDIN A024765E000292881
Peer Review Cert. No. 2103/2022
Date: May 11, 2023
Place: Kolkata





## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023**

*[Pursuant to Section 204(1) of the Companies Act, 2013 read with rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015]*

To
The Members
**GREENPLY SPECIALITY PANELS PRIVATE LIMITED**
*Formerly known as Baahu Panels Private Limited*
(CIN: U20299WB2021PTC245437)
"MADGUL LOUNGE", 6TH FLOOR,
23, CHETLA CENTRAL ROAD,
**KOLKATA – 700 027**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GREENPLY SPECIALITY PANELS PRIVATE LIMITED** *(formerly known as Baahu Panels Private Limited)* (hereinafter called *"the Company"*). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliance(s) and expressing our opinion thereon.
Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the applicable statutory provisions and adhered to good corporate practices and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under; **(not applicable to the Company during the period under review)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(not applicable to the Company during the period under review)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") **(not applicable as the Company is an Unlisted Private Company):-**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) The other laws, as identified and certified by the management of the Company which are specifically applicable to the Company based on the sectors / industry are:

(a) Environment Protection Act, 1986

(b) The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008

(c) The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder

(d) The Air (Prevention & Control of Pollution) Act, 1981

(e) The Legal Metrology Act, 2009

(f) Intellectual Property Acts

(g) Foreign Trade Development and Regulation Act, 1992

(h) Customs Act, 1962

(i) Indian Boilers Act, 1923

(j) Indian Forest Act read with State Rules

(k) Bureau of Indian Standards Act, 1986

Based on examination and explanation as provided by the officers of the Company, with regard to the compliance system prevailing in the Company, the Company has complied and is under process to comply with the provisions of the above laws during the audit period.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

**We report that** during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above subject to the following observations:

***(i) Appointment of Internal Auditor under section 138 of the Companies Act, 2013 done on dated March 24, 2023 and requisite submission of form with MCA is due.***

***(ii) Appointment of MD/CEO/Manager and CFO under section 203(1)(i) and (iii) is pending during the period under review.***

**We further report that** based on the information provided and the representation made by the Company taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable laws.

**We further report that** Compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

## We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except pending appointment of requisite Key Managerial Personnel as commented above.

2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the period under review, the following specific events / actions having major bearing on the Company's affairs had taken place:

(i) During the period under review, the Company had allotted 7,00,00,000 0.5% Optionally Convertible Non-Cumulative Redeemable Preference Shares ('OCRPS') of Re. 1/- each on rights basis to Greenply Industries Ltd, Holding Company ('Greenply') on April 27, 2022.

(ii) Based on the audited financial statements of the Company, it has been identified as a material subsidiary of Greenply in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2022-23. Further, in terms of Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Networth of the Company has exceeded 20% as per its audited financial statements for the financial year 2021-22 and accordingly, Ms. Vinita Bajoria [DIN: 02412990], Independent Director of Greenply, has also been appointed as an Independent Director on the Board of the Company w.e.f. August 06, 2022.

(iii) The members of the Company vide special resolution passed at the Extra Ordinary General Meeting held on August 06, 2022 have approved the change of name of the Company from 'Baahu Panels Private Limited' to 'Greenply Speciality Panels Private Limited' and the same has been approved by the Central Government vide their certificate dated September 07, 2022.

(iv) The Board of the Company vide meeting held on August 23, 2022 approved the making of an investment in the shares of Renew Green (GJ Four) Private Limited, a special purpose vehicle (SPV) promoted by Renew Green Energy Solutions Private Limited, an amount of ₹ 5.25 crores, aggregating to 28.08% shareholding in the said SPV. Further, the Board also accorded its consent to enter into, sign and execute a Share Subscription and Shareholders Agreement with Renew Green (GJ Four) Private Limited and Renew Green Energy Solutions Private Limited and also a Power Purchase Agreement with Renew Green (GJ Four) Private Limited.

The Company being a wholly owned subsidiary of Greenply Industries Ltd, certain employees of the Company had been categorized as Designated Persons and are covered by the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of Greenply Industries Ltd.

For **DKS & Co.**

**DILIP KUMAR SARAWAGI**

Mem. No.: A13020; C.P. No.: 3090

Place: Kolkata
UDIN: A013020E000331569

Date: May 18, 2023
PR- 2106/2022

**NOTE:**

This report is to be read with our letter of even date which is annexed as **'Annexure A'** and forms an integral part of this report.

**'Annexure A'**

To
The Members
**GREENPLY SPECIALITY PANELS PRIVATE LIMITED**
*Formerly known as Baahu Panels Private Limited*
(CIN: U20299WB2021PTC245437)
"MADGUL LOUNGE", 6TH FLOOR,
23, CHETLA CENTRAL ROAD,
**KOLKATA – 700 027**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DKS & Co.**

**DILIP KUMAR SARAWAGI**

Mem. No.: A13020; C.P. No.: 3090
UDIN: A013020E000331569
PR- 2106/2022

Place: Kolkata
Date: May 18, 2023





## INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

### A. Conservation of energy

**(a) Steps taken or impact on conservation of energy:**

- Water Pump House operation controlled under auto system with pressure control.
- Press cycle optimize to improve quality and power consumption.
- Raw Board size optimized to reduce cutting and sanding loss.
- Sanding infeed system modified to control raw board feeding gap and increase capacity.
- Periodic check of the electric distribution network for safe and efficient performance.
- System incorporated to stop Offline equipment during peak load period and run at maximum capacity in off peak load period.
- Regular venting of Thermal oil lines to remove low boil volatile impurities for optimum utilization of heat energy of the hot oil.
- Preventive and corrective maintenance schedule for proactive measures to optimize energy usage and available time of machines.
- Energy conservation measures stated above have resulted ease in operations.
- All high capacity motors are driven by variable frequency drives which utilizes optimum energy.
- All lights across the factory are replaced with LEDs.
- Auto feed system introduced in thermic fluid heaters which has resulted in running of the thermic fluid heater with only inhouse peeling wastes. No coal is used for running the same. The auto feed system is also interlocked with temperature controllers so that the start & stop of the feed can be controlled thereby controlling excess feed of fuel.

**(b) Steps taken for utilising alternate sources of energy:**

The Company is exploring feasibility of utilising alternate source of energy at its manufacturing units. Ex: Hybrid (solar and wind) electricity

**(c) Improvement and Optimisation of Resources:**

Your Company is continuously working on improvement and optimization of resources in various areas of operations. Introduction of fali composer machine to utilize short sized cores thereby increasing the raw material usage.

**(d) Capital Investment on energy conservation equipment:**

Apart from routine maintenance expenditure, there was no major capital investment made on energy conservation during the year under review.

### B. Technology absorption

**1. The efforts made towards technology absorption:**

- The Company is carrying out research to increase the mechanical properties of Plywood at reasonable cost of production.
- The Company is focusing on R&D activities for developing new products, designs, processes and improvement of manufacturing systems in existing products/process.

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

- Improved product quality and increased timber recovery.
- Cost reduction, technology up-gradation.
- Strengthened market leadership status.
- Reduced manufacturing and delivery time.
- Catering to changing/unique needs of customers.
- Producing Zero Emission Plywood

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

   a. the details of technology imported: The Company did not have the need to import technology or foreign technical collaborations, but the Company had guidance from technical experts.

   b. the year of import: Not Applicable

   C. whether the technology been fully absorbed: Not Applicable

   d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

4. **Expenditure incurred on R&D**

(₹ in lacs)

| | |
|---|---|
| Capital | - |
| Revenue | 27.43 |
| Total | 27.43 |
| Total R&D expenditure as a percentage of net turnover (%) | 0.02% |

## C. Foreign exchange earnings and outgo

1. **Efforts:** The Company regularly participates in international exhibitions and carries out market survey.

**Foreign exchange earnings and outgo:**

| | 2022-23 | 2021-22 |
|---|---|---|
| **Earnings on account of:** | | |
| a) FOB value of exports | 633.00 | 210.39 |
| **Total** | **633.00** | **210.39** |
| **Outgo on account of:** | | |
| a) Raw materials | 8,090.99 | 9,241.63 |
| b) Capital goods | 7.88 | 42.49 |
| c) Traded goods | 2,933.77 | 2,807.54 |
| d) Stores & spare parts | 8.25 | 11.23 |
| **Total** | **11,040.89** | **12,102.89** |

For and on behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
(DIN: 00240900)

Place: Kolkata
Date: May 30, 2023





## Annual Report on the CSR activities forming part of the Board's Report for the financial year ended on 31st March,2023

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. A brief outline on the Company's CSR policy

Greenply Industries Limited has always been committed to embrace sustainable business practices as a core business strategy. On similar lines, the Company's CSR initiatives are designed with a commitment towards creating a positive change in the society through holistic and sustainable community development programs. The Company's CSR policy has been designed to serve as a guiding light for the futuristic vision and mission of community empowerment, development and sustainable change.

**Vision:** We envision a future where people all over our Country - even in the remote areas – have the opportunity to achieve their full potential in all aspects and improving lives in pursuit of collective development and environmental sustainability. This vision should encompass all CSR activities of the Company.

**Mission:** The Company's mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities including dedicating time and resources towards social initiatives to ensure equal opportunities and access to everyone in the spheres of education, vocation, healthcare, sanitation and drinking water in order to empower them to achieve their full potential.

The objective of this policy is not only to guide the Company and its people to undertake CSR initiatives, but also to integrate the business processes with social and environmental development. The Company believes that our CSR policy is a reflection of our faith in socially inclusive and sustainable business practices.

**Priority Projects**

The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee -

a) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

e) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

f) disaster management, including relief, rehabilitation and reconstruction activities.

**Name of the projects / programs:**

**a. Sponsoring Girl Child Education**

The Company is supporting deserving and talented girls from economically weaker sections of the society, through Udayan Care, West Bengal. Udayan's Shalini Fellowship Programme is a unique academic excellence and personality development programme, which aims to empower girls and women. Its uniqueness lies in the fact that it goes beyond being a usual Scholarship Programme, by not only supporting higher education but also providing regular mentoring and leadership development and inculcating a sense of social responsibility of selected talented girls.

**b. Healthcare Project through Mobile Medical Van (MMV)**

A Healthcare Project undertaken by the Company through Mobile Medical Van (MMV) in the nearby villages of Tizit, Dist- Mon, Nagaland to provide basic diagnostic, medicine, curative, referral, Cervical cancer vaccination and counselling services to the rural population. The aim of the project is improving access of medical services in the remote areas as well as raising the level of awareness among the community towards healthy and hygienic living.

**c. Education of tribals and rural children**

The Company is supporting for the education of tribals and rural children under the Ekal Abhiyan movement of Friends of Tribals Society (FTS) for Ekal Vidyalaya, Barasat Anchal, North 24 Parganas, West Bengal

**d. Construction for the setting-up of a residential School**

The project covers contribution for the setting-up of a residential School for the underprivileged children in Hariharpur Village, PO: Mallickpur, VIA: Malancha Mahinagar, PS: Baruipur, Distt.: South 24 Parganas, Kolkata - 700 145.

**e. Medical Camps-Eye Check-up**

The Company has conducted free medical camps for eye check-up at Tirupur, Coimbatore (T.N.), Bolpur, Malda, Asansol, Barakar, Mallarpur, Burdwan, Purulia, Bankura, Durgapur, Behrampur, Barasat (West Bengal), Begusarai, Bhagalpur, Gaya (Bihar), Gonda, Ayodhya, Kanpur (U.P.), Ludhiana, Jalandhar (Punjab)towards healthcare activity.

**f. Purchase of books**

The Company is contributing for the purchase of books for the students of village School UNNAYANI PATHA BHAWAN, Purba Medinipur, West Bengal

**g. Contribution for training to promote nationally recognized sports - Tennis**

The Company has contributed for training to promote nationally recognized sports - Tennis through the Tennis Tree, a tennis academy in Kolkata, West Bengal and Nagaland Lawn Tennis Association, Dimapur, Nagaland.

**h. Plantation activities**

The Company is taking plantation activities covered under CSR project in Mon (Nagaland), Morbi, Junagarh, Surendranagar, Jamnagar, Bhavnagar, Gir Somnath, Rajkot, Sherpura (Gujarat), Kriparampur (West Bengal), Baripada (Odisha) towards ensuring environmental sustainability.

**i. Pathology Laboratory for medical diagnose of poor and needy people**

The project covers setting-up of a Pathology Laboratory for medical diagnose of poor and needy people in Tizit, Dist: Mon, Nagaland.

**j. Contribution towards construction of waiting shed for Patient(s) in Amtala Rural Hospital, Bishnupur II, West Bengal**

The Company has contributed for Contribution towards construction of waiting shed for Patient(s) in Amtala Rural Hospital, Bishnupur II, West Bengal.

## 2. Composition of CSR Committee:

The CSR Committee of the Company was formed to shape the vision, mission and goal of the Company's CSR initiatives. The composition of CSR Committee as on 31.03.2023:

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Rajesh Mittal | Chairman cum Managing Director | 4 | 4 |
| 2. | Mr. Vinod Kumar Kothari | Independent Director | 4 | 2 |
| 3. | Mr. Upendra Nath Challu | Independent Director | 4 | 4 |
| 4. | Mr. Sanidhya Mittal | Joint Managing Director | 4 | 4 |
| 5. | Ms. Vinita Bajoria | Independent Director | 4 | 4 |





**3.** Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board of Directors are disclosed on the website of the Company:

Composition of the CSR committee - https://www.greenply.com/COMPOSITION-OF-COMMITTEES-OF-BOARD-OF-DIRECTORS-17.03.2022.pdf

CSR Policy - https://www.greenply.com/assets/investors/518/original/Corporate_Social_Responsibility_Policy.pdf?1627109345

CSR projects - https://www.greenply.com/investors

**4.** Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

**5.** (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 83,03,58,338/-

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 1,66,07,167/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ 21,442/-

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year (b+c-d): ₹ 1,66,28,609/-

**6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1,88,05,521

(b) Amount spent in Administrative Overheads: ₹ 29,059/-

(c) Amount spent on Impact Assessment, if applicable: Not applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1,88,34,580/-

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹ 1,88,34,580/- | Nil | NA | NA | Nil | NA |

(f) Excess amount for set-off, if any:

| Sl. No. | Particulars | Amount (in ₹) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 1,66,07,167 |
| (ii) | Total amount spent for the Financial Year | 1,88,34,580 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 22,27,413 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | 21,442* |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 22,05,971# |

*Amount earned as interest on temporary fund lying with Banks during FY 2022-2023.

# Board of Directors / CSR Committee of the Company has decided not to set-off in succeeding year.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any (₹) |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹) | Date of Transfer | | |
| 1 | FY-1 (2021-22) | - | - | 151.77 | - | - | - | - |
| 2 | FY-2 (2020-21) | - | - | 236.59 | - | - | - | - |
| 3 | FY-3 (2019-20) | - | - | 469.34 | - | - | 105.23* (net of liabilities of ₹ 0.37 lacs) | - |

* Unspent amount lying at the end of respective financial year voluntarily carried over for spending in the succeeding years. Further, the Company has spent the entire amount so carried forward voluntarily in the respective succeeding financial year.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/No): Yes

If yes, enter the number of Capital assets created / acquired: 2

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| (1) Sl. No. | (2) Short particulars of the property or asset(s) [including complete address and location of the property] | (3) Pin Code of the property or asset(s) | (4) Date of creation | (5) Amount of CSR amount spent (₹) | (6) Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Construction of waiting shed for Patient(s) in Amtala Rural Hospital, D.H. Road, PO: Kanyanagar PS: Bishnupur, Block: Bishnupur II, West Bengal | 743503 | 31.03.23 | 15,00,000 | - | Amtala Rural Hospital | - |
| 2 | Contribution for the setting-up of a residential School for underprivileged children in Hariharpur Village, PO: Mallickpur, Via: Malancha, Mahinagar , PS: Baruipur, Distt.: South 24 Parganas, West Bengal | 700145 | 20.07.22 | 22,12,810 | CSR00002874 | HELP US HELP THEM | 4, Clive Row, Mukti Chambers, Ground Floor, Kolkata, WB -700001 |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

Sd/-
**Rajesh Mittal**
Chairman cum Managing Director and
Chairman - CSR Committee
(DIN: 00240900)

Sd/-
**Manoj Tulsian**
Joint Managing Director & CEO
(DIN: 05117060)

Place: Kolkata
Date: May 30, 2023





## DIVIDEND DISTRIBUTION POLICY OF GREENPLY INDUSTRIES LIMITED

The Board of Directors (the "Board") of Greenply Industries Limited (the "Company") had initially adopted this Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") in its meeting held on 25$^{th}$July, 2016. This Policy was amended by the Board of the Company at its meeting held on 8$^{th}$February, 2019.

### 1. EFFECTIVE DATE

This Policy shall become effective from the date of its adoption by the Board.

### 2. PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31$^{st}$ day of March of every year. Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the "Board") of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or ploughing back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the parameters of this Policy or resulting in amendment of any parameters of the Policy will be regarded as deviation. Any such deviation on parameters of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its equity shareholders by sharing a portion of its profits after adjusting for accumulated losses and unabsorbed depreciation, ifany, and also retaining sufficient funds for growth of the Company pursuant to Section 123of the Companies Act, 2013. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

**The Policy shall not apply to:**

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Issue of Bonus Shares by Company;
- Buy back of Securities.

**A. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND**

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following-

1. Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management including the Chief Financial Officer ('CFO'), and other relevant factors.

**B. CONSIDERATIONS RELEVANT FOR DECISION OF DIVIDEND PAY-OUT**

The Board shall consider the following, while taking decisions of a dividend payout during a particular year-

**Statutory requirements**

The Company shall observe the relevant statutory requirements including those with respect to transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

Agreements with lending institutions/ Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements, if any, as may be entered into with the lenders/Debenture Trustee of the Company from time to time.

**Other Agreements**

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements that the Company shall generally enter into during the course of business, if any.

This provision shall apply mutatis mutandis to agreements already executed before the commencement of the Dividend Policy of the Company.

**Long term strategic objectives of the Company as regards financial leverage**

The Board may exercise its discretion to change the percentage of dividend or to otherwise take decision of retention or distribution of profits where, the Company is planning to go for expansion, restructuring, reorganizing, diversification, investment, etc.

**Prudential requirements**

The Company shall analyse the prospective projects and strategic decisions in order to decide-

- to build a healthy reserve of retained earnings;
- to augment long term strength;
- to build a pool of internally generated funds to provide long-term resources as well as resource-raising potential for the Company; and
- the needs for capital conservation and appreciation.

**Proposals for major capital expenditures etc.**

In addition to plough back the earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital stock, including any major capital expenditure proposals.

**Extent of realized profits as a part of the IND AS profits of the Company**

The extent of realized profits out of its profits calculated as per IND AS, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend or retention decision.

**Expectations of shareholders**

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall, consider the expectations of the shareholders of the Company who generally expects for a regular dividend payout.

**C. OTHER FINANCIAL PARAMETERS**

In addition to the aforesaid parameters such as realized profits, proposed major capital expenditures, etc., the decision of dividend payout or retention of profits shall also be based the following-

**Operating cash flow of the Company**

If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

**Net sales of the Company**

To increase its sales in the long run, the Company will need to expand its manufacturing capacity as well as increase its marketing, selling, advertising expenses etc. The amount outlay in such activities will influence the decision of declaration of dividend.

**Return on invested capital**

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

**Magnitude of earnings of the Company**

Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

**Cost of borrowings**

The Board will analyze the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

**Obligations to creditors**

The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such





obligations and time period of repayment, the decision of dividend declaration shall be taken.

**Inadequacy of profits**

If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

**Post dividend EPS**

The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration.

**D. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT**

**External Factors**

*Taxation and other regulatory concern*

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

*Macroeconomic conditions*

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

**Capital Market**

When the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable Capital market conditions, Board may resort to a conservative dividend payout in order to conserve cash outflows.

**Statutory Restrictions**

The Board will keep in mind any restrictions on payment of dividends by virtue of any regulation or loan covenant, as may be applicable to the Company at the time of declaration of dividend.

**Internal Factors**

*Product/ market expansion plan*

The Company's growth-oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall be considered by the Board before taking dividend decision.

*Past performance/ reputation of the Company*

The trend of the performance/ reputation of the Company that has been during the past years determine the expectation of the shareholders.

*Working capital management in the Company*

The current practice for the management of working capital within the Company also impacts the decision of dividend declaration.

*Age of the Company and its product/market*

The age of the Company and its product or the market in which the Company operates will be one of the most significant determining factors to the profitability of the Company and dividend declaration or retention.

**Amount of cash holdings in the Company**

In the investor's point of view, in the absence of any major expansion plan or capital investments or other strategic investment plans in the hands of the Company, the investors may not appreciate excessive cash holdings in the Company. The Board shall have to consider the same before taking decision of dividend declaration.

**E. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED**

The Board shall consider the factors provided above under this Policy, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

**F. MANNER OF DIVIDEND PAYOUT**

The discussion below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations:

#### In case of final dividends

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

2. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.

3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

#### In case of interim dividend

1. Interim dividend, if any, shall be declared by the Board.

2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

### G. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Product expansion plan;
- Increase in production capacity;
- Modernization plan;
- Diversification of business;
- New acquisitions and investments;
- Long term/short term strategic plans including strategic joint ventures and/or partnerships and/or subsidiary companies;
- Replacement/ up-gradation/ modernization of capital assets;
- To cater the expensive cost of debt ;
- Such other criteria as the Board may deem fit from time to time.

### H. PARAMETERS FOR VARIOUS CLASSES OF SHARES

1. The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.

2. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

3. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

4. Dividend when declared shall be first paid to the preference shareholders, if any, of the Company as per the terms and conditions of their issue.

## 3. AMENDMENT

To the extent any change/amendment is required in terms of any applicable law, the Managing Director or the Chief Executive Officer of the Company shall be jointly/severally authorised to review and amend the Policy, to give effect to any such changes/ amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

For and on behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
(DIN: 00240900)

Place: Kolkata
Date: May 30, 2023





# Business Responsibility and Sustainability Report (BRSR) 2022-23

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L20211AS1990PLC003484 |
| 2. | Name of the Listed Entity | Greenply Industries Limited |
| 3. | Year of incorporation | 1990 |
| 4. | Registered office address | Makum Road, Tinsukia, Assam-786125 |
| 5. | Corporate address | Madgul Lounge, 6th Floor, 23 Chetla Central Road, Kolkata-700027 |
| 6. | Email | kaushal@greenply.com |
| 7. | Telephone | 033 3051 5000 |
| 8. | Website | www.greenply.com |
| 9. | Financial year reported | April 1, 2022 – March 31, 2023 |
| 10. | Name of the Stock Exchange(s) where shares are listed | 1) BSE Ltd. (BSE)<br>2) National Stock Exchange of India Ltd. (NSE) |
| 11. | Paid-up capital (31.03.2023) | INR 12,28,76,395 |
| 12. | Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Kaushal Kumar Agarwal<br>Mobile: 9748738904,<br>Email: kaushal@greenply.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone basis |

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

| Sr. No. | Description of Main Activity | Description of Business Activity | Percentage of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Manufacturing of plywood, blockboards, decorative veneers, flush doors and allied products. | 61% |
| 2 | Trading | Trading of plywood, blockboards, flush doors and Polyvinyl Chloride (PVC) products. | 39% |

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| Sr. No. | Product/Service | NIC Code | Percentage of total Turnover contributed |
|---|---|---|---|
| 1 | Plywood & allied products | 20211 | 99.39% |

## III. Operations

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 3 | 56 | 59 |

### 17. Markets served by the entity:

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States & UTs) | 21 |
| International (No. of Countries) | 3 |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.43%

C. A brief on types of customers

The Company has categorised its customers as follows:

- End Customers: End Customers are individuals who directly purchase and use products for personal or household needs.
- Original Equipment Manufacturer (OEM) Customers: OEM means a company/firm that makes a product viz. furniture to be sold by another company/firm under its own name.
- Trade Customers: Trade Customers are the dealers/distributers in the supply chain who have a crucial role in distributing Company's products to end-users or consumers.

Other customers of the company also include builders, contractors along with government departments.

## IV. Employees

### 18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **Employees** | | | | | |
| 1 | Permanent **(D)** | 1183 | 1150 | 97.2% | 33 | 2.8% |
| 2 | Other than Permanent **(E)** | 122 | 117 | 96.0% | 0 5 | 0 4% |
| 3 | **Total employees (D + E)** | **1305** | **1267** | **97.0%** | **38** | **2.9%** |
| | **Workers** | | | | | |
| 4 | Permanent **(F)** | 1413 | 1272 | 90.0% | 141 | 10.0% |
| 5 | Other than Permanent **(G)** | 1248 | 1138 | 91.0% | 110 | 8.8% |
| 6 | **Total workers (F + G)** | **2661** | **2410** | **91.0%** | **251** | **9.4%** |

b. Differently abled Employees and workers:

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **Differently abled Employees** | | | | | |
| 1 | Permanent **(D)** | 3 | 3 | 100% | 0 | 0% |
| 2 | Other than Permanent **(E)** | 0 | 0 | | 0 | 0% |
| 3 | **Total differently abled employees (D + E)** | **3** | **3** | **100%** | **0** | **0%** |
| | **Differently abled Workers** | | | | | |
| 4 | Permanent **(F)** | 0 | 0 | 0% | 0 | 0% |
| 5 | Other than Permanent **(G)** | 0 | 0 | 0% | 0 | 0% |
| 6 | **Total differently abled workers (F + G)** | **0** | **0** | **0%** | **0** | **0%** |

### 19. Participation/ Inclusion/ Representation of women:

| Particulars | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 8 | 2 | 25% |
| Key Management Personnel | 5 | 0 | 0% |

### 20. Turnover rate for permanent employees and workers:

| Particulars | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22* (Turnover rate in previous FY) | | | FY 2020-21 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 26% | 21% | 26% | 20% | 21% | 21% | 20% | 27% | 31% |
| Permanent Workers | 6% | 1% | 6% | 8% | 7% | 7% | 8% | 0 | NA |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. Names of holding/ subsidiary/ associate companies/ joint ventures

| Sr. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | Percentage of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Greenply Alkemal (Singapore) Pte. Ltd., Singapore | Joint Venture | 50% | No |
| 2 | Greenply Holdings Pte. Ltd., Singapore | Subsidiary | 100% | No |
| 3 | Greenply Middle East Limited, Dubai, UAE | Subsidiary | 100% | No |
| 4 | Greenply Gabon SA, Gabon, West Africa | Subsidiary | 100% | No |
| 5 | Greenply Speciality Panels Pvt. Ltd., India (formerly known as Baahu Panels Pvt. Ltd.) | Subsidiary | 100% | No |
| 6 | Greenply Sandila Private Limited, India | Subsidiary | 100% | No |

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹.): ₹ 1,643 crores for FY 2022-23

(iii) Net worth (in ₹.): ₹ 629.5 crores as on 31st March

## VII. Transparency and Disclosures Compliances

### 23. Complaints/ Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide weblink for grievance redress policy | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of Complaint filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes, the company has the mechanism in place to redress Grievances if any as per the policy defined. Weblink - https://www.greenply.com/assets/investors/770/original/GIL_Community_Grievance_Redressal_Policy_%281%29.pdf?1692707843 | 0 | 0 | NIL | 0 | 0 | NIL |
| Investors other than Shareholders | Yes, investors can register their complaints/ grievances at separate email ID, i.e., investors@greenply.com Weblink - https://www.greenply.com/disclosures-u-r-46-of-lodr/email-id-for-investor-grievances-and-other-details | 0 | 0 | NIL | 0 | 0 | NIL |
| Shareholders | Yes, shareholders can register their complaints/ grievances at separate email ID, i.e., investors@greenply.com Weblink - https://www.greenply.com/disclosures-u-r-46-of-lodr/email-id-for-investor-grievances-and-other-details | 10 | 0 | NIL | 5 | 0 | NIL |
| Employees and workers | Yes, the company has the mechanism in place to redress Grievances if any as per the policy defined. Weblink - https://www.greenply.com/assets/investors/772/original/GIL_Grievance-Redressal-Policy.pdf?1692708111 | 0 | 0 | NIL | 0 | 0 | NIL |
| Customers | Yes, Grievance Redressal Mechanism is in place, have separate email ID, i.e., sales.ply@greenply.com, if any. | 3 | 3 | NIL | 3 | 3 | NIL |
| Value Chain Partners | Yes, Grievance Redressal Mechanism is in place, have separate email ID, i.e., sales.ply@greenply.com | 2,171 | 162 | There is separate software system installed in the Company to check and resolve the complaints. | 1,757 | 72 | There is separate software system installed in the Company to check and resolve the complaints. |

**24. Overview of the entity's material responsible business conduct issues:**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Climate change | Risk | The adverse effects of climate change have potential to disrupt businesses and we are observing this in our global supply chains. | While the company is less emission-intensive, we are contributing to climate change mitigation through our sustainable forest management and plantation activities. | The uncertainty due to climate change in seasonal cashflows with increased severity and frequency of extreme weather events such as cyclones, floods, and wildfires. Additionally, increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations. |
| 2 | Energy and Emissions | Risk and Opportunity | Energy conservation and emission reduction is critical to reduce our carbon footprint and to reduce our cost of operations. | • Reduction in energy consumption through technology interventions and plant optimizations<br>• Installation of renewable energy sources to increase the share of RE based electricity.<br>• In our operations, dust emissions throughout the process includes activities like log handling, log and recycled material chipping, chip screening, veneer trimming and laying out the particulate matter to be pressed.<br>• Under Emissions, we also track GHG emissions from our operations. | Failure to reduce energy use and related GHG emissions & adopting renewable sources of energy will increase operating costs and may cause penalties for the companies. . |
| 3 | Sustainable Forest Management | Opportunity | Sourcing of raw materials is an environmental opportunity for wood-based industries as it leads to deforestation & habitat destruction. This will help to reduce GHG emissions which in turn can improve ESG performance | GIL has taken up sustainable forest management and plantation activities across its operations. Company sources all its timber requirements through Agroforestry. There is no deforestation in our operations. | Our plantation activities help us not only in creating a sustainable source of raw material (Timber) but also in building strong community relationships. |
| 4 | Water | Risk | Judicious use of natural resources such as water is necessary to ensure there is no over-extraction of water in local & water-stressed regions. GIL being a plywood manufacturing entity, requires it to manage and regulate its water consumption and disposal. | • Reduction in water consumption through technology interventions and plant optimizations across its operations.<br>• The wastewater from the RO system is channelled into our reservoirs that provide water for sprinklers helping replenish the ground water table, through which we have enhanced the water tables near our plant's surroundings. | • Our operations in water-stressed areas add to the cost of procurement of water (from tankers or municipality). |
| 5 | Waste management | Opportunity | Waste from different parts of operations may result in pollution and contamination of earth, water and air. We are focused on proper waste management. | • Reuse of wood waste as fuel to reduce our operational waste or through other process modifications.<br>• Well defined waste management processes<br>• Appropriate disposal of wastes (hazardous waste etc.) as per regulatory norms to authorized vendors. | • Reusing opportunities helps in cost savings.<br>• Reduction of waste results in an improved environmental footprint and prevents any cost in the form of fines and penalties. |

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 6 | Occupational health and safety | Risk and Opportunity | Occupational health and safety is at the core of our strategy. Few of the key reasons of this priority are appearing below:<br>• Work-related injuries pose a challenge to the safety of our staff.<br>• A focus on employee wellbeing results in a productive workforce. | • For GIL, proper OHS management system, training, and knowledge about OHS across all stakeholders is important for mitigation of the health hazards due to occupational demands across the entire operations.<br>• Strong Safety Management System working towards goal of bringing number of workplace incidents to absolute minimum. | • Increased focus on occupation health and safety can help build brand image while promoting worker morale, which may lead to increased productivity, reduced worker turnover, & enhanced community relations.<br>• In a safe working environment, there are extremely few accidents. This saves compensation expenses for employees by reducing downtime for safety inquiries. |
| 7 | Local Community | Opportunity | This is essential for wood-based industry as it brings about measurable & positive change within communities in which the company operates & performs business. | Community engagement by means of vivid development programme, engagement exercises and regular assessment. of the impacts are necessary for GIL. | This will help to create a proper work environment for the company established by the trust of the surrounding local communities leading to smooth operational benefits. |
| 8 | Training and education | Opportunity | This has become important to adopt practices for skilful development of their employees, and to foster a healthy working environment. | GIL put efforts into upgrading the employees and management with the know-how of the latest technologies, and best practices within the sector. | This addresses the company's ability to develop, motivate, and retain talent which is critical to business success in the competitive industry landscape. |
| 9 | Diversity and inclusion | Opportunity | Ensuring good diversity mix and equal opportunities for all is a right step for fostering healthy human capital development. This also ensures the engagement of local communities into the manufacturing operations. | GIL believes in equal opportunities for all, also visible in the initiatives taken by us to have women carpenter artisans and architects. Ensuring Diversity and Inclusion is essential to build a holistic culture and talent pool within the organization. This factor also addresses the discriminatory practices based on race, caste, gender, sexual orientation, and others. | Diverse workplace leads to better retention of talent and improving customer orientation, employee satisfaction, and decision making, leading to a virtuous cycle of increasing returns. |





## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Question | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | |
| 1. | a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c. Web Link of the Policies, if available | https://www.greenply.com/disclosures-u-r-46-of-lodr/policies-and-code-of-the-company | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes / No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. | Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle | Forest Stewardship Council FSC® FM<br>ISO 9001: 2015<br>ISO 14001: 2015<br>ISO 45001: 2018<br>SA 8000: 2014<br>BIS Certificates<br>CARB Certification<br>IGBC Membership | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met. | Performance of each of the principles is reviewed periodically by respective departments led by the Management and Board of Directors. | | | | | | | | |

**Governance, leadership, and oversight**

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)**

As India's one of the largest plywood and wood-based manufacturing Company, we recognize the pressing need for bold corporate actions and transformative measures in response to the climate crisis. Throughout the year, we have made significant progress in integrating sustainability into our core business practices. Our first sustainability report, "Growing Together," served as a valuable tool to assess our non-financial performance and identify areas for improvement. Also, last year we had initiated 'ESG360' – an initiative that will formalize our sustainability endeavours and help us track and report our progress in the same. ESG360 will provide a roadmap till FY 2025, integrating sustainability into our business operations covering aspects of environment, social and governance. We acknowledge that there is immense potential to prioritize and embed sustainability throughout our entire value chain, starting from the strategy stage.

Sustainability principles and practices have been an integral part of our business right from the start and the idea of sustainability is not new to GIL, our business relies on natural resource as key raw material, and we understand that it is an imperative that we replenish what we take from the natural ecosystem. Our fundamental values as a business unit have ensured that we foster the well-being of the communities in which we operate. At GIL, we recognize the importance of preserving nature and giving back more than we take. All our manufactured products are sourced from plantation timber, and through our plantation activities, we actively collaborate with local communities to support livelihoods.

Our efforts have resulted in improved biodiversity, increased green cover around our plant locations, and enhanced social conditions for the communities we work with. We remain steadfast in maintaining ecological harmony and continue to collaborate with all stakeholders in this pursuit. Moreover, we have focused on stakeholder engagement, compliance & ethics, people, environment, and communities as our key focal points in the pursuit of sustainability. We firmly believe that the goodwill we earn in the industry and among our customers plays a vital role in sustainable business achievement.

With our strategic initiative, 'ESG360,' we are already cultivating a business strategy that embraces sustainability and respects both people and the planet. Looking ahead, we are committed to objectively considering all potential sustainability impacts that may affect our business and stakeholders. Our sustainability agenda will encompass a comprehensive assessment of risks and opportunities beyond the traditional financial and strategic aspects.

We are proud of our progress towards becoming a more sustainable and inclusive company, but we know that there is still more work to be done. Together, we can build a future that not only brings success to our business but also leaves a positive and lasting impact on society and the environment.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

Mr Rajesh Mittal, Chairman cum Managing Director (Executive Director), DIN-00240900, is responsible for implementation of the Business Responsibility (BR) policies of the Company.

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details**

Mr Rajesh Mittal, Chairman cum Managing Director (Executive Director).

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action. | As a practice, Business Responsibility policy of the Company is reviewed periodically or on a need basis by Senior Leadership Team including Chairman cum Managing Director. During this assessment, the efficacy of the policy is reviewed. | | | | | | | | | Annually | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Company Secretary of the Company to the Board of Directors. | | | | | | | | | Quarterly | | | | | | | | |

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

| Disclosure Question | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | No. However, the Company conducts periodic review of the charters, policies internally by the Senior Management and Board Committees. | | | | | | | | |

**12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

| Disclosure Question | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | All principles are covered by policies. | | | | | | | | |
| The entity does not have the financial, human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.**

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | Percentage of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors (BoD) | 1 | During the year, the Board of Directors of the Company (Including its Committees) has been updated on various matters pertaining to the business, regulations, economy and environmental, social, governance parameters. | 100% |
| Key Managerial Personnel (KMP) | 1 | During the year, the Board of Directors of the Company (Including its Committees) has been updated on various matters pertaining to the business, regulations, economy and environmental, social, governance parameters. | 100% |
| Employees other than BoD and KMPs | 6 | Sales excellence training program & Leading high-performance team | 48% |
| Workers | 212 | Safety awareness & Skill upgradation | 15% |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty / Fine | NA | NA | Nil | NA | NA |
| Settlement | NA | NA | Nil | NA | NA |
| Compounding fee | NA | NA | Nil | NA | NA |

| Non-monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | NA | NA | Nil | NA | NA |
| Punishment | NA | NA | Nil | NA | NA |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| NA | |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has in place Code of Business Ethic and circulated to all employees of the Company but the same has not been posted in the Company's website.

Further, the Company has adopted a Vigil Mechanism Policy to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. No personnel of the Company have been denied access to the Chairperson of the Audit Committee.

The Vigil Mechanism Policy as adopted by the Company is available on the Company's website at:

https://www.greenply.com/assets/investors/722/original/Vigil_Mechanism_Policy_%281%29.pdf?1682402162

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

6. Details of complaints with regard to conflict of interest:

| | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | NA | Nil | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | NA | Nil | NA |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil

## PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Segment | FY 2022-23 | FY 2021-22 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | Nil | Nil | NA |
| Capex | Nil | Nil | NA |

a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

2. **If yes, what percentage of inputs were sourced sustainably?**

90%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

The company has an integrated waste management system for safe disposal of all the plastics, e-waste and hazardous waste:

• Plastic Waste: - The Plastic waste generated from the packaging and sale of products such as Surface protection films, are quantified and disposed through authorised vendors.

• E-Waste: All e-waste generated in-house is handed over, from respective locations of the Company, to certified vendors for safe disposal.

• Hazardous Waste: - For all the hazardous waste generated such as used Oil, empty barrels of oil, discarded resin bags across the Company's facilities, is disposed through authorised waste vendors. The fly ash generated from boilers is used locally to fill the road pits.

• Other Waste: - The wood-based wastes disposed-off safely through authorised vendors.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The Company procures resin and other chemicals in plastic bags as well as uses Surface protection Film for packaging its few products, which makes it subject to Extended Producer Responsibility (EPR) regulations.





## PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

**Essential Indicators:**

1. a. **Details of measures for the well-being of employees:**

| Category | Percentage of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day-care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 1132 | 1132 | 100% | 1132 | 100% | - | - | 589 | 100% | - | - |
| Female | 34 | 34 | 100% | 34 | 100% | 34 | 100% | - | - | - | - |
| **Total** | **1166** | **1166** | **100%** | **1166** | **100%** | **34** | **100%** | **589** | **100%** | **-** | **-** |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | 117 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 5 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Total** | **122** | **0** | **0%** | **0** | **0%** | **0** | **0%** | **0** | **0%** | **0** | **0%** |

b. **Details of measures for the well-being of workers:**

| Category | Percentage of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day-care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Workers** | | | | | | | | | | | |
| Male | 1272 | 511 | 40% | 1272 | 100% | - | - | - | - | - | - |
| Female | 141 | - | - | 141 | 100% | 141 | 100% | - | - | - | - |
| **Total** | **1413** | **511** | **40%** | **1413** | **100%** | **141** | **10%** | **-** | **-** | **-** | **-** |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Total** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |

2. **Details of retirement benefits, for Current FY and Previous Financial Year**

| Benefits | FY 2022-23 (data for employees active as on 31.03.2023) | | | FY 2021-22 (data for employees active as on 31.03.2022) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and Deposited with the authority (Y/N N.A.) | No. of employees covered as a % of total employees | No. of Workers covered as a percentage of total workers | Deducted and deposited with the authority (Y/N N.A.) |
| PF | 100% | 100% | | 100% | 100% | Y |
| Gratuity | 100% | 100% | | 100% | 100% | Y |
| ESI | 55% | 100% | | 65% | 100% | Y |

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

   The Employee Welfare Policy ensures that the needs of differently abled employees and workers are met in accordance with the Rights of Persons with Disabilities Act, 2016, by providing provisions for accessible facilities. https://www.greenply.com/assets/investors/771/original/GIL_Equal_Opportunity_Policy_for_Persons_with_Disabilities-Greenply.pdf?1692707992.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender | Permanent Employees | | Permanent Workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

| | Yes/No (If yes, then give details of the mechanism in brief |
|---|---|
| Permanent Workers | Yes |
| Other than Permanent Workers | Yes |
| Permanent Employees | Yes |
| Other than Permanent Employees | Yes |

The redressal mechanism is as follows:

On receipt of any concern through email, letter, oral, etc., it is handled by the HR department of the Company.

7. **Membership of employees and worker in association(s) or unions recognised by the listed entity:**

| Category | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of Employees / Workers in respective category, who are part of association(s) or Unions (B) | % (B/A) | Total employees / workers in respective category (C) | No. of Employees / Workers in respective category, who are part of association(s) or Unions (D) | % (D/C) |
| Total Permanent Employees | 1183 | 0 | 0% | 1172 | 0 | 0% |
| Male | 1150 | 0 | 0% | 1143 | 0 | 0% |
| Female | 33 | 0 | 0% | 29 | 0 | 0% |
| Total Permanent Workers | 1413 | 350 | 25% | 1330 | 200 | 15% |
| Male | 1272 | 350 | 28% | 1240 | 200 | 16.1% |
| Female | 141 | 0 | 0% | 90 | 0 | 0% |





8. **Details of training given to employees and workers:**

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No.(B) | % (B/A) | No.(C) | % (C/A) | | No.(E) | % (E/D) | No.(F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 1150 | 256 | 22% | 157 | 13.6% | 1143 | 198 | 17.3% | 57 | 5% |
| Female | 33 | 8 | 24% | 4 | 6.8% | 29 | 5 | 17% | 3 | 1% |
| **Total** | **1183** | **264** | **22.3%** | **161** | **13.6%** | **1172** | **203** | **17%** | **60** | **5%** |
| **Workers** | | | | | | | | | | |
| Male | 1272 | 315 | 25% | 115 | 10% | 1240 | 125 | 10% | 97 | 8% |
| Female | 141 | 42 | 30% | 15 | 18% | 90 | 26 | 29% | 33 | 37% |
| **Total** | **1413** | **357** | **25%** | **130** | **9%** | **1330** | **151** | **11%** | **30** | **10%** |

9. **Details of performance and career development reviews of employees and worker:**

| FY 22-23 | | | |
|---|---|---|---|
| **Particulars** | **Male Employees** | **Female Employees** | **Total** |
| Total (A) | 1093 | 34 | **1127** |
| Nos (B) | 884 | 19 | **903** |
| % (B/A) | 81% | 56% | **80%** |
| **Particulars** | **Male Workers** | **Female Workers** | **Total** |
| Total (A) | 1283 | 141 | **1424** |
| Nos (B) | 701 | 16 | **717** |
| % (B/A) | 54.60% | 11.30% | **50%** |
| **FY 21-22** | | | |
| **Particulars** | **Male Employees** | **Female Employees** | **Total** |
| Total (A) | 1082 | 25 | **1107** |
| Nos (B) | 836 | 20 | **856** |
| % (B/A) | 77.30% | 80% | **77.30%** |
| **Particulars** | **Male Workers** | **Female Workers** | **Total** |
| Total (A) | 1265 | 88 | **1353** |
| Nos (B) | 592 | 3 | **596** |
| % (B/A) | 46.80% | 3.40% | **44%** |

10. **Health and safety management system:**

    a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

    Yes, we have an occupational health and safety management system with the following details:

1. We strive to achieve the company's goal of zero accidents and injuries.
2. Provide Mechanical and physical safeguards wherever they are necessary.
3. Provide employess and workers with necessary protective equipments wherever required and train them to use and care for it properly.
4. Management consider all employee and worker suggestions for achieving a safer & healthier workplace.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has a mechanism to identify and assess potential risks at the plant level by regular maintenance.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. The company provides medical insurance to employees for demonstrating its commitment to safeguard the health and wellbeing of its employees.

11. Details of safety related incidents, in the following format:

We have all the necessary occupational health and safety protocols and standards in place. However, we are working on improving our data management systems to be able to report as per the requirement. The numbers are reported from our facility in Kriparampur, Tizit and Rajkot.

| Safety Incident/Number | Category | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.6 | 0.7 |
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Workers | 0.5 | 1.9 |
| Total recordable work-related injuries | Employees | 4 | 4 |
| Total recordable work-related injuries | Workers | 6 | 17 |
| No. of fatalities | Employees | 0 | 1 |
| No. of fatalities | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Workers | 0 | 0 |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- First-aid boxes are kept at various convenient places within the units and offices.
- Regular maintenance of machinery is conducted as safety measures.
- Ambulances are available at each unit for emergency.
- Conducting Safety Mock Drills from time to time to prepare for emergency situations.
- Conducting routine Safety Committee Meetings to review safety measures and address concerns.
- Providing Workplace Safety Trainings to educate employees on safe work practices.





13. Number of Complaints on the following made by employees and workers:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working conditions | 0 | 0 | NA | 0 | 0 | NA |
| Health and Safety | 0 | 0 | NA | 0 | 0 | NA |

14. Assessments for the year:

| Particulars | Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

None

## PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

**Essential Indicators:**

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder engagement is crucial to our value creation process, and we constantly strive to build an operational framework that helps us in engaging with all our stakeholders seamlessly. In the fast-changing consumer and business landscape, the objective of these engagements is to understand the needs and demands of each stakeholder group and ensure that we remain committed for creating shared value through continuous feedback and consultations. We have devised appropriate channels for effective engagement with all our stakeholder groups. This helps us in providing best possible responses to the concerns and keeping up with their expectations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder group | Vulnerable and Marginalised Group | Channels of Communication | Frequency of Engagement | Purpose and Scope of Engagement including Key Topics and Concerns Raised During Such Engagement |
|---|---|---|---|---|
| Investors/ Shareholders | No | Annual Reports<br>Press releases and publications<br>Investor meets<br>Annual General Meeting | Annual/ Quarterly | • Economic/ Financial performance<br>• Future projects and approach<br>• Transparency<br>• Business Ethics |
| Agro-forestry communities | Yes | Local area development<br>Press releases and publications<br>Farmer's meets | Annual/ Quarterly | • Education<br>• Healthcare<br>• Sustainable forest management<br>• Community engagement |

| Stakeholder group | Vulnerable and Marginalised Group | Channels of Communication | Frequency of Engagement | Purpose and Scope of Engagement including Key Topics and Concerns Raised During Such Engagement |
|---|---|---|---|---|
| Dealers/ Consumers | No | Formal and informal engagements through meetings and seminars | Annual/ Quarterly | • Business sales<br>• Customer feedback<br>• Product quality<br>• Product certications<br>• Product specications |
| Employees | No | Awareness training<br>Performance appraisals<br>Annual employee satisfaction survey<br>Grievance redressal mechanism | Annual/ Quarterly | • Rewards and recognition<br>• Personal development and growth<br>• Empowering work environment<br>• Occupational health and safety<br>• Professional training |
| Suppliers | No | Formal and informal engagements | Annual/ Quarterly | • Price and quality<br>• Timeliness of supplies |
| Government and regulatory bodies | No | Formal engagements | Need-based | • Adherence to environmental norms<br>• Approvals & product certifications |
| Lenders | No | Periodic meeting | Quarterly | • Financial performance and business of the Company |

## PRINCIPLE 5

Businesses should respect and promote human rights.

**Essential Indicators:**

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of Employees/ Workers covered (B) | % (B/A) | Total (C) | No. of Employees/ Workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 1183 | 179 | 15% | 1172 | 94 | 8% |
| Other than permanent | 122 | 0 | 0% | 82 | 0 | 0% |
| **Total Employees** | **1305** | **179** | **13.7%** | **1254** | **94** | **7.5%** |
| **Workers** | | | | | | |
| Permanent | 1413 | 212 | 15% | 1330 | 260 | 19.5% |
| Other than permanent | 1248 | 0 | 0% | 1230 | 0 | 0% |
| **Total Workers** | **2661** | **212** | **8%** | **2560** | **260** | **10%** |





2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No.(B) | % (B/A) | No.(C) | % (C/A) | | No.(E) | % (E/D) | No.(F) | % (F/D) |
| **Permanent Employees** | | | | | | | | | | |
| Males | 1150 | 0 | 0% | 1150 | 100% | 1078 | 0 | 0% | 1078 | 0% |
| Female | 33 | 0 | 0% | 33 | 100% | 28 | 0 | 0% | 28 | 0% |
| **Other than permanent Employees** | | | | | | | | | | |
| Males | 117 | 2 | 2% | 115 | 98% | 56 | 1 | 2% | 55 | 98% |
| Females | 5 | 0 | 0% | 5 | 100% | 2 | 0 | 0% | 2 | 100% |
| **Permanent Workers** | | | | | | | | | | |
| Males | 1272 | 0 | 0% | 1272 | 0% | 1243 | 0 | 0% | 1243 | 0% |
| Female | 141 | 0 | 0% | 141 | 100% | 88 | 0 | 0% | 88 | 100% |
| **Other than permanent Workers** | | | | | | | | | | |
| Males | 1138 | 0 | 0% | 1138 | 100% | 1125 | 0 | 0% | 1125 | 100% |
| Females | 110 | 0 | 0% | 110 | 100% | 105 | 0 | 0% | 105 | 100% |

3. **Details of remuneration/salary/wages, in the following format:**

| Particulars | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration / salary/ wages of respective category | Number | Median remuneration / salary/ wages of respective category |
| Board of Directors (BoD) | 6 | INR 12,291,233 | 2 | INR 1,500,000 |
| Key Managerial Person-nel | 5 | INR 23,082,466 | 0 | 0 |
| Employees other than BoD and KMP | 1150 | INR 5,21,760 | 33 | INR 757,459 |
| Workers | 1413 | INR 1,58,604 | 141 | INR 1,35,128 |

4. **4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, the Human Resource Department of the Company is responsible for addressing human rights impacts or issues.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The Company has established internal mechanisms to address grievances related to human rights issues. These policies outline the procedures and channels through which employees or stakeholders can report any grievances or concerns related to human rights violations. The Company ensures that these mechanisms are easily accessible, confidential, and transparent, allowing for prompt and impartial resolution of grievances. Additionally, the Company also conducts awareness programs, training, and regular reviews of these policies to ensure their effectiveness and compliance with relevant laws and regulations.

6. **Number of Complaints on the following made by employees and workers:**

| Particulars | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |

| | | | | | | |
|---|---|---|---|---|---|---|
| Sexual Harassment | 0 | 0 | 0 | 0 | 0 | 0 |
| Discrimination at workplace | 0 | 0 | 0 | 0 | 0 | 0 |
| Forced Labour/ Involuntary Labour | 0 | 0 | 0 | 0 | 0 | 0 |
| Wages | 0 | 0 | 0 | 0 | 0 | 0 |
| Other human rights related issues | 0 | 0 | 0 | 0 | 0 | 0 |

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Considering the gravity of the case, Head of HR in consultation with Management, take appropriate measures

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No

9. **Assessments for the year:**

| Particulars | Percentage of your plants and offices that were assessed (By entity or statutory authorities or third parties) |
|---|---|
| Child Labour | 0 |
| Forced/involuntary labour | 0 |
| Sexual harassment | 0 |
| Discrimination at workplace | 0 |
| Wages | 0 |
| Others – please specify | NA |

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No such cases were reported, therefore no corrective actions were required to be taken.

## PRINCIPLE 6

**Businesses should respect and make efforts to protect and restore the environment.**

### Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2022-23 (GJ) | FY 2021-22 (GJ) |
|---|---|---|
| Total electricity consumption **(A)** | 54,475 | 46,262 |
| Total fuel consumption **(B)** (Diesel, Coal, Biomass) | 83,081 | 2,16,956 |
| Energy consumption through other sources **(C)*** | NA | NA |
| **Total energy consumption (A+B+C)** | **1,37,556** | **2,63,218** |
| Energy intensity per rupee lakhs of Turnover | 0.84 | 1.9 |

*Other sources include energy from steam, heating/cooling, etc. therefore it is not applicable for us.





Note 1: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | Units | FY 2022-23 | FY 2021-22* |
|---|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | | |
| (i) Surface water | Kl | 46,043 | 0 |
| (ii) Groundwater | Kl | 17,307 | 14,097** |
| (iii) Third party water | Kl | 0 | 0 |
| (iv) Seawater / desalinated water | | 0 | 0 |
| (v) Others | | 0 | 0 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | Kl | **63,350** | 14,097** |
| Total volume of water consumption (in kilolitres) | Kl | 63,350 | 14,097** |
| Water intensity per rupees lakhs of turnover (Water con-sumed/ turnover) | | 0.39 | 0.10 |

*Water data for FY 2021-22 does not include figures from our operations in Tizit

**The total water consumption for FY 2021-22 has been revised from 44,097 kilolitres to 14,097 kilolitres due to error in reporting water data.

Note 1: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. The water consumed in the production process is recycled internally, ensuring that no untreated waste water is released in the environment. The treated waste water majorly consists of wood-waste and chemical waste which post recycling is internally utilised for various purposes.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2022-23*# | FY 2021-22* |
|---|---|---|---|
| NOx | Ton | 7.0 | NA |
| SOx | Ton | 2.8 | NA |
| Particulate matter (PM) | Ton | 9.4 | NA |
| Persistent organic pollutants (POP) | - | NA | NA |
| Volatile organic compounds (VOC) | - | NA | NA |

| | | | |
|---|---|---|---|
| Hazardous air pollutants (HAP) | - | NA | NA |
| Others – please specify | - | NA | NA |

*Air Emissions data for FY 2022-23 and FY 2021-22 does not include figures from our operations in Tizit

# Air Emissions data recorded for Bamanbore is almost negligible hence the figures only include Kriparampur data for FY 2022-23

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY2022-23* | FY 2021-22* |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, CH4, N2O, HFCs, FCs, SF6, NF3, if available) | Metric tonnes of $CO_2$ equivalent | 3,854 | 11,448 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of $CO_2$ equivalent | 10,060 | 10,152 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** | Metric tonnes of $CO_2$ equivalent | 0.02 | 0.16 |

***GHG Emissions data for FY 2022-23 does not include figures from our operations in Tizit**

**Note 1: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No**

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, the company has undertaken the following mechanisms for GHG emission reduction and Ground CO2 reduction by:

1. By using electrical vehicles with forklift in operations
2. By replacement of steam coal with in-house waste for boiler at two plant operations
3. By elimination of outsourced firewood

8. **Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste **(A)** | 135.5 | |
| E-waste **(B)** | | |
| Bio-medical waste **(C)** | | |
| Construction and demolition waste **(D)** | | |
| Battery waste **(E)** | | |
| Radioactive waste **(F)** | | |
| Other Hazardous waste. Please specify, if any. **(G)** | 25.5 | |
| Asbestos sheet | | |
| Contaminated paper board | | |
| Contaminated polythene | | |
| Empty plastic container | | |
| Empty tin chemical container | | |
| ETP Sludge | | |
| Mixed waste | | |
| Scrap chemical | | |
| Water used oil with water content | | |
| Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 110 (Ash from thermic fluid heater) | |
| Equipment waste | | |
| Fabric waste | | |
| Metal waste | | |
| Miscellaneous | | |
| Paper waste | | |
| Tyre waste | | |
| Wood waste | | |
| **Total (A+B + C + D + E + F + G+ H)** | 161.0 | |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| (i) Recycled | NA | NA |
| (ii) Re-used | | |
| (iii) Other recovery operations | | |
| **Total** | | |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| (i) Incineration | NA | NA |
| (ii) Landfilling | 110 | |
| (iii) Other disposal operations | 23.4 | |
| **Total** | 133.4 | |

*Waste data for FY 2022-23 include figures from our operations in Kriparampur only

Note 1: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

As Greenply targets to be a zero-waste company, here waste generated from operations is monitored very closely. We focus on both hazardous and non-hazardous waste generated for its proper reuse as well as disposal. Our hazardous waste mainly comes from the formaldehyde-based resin, which is used as adhesive in plywood manufacturing. This manufacturing process is monitored continuously through quality checks to ensure structural integrity of the end product. Wood chips formed during the plywood manufacturing process are used for energy generation, thus no wood waste is generated. The Company consumes waste products (side cutting, dust etc.) as fuel in the boilers.

The water exiting the production system is cleaned and recirculated for boiling water strains. Another use of this water is to maintain the humidity of the production area where small sprinklers are provided at each operation site. We have waste management system in place to comply with the requirements of Pollution Control Board's standards in air and water quality. All hazardous waste is disposed through registered waste management services. All waste data is reviewed monthly by the department head to create action points on the gaps identified.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S.No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| 1. | Tizit, Nagaland | Manufacturing Unit | Y |
| 2. | Kriparampur, West Bengal | Manufacturing Unit | Y |
| 3. | Bamanbore, Gujarat | Manufacturing Unit | Y |
| 4. | Branches/Depots, various part of India | Sales and operations | Y |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Nil | NA | | | NA | NA |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Nil | Nil | Nil | Nil | Nil |

Response: Yes, our Company is compliant to all the applicable laws

## PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/ associations.

4 (Four)

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Merchants' Chamber of Commerce & Industry | State |
| 2 | Indian Green Building Council | National |
| 3 | Federation of Indian Plywood & Panel Industry | National |
| 4 | Bharat Chamber of Commerce | National |





2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of the authority | Brief of the case | Corrective action taken |
|---|---|---|
| NA | NA | NA |

## PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA notification no. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|---|---|---|---|---|---|
| Nil | Nil | Nil | Nil | Nil | Nil |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No. | Name of project for which R&R is ongoing | State | District | No. of project effected families (PAFs) | % of PAFs covered by R&R | Amount paid to the PAFs in the FY (in INR) |
|---|---|---|---|---|---|---|
| Nil | Nil | Nil | Nil | Nil | Nil | Nil |

3. Describe the mechanisms to receive and redress grievances of the community.

The Company undertakes the initiatives through the CSR Committee of the Board as per the CSR Policy of the Company. The Company makes efforts to innovate and invest in the processes and technologies to promote the wellbeing of society, putting the local and the underdeveloped regions in priority.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

All our input materials are sourced from small producers.

| | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 100% | 100% |
| Sourced directly from within the district and neighbouring districts | INR 1136.77 lakhs | INR 647.57 lakhs |

## PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer can register their issue /complaint directly to company either calling to call centre/ online and it get allocated to respective in charge through automated CRM (LSQ) for resolution.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| Particulars | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

3. Number of consumer complaints in respect of the following:-

| Particulars | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | Nil | | Nil | Nil | |
| Advertising | Nil | Nil | | Nil | Nil | |
| Cyber-security | Nil | Nil | | Nil | Nil | |
| Delivery of essential services | Nil | Nil | | Nil | Nil | |
| Restrictive Trade Practices | Nil | Nil | | Nil | Nil | |
| Unfair Trade Practices | Nil | Nil | | Nil | Nil | |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | NA |
| Forced recalls | Nil | NA |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, as of now the web link to the Greenply IT Policy is unavailable, but starting from the next fiscal year, we plan to make it accessible on our website. The company's Customer Relations system emphasise the importance of safeguarding the privacy of customers' private and confidential data throughout their business operations. The Company restricts access to customer data to only authorised employees who require it for legitimate business purposes. This policy reflects the Company's commitment to protect the sensitive information of its customers and ensure that it is handled with utmost sensitivity and security.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/services.

The Company has not received any consumer complaints related to data privacy or cybersecurity, and it does not provide any essential services that would require corrective actions to be taken in these areas.





# Corporate Governance Report
## for the financial year 2022-23

**[Pursuant to Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

The Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### 1. Company's philosophy on the code of Corporate Governance

Greenply Industries Limited (the "Company") strongly believes that a good governance process represents the foundation of corporate excellence. Accordingly, your Company has complied with the principles and practices of good Corporate Governance. The Company has laid a strong foundation for making Corporate Governance a way of success and sustainable growth by constituting a Board with a balanced mix of experts, inducting competent professionals across the organization and putting in place appropriate systems and technology. The Company believes that a business can be successful if it is ethical and meets the aspirations of all its stakeholders. The Company's philosophy is to attain transparency, accountability and fairness in its relationship with regulators, employees, shareholders, creditors, consumers, dealers, vendors, lenders and society at large, ensuring a high degree of regulatory compliance. Over period, relationships with the stakeholders have been strengthened in a manner that is dignified, distinctive and responsible. The Company has always conducted itself by adhering to the core values of accountability and integrity in all its business practices and management. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. We have adopted various codes and policies to carry out our duties and responsibilities in ethical and transparent manner.

### 2. Board of Directors

**A. Composition and Category:**

The Board of the Company is comprised of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2023, the composition of the Board is as under which is headed by an Executive Chairman:

| Sr. No. | Category | No. of Directors | Percentage to total no. of Directors |
|---|---|---|---|
| 1. | Executive Promoter Directors | 2 | 25.00 |
| 2. | Executive Non-Promoter Director | 1 | 12.50 |
| 3. | Non-executive-Independent Directors (including women directors) | 5 | 62.50 |
| | **Total** | **8** | **100.00** |

The composition of the Board is in accordance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**B. Chart/matrix setting out the Skills/Expertise/Competence of the Board of Directors and the names of directors who have such skills / expertise / competence:**

The Board has identified the following core skills, expertise, competencies as required in the context of the business of the Company and the sector in which the Company is operating:

| Sr. No. | Skills/Expertise/Competencies required by the Board of Directors | | Status of availability with the Board |
|---|---|---|---|
| 1. | Knowledge/ Understanding of the Business of the Company, the industry/ sector to which it relates | a. Of the relevant laws, rules, regulations policies applicable to the Company, the industry/ sector to which it relates and level/ status of compliances thereof by the Company;<br>b. Of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the Company;<br>c. Of the business ethics, ethical policies, codes and practices of the Company;<br>d. Of the structures and systems which enable the Company to effectively identify, assess and manage risks and crises;<br>e. Of the international practice | Yes |
| 2. | Strategic expertise, strategic planning and implementation | a) Ability to think strategically and identify and critically assess strategic opportunities and threats.<br>b) Possession of clear vision and ability of value creation.<br>c) Ability to develop effective strategies and changes thereof.<br>d) Ability to implement the strategy effectively & efficiently along with incorporation of necessary changes required due to existence of dynamic environment. | Yes |
| 3. | Behavioural competencies/ personal attributes | a) Displaying of integrity and ethical standards.<br>b) Mentoring abilities.<br>c) Possession of relationship building capacity.<br>d) Ability to manage people and achieving change.<br>e) Curiosity and possession of courage.<br>f) Active contribution/ participation in discussions specially critical discussions | Yes |
| 4. | Mind-set or attitude | a) Possession of ethical mindset.<br>b) Carrying of professional attitude.<br>c) Performance oriented.<br>d) Independent.<br>e) Awareness of self and others. | Yes |
| 5. | Technical skills/ experience | a) Ability to interpret financial statements and accounts in order to assess the financial health of the Company and financial viability of the projects and efficient use of resources.<br>b) Knowledge of the sources of finance available to the Company and their related merits and risks.<br>c) Knowledge of how to assess the financial value of the Company and potential business opportunities.<br>d) Assess the importance of information technology in the Company.<br>e) Marketing or other specific skills required for the effective performance of the Company. | Yes |
| 6. | HR/people orientation | a) Experience and understanding of HR policies.<br>b) Leading and Managing HR activities, talent development and strengthening the people function. | Yes |
| 7. | Risk oversight & management and compliance oversight | a) Ability to identify key risks in a wide range of areas including legal and regulatory compliance.<br>b) Monitoring of risk and compliance management frameworks.<br>c) Possession of risk management skills.<br>d) Supervision of risk management plan/ framework and process. | Yes |
| 8 | Possession of other Skills | a) Decision making skills.<br>b) Communication skills.<br>c) Leadership skills.<br>d) Influencing nature.<br>e) Stakeholder relationship management skills. | Yes |

The Board has identified the Directors who have such skills / expertise / competence as follows:

| Sr. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | **Industry knowledge** gives directors a practical understanding of developing, implementing and assessing the operating plan and business strategy | a) General understanding of the business of the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Understanding of the markets where the Company is active, the market dynamics, opportunities, strengths and challenges; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Understands how the organisation really works and how it delivers value to its customers; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Ability to comprehend the socio-economic, political, regulatory and competitive environment, both domestic and global, in which the Company is operating and insight to identify opportunities and threats for the Company's businesses; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | e) Expertise in sourcing, manufacturing, supply chain, infrastructure, information management, logistics; | √ | √ | √ | × | × | × | × | × |
| | | f) Expertise in product development, distribution and marketing. | √ | √ | √ | × | × | × | × | × |
| 2. | **Knowledge of regulatory** requirements is required to ensure compliance with a variety of regulatory requirements both domestic and global, considering the presence of the Company. | a) Knowledge/ understanding of the relevant laws, rules, regulations policies applicable to the Company, the industry/ sector to which it relates, both domestic and global; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Knowledge/ understanding of the level/ status of compliances thereof by the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Ability to comprehend the statutory roles and responsibilities of a Director and of the Board as a whole towards the regulatory environment. | √ | √ | √ | √ | √ | √ | √ | √ |





| Sr. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 3. | **Knowledge of Corporate Governance practices** supports the goal of having a strong Board and management accountability, transparency and protection of shareholders' interest | a) Knowledge/ understanding of the best corporate governance practices, both domestic or global, and the business ethics, policies/ procedures followed by the companies for ensuring such governance; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Knowledge/ understanding of the Company's governance philosophy, the corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the Company and ability to contribute towards its refinement periodically; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Knowledge/ understanding of the business ethics, ethical policies, codes, systems and practices of the Company and ability to evaluate the same in the context of the Company's businesses, and review the same periodically; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Ability to contribute to the Board's role towards promoting an ethical organisational culture, eliminating conflict of interest, and setting & upholding the highest standards of ethics, integrity and organisational conduct. | √ | √ | √ | √ | √ | √ | √ | √ |

| Sr. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 4. | **Strategic expertise, strategic planning and implementation** are required in order to assess the opportunities/ threats and to cope up with, and act efficiently in the dynamic environment. | a) Ability to think strategically and identify and critically assess strategic opportunities and threats; | √ | √ | √ | √ | √ | × | √ | √ |
| | | b) Possession of clear vision and ability of value creation; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Ability to develop effective strategies and changes thereof; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Ability to implement the strategy effectively & efficiently along with incorporation of necessary changes required due to existence of dynamic environment. | √ | √ | √ | √ | √ | √ | √ | √ |
| 5. | **Skills/ experience related to finance** is important in financing decisions, evaluating the financial statements, investment strategies, overseeing financial reporting and internal control | a) Ability to interpret financial statements and accounts in order to assess the financial health of the Company and financial viability of the projects and efficient use of resources; | √ | √ | √ | √ | √ | × | √ | √ |
| | | b) Ability to critique the Company's financial performance and evaluate the Company's strategies and action plans in the context of their financial outcomes; | √ | √ | √ | √ | √ | × | √ | √ |
| | | c) Knowledge of the sources of finance available to the Company and their related merits and risks; | √ | √ | √ | √ | √ | × | √ | √ |
| | | d) Knowledge of how to assess the financial value of the Company and potential business opportunities; | √ | √ | √ | √ | √ | × | √ | √ |
| | | e) Experience with financial administration, accounting policies and internal control. | √ | √ | √ | √ | √ | × | √ | √ |





| Sr. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 6. | **Technical skills/ experience/ knowledge** such as, marketing skills are required to identify and develop new markets for the Company's products. Further, IT skills/ experience is relevant to the Company as it looks for ways to enhance the customer experience and internal operations | a) Marketing or other specific skills required for the effective performance of the Company; | √ | √ | √ | × | × | × | × | × |
| | | b) Core technology, processes or products of the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Assessing the importance of information technology in the Company. | √ | √ | √ | √ | √ | × | √ | √ |
| 7. | **Knowledge of environment/ sustainability/ corporate social responsibility** strengthens the Board's oversight and assures that strategic business imperatives and long term value creation for shareholders are achieved within a responsible and sustainable business model | a) Knowledge of environmental concerns pertaining to the business of the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Understanding of the accountability for environment and sustainability in the industry; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Understanding of the impact of the business of the Company on the environment; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Awareness of the policies, procedures, systems, principles that are being followed by the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | e) Ability to evaluate those policies, procedures followed by the Company and analyse their effectiveness. | √ | √ | √ | √ | √ | √ | √ | √ |

| Sr. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 8. | Legal and/or advocacy Experience | a) Experience in legal/ advisory field as practicing lawyer, solicitor or barrister, chartered accountant, company secretary, cost accountant. | × | √ | × | × | √ | × | √ | × |
| 9. | **Experience / understanding of HR management/ people orientation/ capacity building** is valuable in helping the Company to attract, motivate and retain superior talent for various positions of the Company | a) Understanding of HR policies; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Leading and managing HR activities, talent development and strengthening the people function; | √ | √ | √ | × | √ | √ | √ | √ |
| | | c) Understanding the strategies adopted by the Company to attract, retain and nurture competitively superior talent; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Understanding of organisational capacity so as to provide guidance on bridging gaps in capacity building in business critical areas. | √ | √ | √ | √ | √ | √ | √ | √ |
| 10. | **Risk oversight & management and compliance oversight** is critical to the Board's role in overseeing the risks faced by the Company and to orderly evaluate and provide guidance to mitigate such risks | a) Ability to identify key risks in a wide range of areas including legal and regulatory compliance impacting the Company's businesses; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Monitoring of risk and compliance management frameworks and contribute towards development of systems and controls for risk mitigation & compliance management and review and refine the same periodically; | √ | √ | √ | √ | √ | × | √ | √ |
| | | c) Knowledge of the structures and systems which enable the Company to effectively identify, asses and manage risks and crises; | √ | √ | √ | √ | √ | × | √ | √ |
| | | d) Supervision of risk management plan/ framework and process followed by the Company. | √ | √ | √ | √ | √ | × | √ | √ |





| Sr. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 11. | **Behavioural competencies/ personal attributes/ mind set/ attitude** are required to lead and influence others so as to achieve the organisational goal, shareholders value creation and also to assess the broad outline of the overall policy for the fulfilment of the duties assigned to the role designated to them within the framework of the Board profile. | a) Leadership, decision making skills and mentoring abilities; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Communication skills including stakeholder relationship management skills; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Ability to understand processes for shareholder value creation and its contributory elements and critique interventions towards value creation for the other stakeholders; | √ | √ | √ | √ | √ | × | √ | √ |
| | | d) Displaying of integrity and ethical standards; | √ | √ | √ | √ | √ | √ | √ | √ |

## C. Attendance at Board Meetings and Last Annual General Meeting:

During FY 2022-2023, Six Board Meetings were held i.e. on 16th May, 2022, 5th August, 2022, 22nd August, 2022, 7th November, 2022, 13th February, 2023 and 20th March, 2023.

The attendance of the Directors at the Board Meetings during 2022-2023 and at the last Annual General Meeting held on 21st September, 2022 is as under:

| Name of the Directors and Director Identification Number (DIN) | Date of Appointment | | Category of Directorship | No. of Board Meetings | | Attendance at last AGM |
|---|---|---|---|---|---|---|
| | Original Date of appointment | Date of Appointment in the current term | | Held | Attd. | |
| Mr. Rajesh Mittal (DIN 00240900) | 28.11.1990 | 01.01.2021 | Chairman cum Managing Director-Executive Promoter Director | 6 | 6 | Yes |
| Mr. Manoj Tulsian (DIN 05117060) | 11.02.2020 | 11.02.2020 | Joint Managing Director & CEO-Executive Non-Promoter Director | 6 | 5 | Yes |
| Mr. Sanidhya Mittal (DIN 06579890) | 07.02.2018 | 07.02.2023 | Joint Managing Director-Executive Promoter Director | 6 | 6 | Yes |
| Mr. Susil Kumar Pal (DIN 00268527) | 06.12.2005 | 30.09.2019 | Non-Executive - Independent Director | 6 | 6 | Yes |
| Mr. Vinod Kumar Kothari (DIN 00050850) | 31.05.2006 | 30.09.2019 | Non-Executive - Independent Director | 6 | 4 | Yes |
| Ms. Sonali Bhagwati Dalal (DIN 01105028) | 22.01.2007 | 30.09.2019 | Non-Executive - Independent Director | 6 | 5 | Yes |
| Mr. Upendra Nath Challu (DIN 05214065) | 31.08.2012 | 30.09.2019 | Non-Executive - Independent Director | 6 | 6 | Yes |
| Ms. Vinita Bajoria (DIN 02412990) | 15.09.2021 | 15.09.2021 | Non-Executive - Independent Director | 6 | 6 | Yes |





## D. Outside Directorships, Committee Membership(s)/Chairmanship(s)

The numbers of other Boards or Board Committees in which the Directors of the Company are holding the position of Member/Chairperson as on March 31, 2023 are:

| Name of the Directors and Director Identification Number (DIN) | No. of outside directorship held | | | No. of outside committees* | | Name of Other Listed Companies and Category of Directorship |
|---|---|---|---|---|---|---|
| | Public Co. (Listed / Unlisted) | Private Co. | Other Co. | Member | Chairman | |
| Mr. Rajesh Mittal (DIN 00240900) | 1 | 14** | - | - | - | None |
| Mr. Manoj Tulsian (DIN 05117060) | - | 2 | - | - | - | None |
| Mr. Sanidhya Mittal (DIN 06579890) | 1 | 9$$ | - | - | - | None |
| Mr. Susil Kumar Pal (DIN 00268527) | 2 | - | - | - | - | Hasimara Industries Ltd. (Non-Executive Director) |
| Mr. Vinod Kumar Kothari (DIN 00050850) | 1 | 3 | 1 | 2# | 1 | Rupa & Company Limited (Non-Executive Director) |
| Ms. Sonali Bhagwati Dalal (DIN 01105028) | - | 3 | - | - | - | None |
| Mr. Upendra Nath Challu (DIN 05214065) | - | - | - | - | - | None |
| Ms. Vinita Bajoria (DIN 02412990) | 1 | 2 | 1 | 1 | - | Continental Valves Limited (Non Executive Director) |

* All committees including Chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee have been considered.

** including directorship in 5 (five) foreign companies.

$$ including directorship in 2 (two) foreign companies.

# including Chairmanship

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all the Directors is within respective limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulations.

## E. Independent Directors confirmation by the Board:

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and are independent of the management.

During the financial year 2022-23, no independent director resigned from the Board of the Company.

## F. Information supplied to the Board of Directors:

During FY 2022-2023, all necessary information, as required under the applicable provisions of the Companies Act, 2013, Listing Regulations and other applicable laws and rules were placed and discussed at the Board Meetings. The notice along with necessary papers, comprising the agenda backed by comprehensive background information, are circulated to the Directors in advance as prescribed by law, to enable the Directors to take an informed decision and in exceptional cases, the same is tabled at the Board Meeting. The Board also, from time to time, take up any matter, not included in the Agenda, for consideration with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting. In case of urgency or when the Board Meeting is not practicable to be held, the matters are resolved via circular resolution, as permitted by law, which is noted and confirmed by the directors in the subsequent Board Meeting.

The Minutes of the Board Meetings are circulated to all the Directors and confirmed at the subsequent Meeting. The Minutes of the Meetings of the Committees of the Board are placed before the Board Meeting of the Company for its review. Also, the Minutes/Resolutions of the Board Meetings of the Subsidiary Companies are placed at the Board Meetings of the Company for its review.

During the year under review no resolution(s) were passed by circulation.

**Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting:**

**Mr. Sanidhya Mittal (DIN 06579890)**

| | |
|---|---|
| Name of the Director | Mr. Sanidhya Mittal (DIN-06579890) |
| Father's Name | Mr. Rajesh Mittal |
| Age and Date of Birth | 30 years (Date of Birth: 3rd July, 1992) |
| Date of first Appointment | 7th February, 2018 |
| Experience/Expertise in specific functional areas | Mr. Sanidhya Mittal has experience of more than 6 years in the area of sales, marketing and factory operations. He is actively involved in the business of the Company and has demonstrated high business acumen in the responsibilities assigned to him from time to time especially in respect of setting-up of new manufacturing units, streamlining the production capacities of existing units, exploring new domestic markets, deeper penetration of existing markets and enhancing brand value through various initiatives including scale of operations of the Company. |
| Qualification | B.Com. |
| Directorship held in other Companies | **Listed Entity(ies):** Nil<br>**Unlisted Entity(ies):**<br>1. RS Homcon Limited<br>2. Dholka Plywood Industries Private Limited<br>3. Showan Investment Private Limited<br>4. Brijbhumi Merchant Private Limited<br>5. Mastermind Shoppers Private Limited<br>6. Greenply Sandila Private Limited<br>7. Greenply Speciality Panels Private Limited<br>8. Karuna Investment Private Limited<br>9. Greenply Industries (Myanmar) Private Limited<br>10. Greenply Alkemal (Singapore) Pte. Ltd. |
| Listed companies from which the person has resigned in the past three years | Nil |
| Chairman/Member of the Committee of the Board of Directors of the Company | **Chairman:** Nil<br>**Member:**<br>a. Stakeholders Relationship Committee<br>b. Risk Management Committee<br>c. Corporate Social Responsibility Committee<br>d. Operational Committee |
| Chairman/Member of the Committee of the Board of Directors of other companies in which he is a director | Chairman:<br>Nil<br>Member:<br>Nil |
| Number of Equity Shares held in the Company | Nil |
| Number of Board Meetings attended during the Financial year 2022-2023 | 6 (six) out of 6 (six) Board Meetings |





| | |
|---|---|
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Son of Mr. Rajesh Mittal, Chairman cum Managing Director |
| Terms and conditions of re-appointment | Re-appointment as a Joint Managing Director of the Company for the period of five years with effect from 7th February, 2023 to 6th February, 2028, as approved by the members of the Company vide postal ballot by way of e-voting process on 29th March, 2023, on the terms and conditions as mentioned in the Resolution of Item No. 2 of Postal Ballot Notice dated 13th February, 2023. |
| Details of remuneration sought to be paid, if any | The remuneration sought to be paid is as approved by the members of the Company vide postal ballot by way of e-voting process on 29th March, 2023 |
| Remuneration last drawn, if any | Salary - Rs. 1,32,00,000<br>Commission - Rs. 1,75,00,000<br>Perquisites and other allowances - 8,82,466 |

**G. Disclosures of relationships between Directors inter-se:**

| Name of the Directors | Category of Directorship | Relationship between Directors |
|---|---|---|
| Mr. Rajesh Mittal | Chairman cum Managing Director - Executive Promoter Director | Mr. Sanidhya Mittal (Son) |
| Mr. Manoj Tulsian | Joint Managing Director & CEO - Executive Non-Promoter Director | None |
| Mr. Sanidhya Mittal | Joint Managing Director - Executive Promoter Director | Mr. Rajesh Mittal (Father) |
| Mr. Susil Kumar Pal | Non-Executive - Independent Director | None |
| Mr. Vinod Kumar Kothari | Non-Executive - Independent Director | None |
| Ms. Sonali Bhagwati Dalal | Non-Executive - Independent Director | None |
| Ms. Vinita Bajoria | Non-Executive - Independent Director | None |
| Mr. Upendra Nath Challu | Non-Executive - Independent Director | None |

**H. Separate Meeting of Independent Directors:**

During the year under review, a separate meeting of the Independent Directors of the Company was convened on 20th March, 2023, inter alia, to perform the following:

- Review the performance of Non Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of the executive directors and non-executive directors;
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present at the Meeting as follows:

- Mr. Upendra Nath Challu
- Mr. Susil Kumar Pal
- Mr. Vinod Kumar Kothari
- Ms. Sonali Bhagwati Dalal
- Ms. Vinita Bajoria

**I. Familiarisation programme for Independent Directors:**

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the Independent Directors through various programs about the Company. Considering the convenience of the Directors, a virtual workshop in respect of sales and marketing was conducted by the Company and thereby the Directors were familiarised and updated about the steps taken by the Company towards strengthening the sales and marketing functions of the Company. Periodic presentations were also made at the Board and Board Committee Meetings from time to time, on the business and performance updates of the Company during the FY 2022-23. The details of the familiarisation programme have been disclosed on the website of the Company at the following web-link.

https://www.greenply.com/assets/investors/714/original/FAMILIARIZATION_PROGRAMME_-2022-23.pdf?1680525969

**J. Evaluation of the Board's Performance**

As per the applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board has to carry out evaluation of its performance, Committees of the Board and individual Directors of the Company based on the criteria laid down by the Nomination and Remuneration Committee. Feedback was sought by way of structured questionnaires covering various aspects of the Board's functioning/ effectiveness, such as Board Structure, Business Excellence, Managing Stakeholders, Business Performance Evaluation, Compliance, Internal Control, Audit Function, Risk Management and the evaluation was carried out based on responses received from the Directors.

**K. Code of Conduct**

The Code of Conduct for Board Members and Senior Management of the Company is available on the Company's website https://www.greenply.com/disclosures-u-r-46-of-lodr/code-of-conduct. Annual declaration by the Joint Managing Director & CEO of the Company pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding compliance with the code by all the Directors and Senior Management is attached with the Annual Report.

**L. Terms and conditions of appointment of Independent Directors**

The terms and conditions of appointment of Independent Directors have been placed on the website of the Company. The same is available on the Company's website https://www.greenply.com/assets/investors/271/original/Appointment-Letters-of-Independent-Directors-2019.pdf?1573556244 and https://www.greenply.com/appointment_letter_mrs_vinita_bajoria_2021.pdf

## 3. Committees of the Board

There are five mandatory Committees of the Board namely, the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. Apart from these Committees, the Company also has an Operational Committee and Demerger Committee of the Board.

**I. Audit Committee**

**A. Composition:**

As on March 31, 2023, the Company's Audit Committee comprises of three Non-Executive Independent Directors, and one Executive-Promoter Director. The Company Secretary acts as the Secretary to the Audit Committee. The composition is as under:

- Mr. Susil Kumar Pal, Chairman
- Mr. Vinod Kumar Kothari, Member
- Mr. Upendra Nath Challu, Member
- Mr. Rajesh Mittal, Member

All Members of the Committee are financially literate and most of them have accounting and/or related financial management expertise.

**B. Terms of Reference:**

Powers and role of the Audit Committee:

**a) Powers:**

The powers of Audit Committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information required from any employee
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**b) Role:**

The role of the Audit Committee includes the following:

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
4. Reviewing, with the management, and examination of the 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
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties and scrutiny of the method used to determine the arm's length price of any transaction;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

21. Consider and comment on rationale, cost-benefits and impact of scheme involving merger, demerger, amalgamation etc., on the Company and its shareholders.

22. Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

23. Carrying out any other function as may be delegated by the Board of Directors from time to time or as may be required by applicable law or as is mentioned in the terms of reference of the audit committee.

**c) Review of information by the Audit Committee:**

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Management letters / letters of internal control weaknesses issued by the statutory auditors;

c. Internal audit reports relating to internal control weaknesses; and

d. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

e. Statement of deviations:

i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1).

ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## C. Meetings and attendance:

During 2022-2023, five meetings of the Audit Committee were held i.e. on 16th May, 2022, 5th August, 2022, 22nd August, 2022, 7th November, 2022, 13th February, 2023 and the attendance of the Committee Members is as follows:

| Name of the Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Susil Kumar Pal | Non-Executive Independent Director | 5 | 5 |
| Mr. Vinod Kumar Kothari | Non-Executive Independent Director | 5 | 3 |
| Mr. Upendra Nath Challu | Non-Executive Independent Director | 5 | 5 |
| Mr. Rajesh Mittal | Executive Promoter Director | 5 | 5 |

## II. Nomination and Remuneration Committee

## A. Composition:

As on March 31, 2023, the Company's Nomination and Remuneration Committee comprises of four Non-Executive Independent Directors and one Executive-Promoter Director (Chairman cum Managing Director of the Company). The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee. The composition is as under:

- Mr. Susil Kumar Pal, Chairman
- Mr. Vinod Kumar Kothari, Member
- Mr. Upendra Nath Challu, Member
- Ms. Vinita Bajoria, Member
- Mr. Rajesh Mittal, Member





## B. Terms of Reference:

The Nomination and Remuneration Committee is responsible for, among other things, as may be required by the Company from time to time, the following:

i. To formulate criteria for:

a. determining qualifications, positive attributes and independence of a director;

b. evaluation of performance of independent directors and the Board of Directors.

ii. To devise the following policies on:

a. remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the Board of the Company;

b. Board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in mind the needs of the Company.

iii. To identify persons who are qualified to:

a. become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors;

b. be appointed in senior management in accordance with the policies of the Company and recommend their appointment or removal to the HR Department and to the Board.

iv. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

v. To evaluate the balance of skills, knowledge and expertise required on the board of the Company and on the basis of such evaluation, prepare a description of the roles and capabilities required of an independent director in the Company, and to recommend an independent director on the basis of the same.

vi. To carry out evaluation of the performance of every director of the Company;

vii. To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.

viii. To decide whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;

ix. To recommend to the board, all remuneration, in whatever form, payable to senior management personnel.

x. To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.

## C. Meetings and Attendance:

During 2022-2023, five meetings of Nomination and Remuneration Committee were held i.e. on 16th May, 2022, 5th August, 2022, 7th November, 2022, 13th February, 2023 and 20th March, 2023 and the attendance of Committee Members is as follows:

| Name of the Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Susil Kumar Pal | Non-Executive Independent Director | 5 | 5 |
| Mr. Vinod Kumar Kothari | Non-Executive Independent Director | 5 | 3 |
| Mr. Upendra Nath Challu | Non-Executive Independent Director | 5 | 5 |
| Ms. Vinita Bajoria | Non-Executive Independent Director | 5 | 5 |
| Mr. Rajesh Mittal | Executive Promoter Director | 5 | 5 |

**D. Remuneration policy, details of remuneration and other terms of appointment of Directors:**

A brief outline of the Remuneration policy is mentioned in the Directors' Report, forming part of the Annual Report.

The Remuneration Policy of the Company is uploaded on the website of the Company. The web link is https://www.greenply.com/assets/investors/8/original/Remuneration_policy.pdf?1564572312

(I) Executive Directors

The details of remuneration including commission to all Executive Directors for the year ended on March 31, 2023 are as follows and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

| Name and designation | Service contract/Notice period* | Salary (Rs.) | Commission (Rs.) | Perquisites and other allowances (Rs.) |
|---|---|---|---|---|
| Mr. Rajesh Mittal (Chairman cum Managing Director) | Re-appointed for five years w.e.f. January 01, 2021 | 3,76,86,923 | 1,98,00,000 | 30,96,716 |
| Mr. Manoj Tulsian (Joint Managing Director & CEO | Appointed for five years w.e.f. February 11, 2020 | 2,05,33,200 | 1,32,00,000 | 3,36,68,137# |
| Mr. Sanidhya Mittal (Joint Managing Director) | Re-appointment for five years w.e.f. February 07, 2023 | 1,32,00,000 | 1,75,00,000 | 8,82,466 |

* The appointment may be terminated by either party by giving three months' notice or salary in lieu thereof or by mutual consent.

# Perquisites include Rs.3,32,92,000/- on account of the exercise of 1,43,000 Stock Options under the 'Greenply Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan") during FY 2022-23.

(II) Non-Executive Directors

The details of sitting fees and annual commission (excluding applicable taxes thereon) to Non-Executive Directors for the financial year 2022-2023 are as follows:

| Name | Service contract/Notice period | Sitting fees (Rs.) | Commission (Rs.) |
|---|---|---|---|
| Mr. Susil Kumar Pal | Re-appointed for five years w.e.f. September 30, 2019. | 16,25,000 | 15,00,000 |
| Mr. Vinod Kumar Kothari | Re-appointed for five years w.e.f. September 30, 2019. | 9,75,000 | 15,00,000 |
| Ms. Sonali Bhagwati Dalal | Re-appointed for five years w.e.f. September 30, 2019. | 6,00,000 | 15,00,000 |
| Mr. Upendra Nath Challu | Re-appointed for five years w.e.f. September 30, 2019. | 16,25,000 | 15,00,000 |
| Ms. Vinita Bajoria | Appointed for five years w.e.f. September 15, 2021. | 11,50,000 | 15,00,000 |

There are no pecuniary relationships or transactions between the non-executive directors (including independent directors) and the Company, except for sitting fees and commission drawn by them for attending the meeting of the Board of Directors and Committee(s) thereof.

All the Non-Executive Directors shall give notice of their resignation / termination to the Company as per the applicable provisions of the Companies Act, 2013 and they will not be entitled to any severance pay from the Company.





The Company has not granted any stock option to its Directors except Joint Managing Director & CEO of the Company as detailed below:

FY 2020-21

| Name of the Director | Category | No. of Options granted during FY 2020-21 | Exercise Price (Rs.) | Brief details of significant terms | Period over which the stock options accrued | Period over which the stock options are exercisable |
|---|---|---|---|---|---|---|
| Mr. Manoj Tulsian | Executive Non-Promoter Director | 10,00,000 | Rs.55/- per option / per share* | The Options granted to Mr. Manoj Tulsian, JMD & CEO shall vest as follows:<br>After 12 months from the date of grant - 35% of ESOPs granted<br>After 24 months from the date of grant - 35% of ESOPs granted<br>After 30 months from the date of grant - 30% of ESOPs granted | Options granted shall vest not earlier than minimum period of 1 (one) year and not later than maximum period of 4 (four) years from the date of Grant. | The Exercise Period in respect of an Option shall be subject to a maximum period of 4 (four) years from the date of Vesting of Options. |

FY 2021-22

| Name of the Director | Category | No. of Options granted during FY 2021-22 | Exercise Price (Rs.) | Brief details of significant terms | Period over which the stock options accrued | Period over which the stock options are exercisable |
|---|---|---|---|---|---|---|
| Mr. Manoj Tulsian | Executive Non-Promoter Director | 10,00,000 | Rs.55/- per option / per share* | The Options granted to Mr. Manoj Tulsian, JMD & CEO shall vest as follows:<br>After 12 months from the date of grant - 50% of ESOPs granted<br>After 18 months from the date of grant - 50% of ESOPs granted | Options granted shall vest not earlier than minimum period of 1 (one) year and not later than maximum period of 4 (four) years from the date of Grant. | The Exercise Period in respect of an Option shall be subject to a maximum period of 4 (four) years from the date of Vesting of Options. |

* Issue and allotment of equity shares to Mr. Manoj Tulsian, Joint managing Director & CEO, under 'Greenply Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan"), was made at par with the other employees of the Company.

The details of shares/convertible instruments held by the Executive and Non-Executive Directors of the Company as on March 31, 2023 are as follows:

| Name | Category | Number of Equity Shares | No. of Convertible Instruments |
|---|---|---|---|
| Mr. Rajesh Mittal | Executive Promoter Director | Nil | Nil |
| Mr. Manoj Tulsian | Executive Non-Promoter Director | Nil | Nil |
| Mr. Sanidhya Mittal | Executive Promoter Director | Nil | Nil |
| Mr. Susil Kumar Pal | Non-Executive Independent Director | Nil | Nil |
| Mr. Vinod Kumar Kothari | Non-Executive Independent Director | Nil | Nil |
| Ms. Sonali Bhagwati Dalal | Non-Executive Independent Director | Nil | Nil |
| Ms. Vinita Bajoria | Non-Executive Independent Director | 2000 | Nil |
| Mr. Upendra Nath Challu | Non-Executive Independent Director | Nil | Nil |

**E. Criteria for making payment to Non-Executive Directors:**

The Company has formulated criteria for making payment to Non-Executive Directors, which has been uploaded on the Company's website. The weblink of the same is as mentioned below:

https://www.greenply.com/assets/investors/531/original/Remuneration_Criteria_for_Non_Executive_Directors.pdf?1629348509

**F. Criteria for performance Evaluation of all the Directors (including Independent Directors):**

The Nomination and Remuneration Committee has duly formulated the performance evaluation criteria for all the directors (including Independent Directors) of the Company. The said criteria are disclosed in the Directors' Report forming part of the Annual report of the Company.

**III. Stakeholders Relationship Committee**

**A. Composition:**

As on March 31, 2023, the Company's Stakeholders Relationship Committee comprises one Non-Executive Independent Director and two Executive-Promoter Directors-

- Mr. Susil Kumar Pal, Chairman
- Mr. Rajesh Mittal, Member
- Mr. Sanidhya Mittal, Member

Mr. Kaushal Kumar Agarwal, Company Secretary, acts as the Secretary to the Committee and Compliance Officer of the Company.

**B. Terms of Reference for the Committee:**

The Stakeholders Relationship Committee is responsible for, among other things, as may be required by the Company from time to time, the following:

1. To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:
   a. Transfer/transmission of shares,
   b. Non-receipt of annual reports,
   c. Non-receipt of declared dividends,
   d. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
   e. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
2. Reviewing the measures taken for effective exercise of voting rights by shareholders.
3. Reviewing the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from the shareholders from time to time;
6. To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal and to deal with all related matters as may be permissible under applicable law.
7. To review and/or approve requests of dematerialization and re-materialisation of securities of the Company and such other related matters;
8. Appointment and fixing of remuneration of RTA and overseeing their performance;
9. Review the status of the litigation(s) filed by/ against the security holders of the Company;
10. Review the status of claims received for unclaimed shares;
11. Recommending measures for overall improvement in the quality of investor services;
12. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
13. Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
14. To carry out such other business as may be required by applicable law or delegated by the Board of Directors of the Company or considered appropriate in view of its terms of reference.

The table gives the number of complaints received, resolved and pending during the year 2022-23.

**Number of complaints:**

| Unresolved at the beginning of the year | Received during the year | Resolved during the year | Not solved to the satisfaction of the shareholders | Pending at the end of the year |
|---|---|---|---|---|
| Nil | 10 | 10 | Nil | Nil |

**C. Meetings and attendance**

During 2022-2023, four meetings of Stakeholders Relationship Committee were held on 16th May, 2022, 5th August, 2022, 7th November, 2022 and 13th February, 2023 and the attendance of the Member Directors is as follows:

| Name of the Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Susil Kumar Pal | Non-Executive-Independent Director | 4 | 4 |
| Mr. Rajesh Mittal | Executive Promoter Director | 4 | 4 |
| Mr. Sanidhya Mittal | Executive Promoter Director | 4 | 4 |

**IV. Corporate Social Responsibility (CSR) Committee**

**A. Composition**

As on March 31, 2023, the Corporate Social Responsibility (CSR) Committee of the Company comprised Mr. Rajesh Mittal, Mr. Sanidhya Mittal, Mr. Vinod Kumar Kothari, Mr. Upendra Nath Challu and Ms. Vinita Bajoria.

**B. Terms of Reference**

The terms of reference of CSR Committee are as follows:

1. To formulate, monitor and recommend to the Board the CSR Policy including the activities to be undertaken by the Company;
2. To recommend the amount of expenditure to be incurred on the activities undertaken;
3. To monitor the implementation of the framework of Corporate Social Responsibility Policy;
4. To evaluate the social impact of the Company's CSR Activities;

5. To review the Company's disclosure of CSR matters;

6. To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed.

7. To consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation, Corporate Social Responsibility Voluntary Guidelines 2009 and the Companies Act, 2013.

**C. Meetings and attendance**

During 2022-23, four meetings of CSR Committee were held i.e. on 16th May, 2022, 5th August, 2022, 7th November, 2022 and 13th February, 2023 and the attendance of Member Directors in the said Meetings is as follows:

| Name of the Members | Category | No. of meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Rajesh Mittal | Executive Promoter Director | 4 | 4 |
| Mr. Sanidhya Mittal | Executive Promoter Director | 4 | 4 |
| Mr. Vinod Kumar Kothari | Non-Executive-Independent Director | 4 | 2 |
| Mr. Upendra Nath Challu | Non-Executive-Independent Director | 4 | 4 |
| Ms. Vinita Bajoria | Non-Executive-Independent Director | 4 | 4 |

**V. Risk Management Committee**

**A. Composition:**

The Company's Risk Management Committee comprises one Executive - Non Promoter Director, one Executive - Promoter Director, two Non-Executive Independent Director and the Chief Financial Officer (CFO) of the Company.

- Mr. Manoj Tulsian, Chairman
- Mr. Sanidhya Mittal, Member
- Mr. Susil Kumar Pal, Member
- Mr. Upendra Nath Challu, Member
- Mr. Nitin Kalani (CFO), Member

**B. Terms of Reference:**

The role of Risk Management Committee shall, inter-alia, include the following:

1. To formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b. Measures for risk mitigation including systems and processes for internal control of identified risks.

   c. Business continuity plan;

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. To review and make recommendation of the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

8. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**C. Meetings and attendance:**

During 2022-23, two meetings of the Risk Management Committee held on 5th August, 2022 and 30th January, 2023 and the attendance of Members in the said Meetings is as follows:

| Name of the Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Manoj Tulsian | Executive Director | 2 | 2 |
| Mr. Sanidhya Mittal | Executive Promoter Director | 2 | 1 |
| Mr. Susil Kumar Pal | Non-Executive-Independent Director | 2 | 2 |
| Mr. Upendra Nath Challu | Non-Executive-Independent Director | 2 | 2 |
| Mr. Nitin Kalani | Chief Financial Officer (w.e.f. 14.02.2022) | 2 | 2 |

**VI. Operational Committee**

As on 31st March, 2023, the Committee comprised of Mr. Rajesh Mittal, Mr. Sanidhya Mittal, Mr. Susil Kumar Pal and Mr. Vinod Kumar Kothari. The Committee meets as and when required to consider matters assigned to it by the Board of Directors from time to time.

**VII. Demerger Committee**

The Demerger Committee was constituted by the Board of Directors of the Company at its meeting held on May 30, 2018, for the purpose of facilitating the process of Demerger. During 2022-2023, there was no Meeting of Demerger Committee during the period under review.

## 4. General Body Meetings

i. The details of last three Annual General Meetings of the shareholders are as under:

| Financial year ended | Date of AGM | Venue | Time | No. of Special Resolution(s) passed |
|---|---|---|---|---|
| 31st March, 2022 | 21-09-2022 (32nd AGM) | Conducted through Video Conferencing / Other Audio Visual Means. Deemed location was the Registered Office of the Company at Makum Road, Tinsukia, Assam-786125 | 10:30 A.M. | NIL |
| 31st March, 2021 | 15-09-2021 (31st AGM) | Conducted through Video Conferencing / Other Audio Visual Means. Deemed location was the Registered Office of the Company at Makum Road, Tinsukia, Assam-786125 | 10:30 A.M. | 1 |
| 31st March, 2020 | 30-09-2020 (30th AGM) | Conducted through Video Conferencing / Other Audio Visual Means. Deemed location was the Registered Office of the Company at Makum Road, Tinsukia, Assam-786125 | 10:00 A.M. | NIL |

ii. Special resolutions passed at the last three Annual General Meetings are as below:

- At the 32nd Annual General Meeting held on September 21, 2022, no special resolution was passed.
- At the 31st Annual General Meeting held on September 15, 2021:
    a. Resolution for appointment of Mrs. Vinita Bajoria (DIN: 02412990) as an Independent Director of the Company.
    - At the 30th Annual General Meeting held on September 30, 2020, no special resolution was passed.

iii. Passing of Resolutions by Postal Ballot during the financial year 2022-2023: 2 (two)

The Board of Directors of the Company approved the postal ballot notice dated 13th February, 2023 containing two special resolutions in respect of the following matters to which shareholders' approval was obtained on 29th March, 2023.

**Resolution 1:** Special Resolution for approval of shifting of Registered Office of the Company from the state of Assam to the state of West Bengal and consequent alteration of the Memorandum of Association ("MOA")

**Resolution 2:** Special Resolution for approval of re-appointment of Mr. Sanidhya Mittal (DIN-06579890) as Joint Managing Director of the Company, liable to retire by rotation, for the period of 5 (five) years with effect from 7th February, 2023 to 6th February, 2028

The details of the voting pattern in respect of Resolution passed are as under:

| Resolution | No. of votes polled | No. of valid votes polled | No. of invalid votes polled | No. of Valid Votes - in favour | No. of Valid Votes - against | % of Votes in favour on valid votes polled | % of Votes against on valid votes polled |
|---|---|---|---|---|---|---|---|
| Resolution No. 1 (Special Resolution) | 105177529 | 105177529 | 0 | 105173165 | 4364 | 99.9959 | 0.0041 |
| Resolution No. 2 (Special Resolution) | 105177529 | 105177529 | 0 | 96371396 | 8806133 | 91.6274 | 8.3726 |

**Procedure followed to pass the said resolutions through Postal Ballot by way of remote e-voting:**

The voting rights of the members were reckoned on the cut-off date i.e. February 24, 2023 and the Postal Ballot notice had been dispatched to all members through electronic mode on 27th February, 2023. The Board had appointed Mr. Dilip Kumar Sarawagi [bearing COP No.: 3090], Practicing Company Secretary, Proprietor of M/s. DKS & Co. [bearing Unique Code: S1990WB007300] of 173, M. G. Road, 1st Floor, Kolkata - 700 007, as the Scrutinizer for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner. M/s. Central Depository Services (India) Limited (CDSL) was engaged to provide the electronic voting facility to the members of the Company.

The remote e-voting period was started on 28th February, 2023 at 10:00 a.m. and ended on 29th March, 2023 at 5:00 p.m. During said period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 24th February, 2023, were eligible to cast their vote electronically. The resolution was approved on 29th March, 2023 [last date specified by the Company for receipt of remote e-voting].

The results of postal ballot by way of remote e-voting along with the Scrutiniser's report was displayed on the Notice Board of the Company at its Registered Office and Corporate Office and also placed on the website of the company at www.greenply.com. The same was also published in the newspapers i.e. Business Standard, English (all editions), The Times of India, English (Guwahati & Kolkata editions) and Dainandin Barta, Assamese on 31st March, 2023.

iv. Whether any special resolution is proposed to be conducted through postal ballot: No





## 5. Subsidiaries

Details of the Subsidiaries and/or Joint Venture of the Company and their business activities are provided in the Directors' Report forming part of the Annual Report of the Company. The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations as amended from time to time. The Policy is displayed on the website of the Company. The weblink is

https://www.greenply.com/assets/investors/4/original/Policy_for_determining_Material_Subsidiaries.pdf?1564572130

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Based on the financial statements for the financial year ended March 31, 2022, Greenply Speciality Panels Private Limited, India, Greenply Gabon SA, Gabon, West Africa and Greenply Middle East Limited, Dubai, UAE are considered as the material subsidiary of the Company in terms of the provisions of Regulation 16 of the SEBI Listing Regulations, for the Financial Year 2022-23.

The details w.r.t. to the said material subsidiaries are as follows:

| | Greenply Speciality Panels Private Limited | Greenply Middle East Limited | Greenply Gabon SA |
|---|---|---|---|
| Date of Incorporation | 25th May, 2021 | 4th July, 2016 | 14th July, 2016 |
| Place of Incorporation | Kolkata, West Bengal, India | Dubai, UAE | Gabon, West Africa |
| Name of Statutory Auditor | M/s. B S R & Co. LLP Godrej Waterside, Unit No. 603, 6th Floor, Tower - 1, Plot No.5, Block - DP, Sector -V, Salt Lake, Kolkata-700 091, West Bengal, India | Shah & Alshamali Associates, Chartered Accountants, 408 - 8811 Bay Square, Business Bay, P.O.Box 118767, Dubai, U.A.E. | Ernst & Young Immeuble Premium Avenue du Colonel Parant B.P. 2278 Libreville Gabon |
| Date of appointment of Statutory Auditor | 7th June, 2022 | 4th July, 2016 | |

## 6. Other Disclosures

**a) Related Party Transactions:**

During the period under review, the Company has not entered into any material significant transactions with related parties, which may have potential conflict with the interest of the Company at large. Transactions entered into with related parties during FY 2022-23 were in the ordinary course of business and at arms' length basis and were approved by the members of Audit Committee including Independent Directors from time to time. Suitable disclosures as required by the Ind AS 24 has been made in the notes to the Financial Statements.

The Board of Directors has formulated a policy on related party transactions and also on dealing with related party transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, which has been uploaded on the Company's website. The weblink as required under Listing Regulations is as under: https://www.greenply.com/assets/investors/5/original/related_party_transactions_policy_14022022.pdf?1646389354

Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year:

(i) Loans/advances by the Company to subsidiaries

| Sr. No. | Name of entity | Type of Entity (subsidiaries/ associates/ firms/ companies in which directors are interested) | Amount outstanding as on 31.03.2023 (Rs. in Lakh) | Maximum amount outstanding during the year (Rs. in Lakh) | Nature of payment loans/ advances |
|---|---|---|---|---|---|
| 1 | Greenply Holdings Pte. Ltd., Singapore | Wholly Owned Subsidiary | Nil | Nil | N.A. |
| 2 | Greenply Middle East Limited, Dubai | Wholly Owned Subsidiary | 410.86 | 1894.50 | Loan |
| 3 | Greenply Gabon SA, Gabon, West Africa | Step-down Wholly Owned Subsidiary | Nil | Nil | N.A. |
| 4 | Greenply Sandila Private Limited | Wholly Owned Subsidiary | 3500.00 | 3500.00 | Loan |
| 5 | Greenply Speciality Panels Private Limited (formerly Baahu Panels Private Limited) | Wholly Owned Subsidiary | 5900.00 | 5900.00 | Loan |

(ii) Loans/advances by the Company to associates:

Not applicable as the Company do not have any associate.

(iii) Loans/advances by the Company to firms/ companies in which directors are interested:

No loan given or advance granted to any firms/ companies in which directors are interested.

(iv) Loans/advances by the Subsidiary Companies to the Company, its Associates and Firms/Companies in which directors are interested:

No loan given or advance granted to the parent company, its associates and any firm/company in which directors of the company are interested, by any of the subsidiary companies.

(v) Investments by the loanee in the shares of parent company and subsidiary companies, when the company has made a loan or advance in the nature of loan:

No investments have been made by the loanee in the shares of parent company and subsidiary companies.

**b) Non - Compliance:**

There has been no non-compliance, penalties or strictures imposed on the Company by Stock Exchanges and/or SEBI and/or any other Statutory Authorities, on any matter related to capital markets during the last three years.

**c) Vigil Mechanism:**

As per the requirement of the Companies Act, 2013 and Listing Regulations, the Company has framed and implemented 'Whistle Blower Policy' to establish necessary vigil mechanism for directors and employees to report genuine concerns about unethical behaviour. This policy provides a process to disclose information, confidentially and without fear of victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company or violation of the Company's Code of Conduct or ethical policy. The whistle blowers may also lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The policy offers appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Whistle Blower Policy is available on the website of the Company and weblink to the same is as under: https://www.greenply.com/assets/investors/722/original/Vigil_Mechanism_Policy_%281%29.pdf?1682402162

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm and unfair treatment. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

**d) Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements:**

**Mandatory requirements:**

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under the Listing Regulations to the extent applicable to the Company. The Company also complies with the notified Secretarial Standards on the Board and General Meetings as issued by the Institute of the Company Secretaries of India. The Certificate regarding compliance with the conditions of Corporate Governance received from Practising Company Secretary, Ms. Nidhi Bagri Proprietor of M/s. Nidhi Bagri & Company is annexed to this Report.

**Discretionary or Non-mandatory requirements as specified in Part E of Schedule II of SEBI Listing Regulations:**

1. Office for non-executive Chairman at company's expense: Not applicable to the Company since the Chairman of the Company is an Executive Director.
2. Half-yearly declaration of financial performance including summary of the significant events in last six-months to each household of shareholders: Not adopted
3. Modified opinion(s) in audit report: The Auditors of the Company have issued an unmodified report on financial statements for FY 2022-2023. Further, the Company has complied with the discretionary requirement with regard to moving towards a regime of unqualified financial statements and unmodified audit opinion.
4. Reporting of Internal Auditors directly to the Audit Committee: Complied

**e) Policy for determining 'material' subsidiaries:**

The Company has framed the policy for determining 'material' subsidiaries. The same has been placed on the website of the Company and weblink to the same is as under:

https://www.greenply.com/assets/investors/4/original/Policy_for_determining_Material_Subsidiaries.pdf?1564572130

**f) The Disclosure of Commodity Price Risks and Commodity Hedging Activities:**

Commodity pricing does not have direct bearing but has an indirect bearing on the Company since some of our chemical consumption is linked to crude prices. During the financial year ended 31st March, 2023, the Company did not engage in commodity hedging activities.

**g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):**

The Company has not raised any funds through preferential allotment or qualified institutions placement.

h) The Certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

i) During the financial year 2022-2023, there was no recommendation of any committee of the Board of the Company which is mandatorily required and is not accepted by the Board of the Company.

j) During the financial year 2022-2023, total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor of the Company and all entities in the network firm/ network entity of which the statutory auditor is a part is detailed below:

| Particulars | Amount (Rs. in lacs) |
|---|---|
| Statutory Audit Fees | 35.30 |
| Limited Review of Quarterly Results | 11.92 |
| Certification Fees | 2.10 |
| Other Services | - |
| Reimbursement of Expenses | 2.34 |

**k) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Details of complaints received and redressed during the Financial Year 2022-2023:

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: N.A.

c. number of complaints pending as on end of the financial year: Nil

l) **Code of Conduct for Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) with a view to regulate trading in securities by the Designated Persons (as defined in the said Code of Conduct) of the Company. The Board of Directors of the Company at its meeting held on February 5, 2015 had adopted the new Insider Trading Code effective from May 15, 2015. Further, the Code has been revised effective from April 1, 2019 in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This Code is applicable to all Designated Persons and their immediate relatives and they are required to abide by the Code of Conduct for Prevention of Insider Trading of the Company framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The Code requires pre-clearance from Compliance officer for dealing in the Company's shares beyond threshold limits. Further, it prohibits the purchase or sale of Company's shares by the Designated Persons, directly or indirectly, while in possession of unpublished price sensitive information in relation to the Company and when the Trading Window is closed.

The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

m) In addition to Directors' Report, a Management Discussion and Analysis Report forms part of the Annual Report to the shareholders. All Members of the Board, Key Managerial Personnel and Senior Management have confirmed that they do not have any material, financial and commercial interest in any transaction(s) with the Company that may have potential conflict with the interest of the Company at large.

n) All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

o) Shareholding of Non-Executive Directors: Except Ms. Vinita Bajoria, none of the Non-Executive Directors hold any shares in the Company. Ms. Bajoria holds 2000 equity shares of the Company.

p) **Unclaimed Dividends:**

Pursuant to the provisions of the Companies Act, 2013, dividends that are unpaid/ unclaimed for a period of seven years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

| Financial Year ended | Date of declaration of dividend | Due Date for transfer to IEPF |
|---|---|---|
| 31.03.2015 | 25.08.2015 | 30.09.2022 |
| 31.03.2016 | 23.08.2016 | 28.09.2023 |
| 31.03.2017 | 21.08.2017 | 26.09.2024 |
| 31.03.2018 | 28.08.2018 | 03.10.2025 |
| 31.03.2019 | 30.09.2019 | 05.11.2026 |
| 31.03.2020 | 30.09.2020 | 05.11.2027 |
| 31.03.2021 | 15.09.2021 | 21.10.2028 |
| 31.03.2022 | 21.09.2022 | 27.10.2029 |

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 21st September, 2022 (date of previous Annual General Meeting) on the Company's website https://www.greenply.com/investors and on the website of the Ministry of Corporate Affairs.

Members who have not encashed their dividend warrants for the above financial years/period may approach the Company for obtaining duplicate dividend warrants/demand draft or revalidation thereof.

q) **Transfer of Unclaimed/Unpaid Dividend to IEPF:**

During the year under review, unclaimed/unpaid final dividend amounting to Rs.49,806/- which had been declared at the Annual General Meeting of the Company held on August 25, 2015 and lying unclaimed/unpaid was transferred to the Investor Education and Protection Fund (IEPF) in October, 2022 pursuant to the relevant provisions of applicable laws and rules.

r) **Demat Suspense Account/Unclaimed Suspense Account:**

The disclosure in accordance with the requirement of Regulation 34(3) and Part F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to demat suspense account / unclaimed suspense account are as follows:

| Sr. No. | Particulars | No. of shareholders | Outstanding Shares |
|---|---|---|---|
| 1. | Aggregate number of shareholders and the outstanding shares in the Suspense Account lying as on April 1, 2022; | 5 | 3020 |
| 2. | Shareholders who approached the Company for transfer of shares from Suspense Account during the year; | NIL | NIL |
| 3. | Shareholders to whom shares were transferred from the Suspense Account during the year; | NIL | NIL |
| 4. | Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act | 2 | 20 |
| 5. | Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year; | 3 | 3000 |

The voting rights on the shares outstanding in the "Greenply Industries Limited - Unclaimed Suspense Account" as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

s) **Transfer of equity shares corresponding to dividend which have remained unclaimed for consecutive seven years and transferred to IEPF:**

In compliance with the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends reminders to the concerned shareholders to claim their dividends in order to avoid transfer of dividends and shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website (www.greenply.com/investors).

In light of the aforesaid provisions, the Company has transferred 213 equity shares to the demat account of IEPF Authority after sending letters/reminders to the concerned shareholders and also giving a notice in the newspapers in this regard. Details of said shares are available on the link http://www.greenply.com/investors

The members who have a claim for the dividends and shares already transferred to IEPF may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov. in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend and shares so transferred. During the year, no shareholder, claimed shares from IEPF Authority.

t) The financial statements have been made in accordance with the Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.

u) The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and the Companies Act, 2013.

## 7. Joint Managing Director & CEO and Chief Financial Officer (CFO) Certification:

The Joint Managing Director & CEO and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying, inter alia, that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

## 8. Compliance Certificate of the Auditors:

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and the same is annexed to this report.

9. The Company has complied with the applicable requirement specified in Regulations 17 to 27 read with Schedule V and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with regard to corporate governance.

## 10. Means of communication:

The quarterly/half-yearly/annual financial results of the Company are sent to the Stock Exchanges immediately after approval of the same by the Board of Directors. These are also published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in English newspaper circulating the whole or substantially the whole of India and in one vernacular newspaper of the State of Assam, where the registered office of the Company is situated. In addition, these results are simultaneously posted on the Company's website www.greenply.com. The official press releases and/or presentation are also available on the Company's website.

**Details about means of communication:**

| Recommendation | Compliance |
|---|---|
| Quarterly/Annual results | Published in leading newspapers |
| Newspapers wherein results are normally published | Amar Asom (Assamese daily) or<br>Dainandin Barta (Assamese daily) and<br>Business Standard (English daily) |
| Any website, where displayed | www.greenply.com |
| Whether it also displays official news releases and presentation made to institutional investors or to the analysts | Yes |

## 11. General shareholders' information

| | | |
|---|---|---|
| i. | Date, time and venue of the Annual General Meeting | Wednesday, September 20, 2023, 10:30 a.m.<br>The Company is conducting meeting through VC / OAVM. For details please refer to the Notice of this AGM. |
| ii. | Financial Year | Financial year of the Company is from April 01 to March 31.<br>Publication of results for the financial year 2023-24 (tentative and subject to change)<br>First quarter results: On or before August 14, 2023<br>Second quarter and half year results: On or before November 14, 2023<br>Third quarter results: On or before February 14, 2024<br>Fourth quarter results and results for the year ending March 31, 2024: On or before May 30, 2024. |
| iii. | Dates of book closure | From Monday, August 21, 2023 to Thursday, August 24, 2023 (both days inclusive) |
| iv. | Dividend payment date | Within 10 days from the date of Annual General Meeting, i.e Between September 20, 2023 and September 29, 2023 |
| v. | Listing of Equity Shares at Stock Exchanges and payment of annual listing fees: | BSE Ltd. (BSE)<br>Floor 25, P. J. Towers<br>Dalal Street, Fort<br>Mumbai - 400 001 |
| | | National Stock Exchange of India Ltd. (NSE)<br>Exchange Plaza, Bandra Kurla Complex<br>Bandra (E)<br>Mumbai - 400 051 |
| | | The Company has paid annual listing fees to both Stock Exchanges. |
| vi. | Stock Code/Symbol | BSE: 526797<br>NSE: GREENPLY |





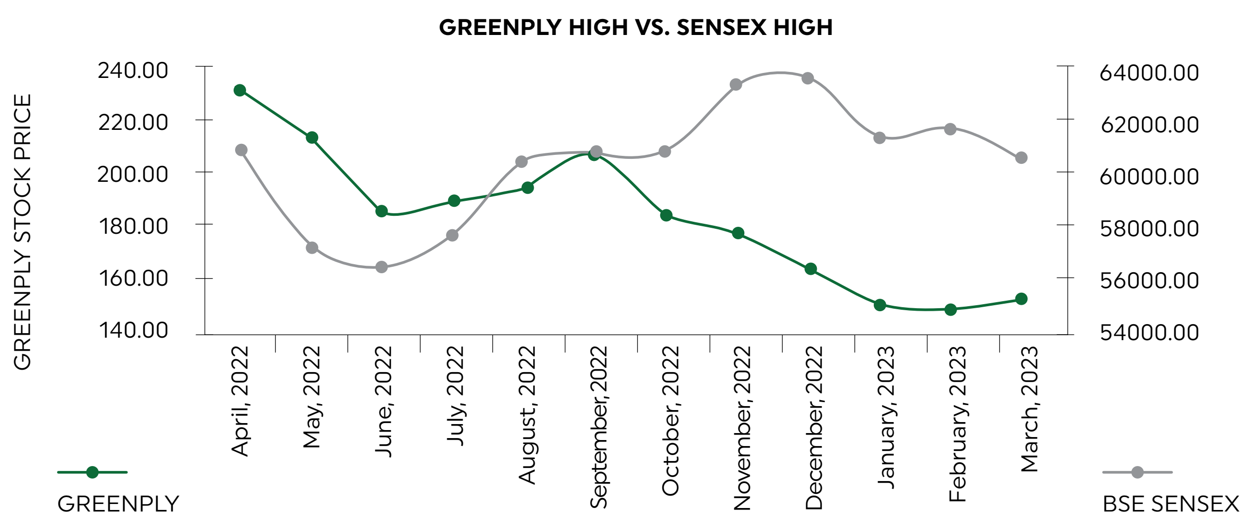
**vii. Market price data for the financial year 2022-2023:**

| Month | At BSE | | At NSE | |
|---|---|---|---|---|
| | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| April 2022 | 232.30 | 205.10 | 232.50 | 205.15 |
| May 2022 | 213.00 | 162.70 | 214.00 | 162.80 |
| June 2022 | 185.45 | 165.65 | 185.90 | 168.55 |
| July 2022 | 189.00 | 170.65 | 188.60 | 170.25 |
| August 2022 | 194.20 | 177.50 | 194.25 | 177.05 |
| September 2022 | 206.70 | 174.35 | 206.80 | 175.45 |
| October 2022 | 183.85 | 170.00 | 183.95 | 169.90 |
| November 2022 | 176.90 | 155.00 | 177.05 | 154.65 |
| December 2022 | 163.70 | 136.55 | 164.00 | 137.00 |
| January 2023 | 150.30 | 135.70 | 150.65 | 135.60 |
| February 2023 | 148.00 | 134.30 | 147.35 | 134.50 |
| March 2023 | 151.90 | 133.85 | 151.75 | 135.50 |

**viii. E-mail ID for Investors:** investors@greenply.com

**ix. Performance in comparison to broad based indices such as BSE Sensex, CRISL index among others**

**Greenply shares performance:**



x. Registrars & Share Transfer Agents

M/s. S. K. Infosolutions Pvt. Ltd.
D/42, Katju Nagar Colony, Ground Floor,
Near South City Mall, PO & PS - Jadavpur,
Kolkata, West Bengal-700032
PHONE: (033) 2412-0027/0029
FAX: (033) 2412-0027

xi. Share Transfer System

The requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, the requests for effecting transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The RTA have been authorized by the Stakeholders Relationship Committee to approve transfers, which are noted at subsequent Committee Meeting.

**xii. Distribution of equity shareholding as on March 31, 2023.**

**a. Distribution of shareholding by size is as given below:**

| Range in number of shares held | Number of shareholders | Percentage of shareholders | Number of shares held | Percentage of shares held |
|---|---|---|---|---|
| 1-5000 | 45912 | 91.68 | 4064370 | 3.31 |
| 5001-10000 | 2152 | 4.30 | 1678683 | 1.37 |
| 10001-20000 | 1086 | 2.17 | 1619983 | 1.32 |
| 20001-30000 | 351 | 0.70 | 882232 | 0.72 |
| 30001-40000 | 133 | 0.27 | 471934 | 0.38 |
| 40001-50000 | 93 | 0.19 | 434368 | 0.35 |
| 50001-100000 | 168 | 0.34 | 1245349 | 1.01 |
| 100001-500000 | 140 | 0.28 | 2680196 | 2.18 |
| 500001-1000000 | 17 | 0.03 | 1249346 | 1.02 |
| 1000001 and Above | 24 | 0.05 | 108549934 | 88.34 |
| **Total** | **50076** | **100.00** | **122876395** | **100.00** |

**b. Distribution of shareholding by category is as given below:**

| Category of shareholders | No. of Shareholders | Number of shares | Percentage of shares |
|---|---|---|---|
| Promoter and Promoter Group | 4 | 64287030 | 52.32 |
| Foreign Portfolio Investor | 35 | 2653158 | 2.16 |
| Mutual Funds | 10 | 40292979 | 32.79 |
| Domestic Company | 260 | 1964195 | 1.60 |
| Resident Individuals | 48922 | 12671689 | 10.31 |
| NRI | 840 | 489367 | 0.40 |
| Greenply Industries Limited-Unclaimed Suspense Account | 1 | 3000 | 0.00 |
| NBFC | 3 | 415494 | 0.34 |
| Insurance Companies | 1 | 99483 | 0.08 |
| **Total** | **50076** | **122876395** | **100.00** |

**xiii. Dematerialisation of shares and liquidity:**

The Company's Equity Shares are compulsorily tradable in dematerialized form on NSE and BSE and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE 461C01038. Equity Shares of the Company representing nearly 99.96% of the Company's total equity shares capital are dematerialised as on March 31, 2023.

**xiv. Outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversion date and likely impact on equity:**

Nil.

**xv. Corporate Identification Number (CIN):**

L20211AS1990PLC003484

**xvi. Commodity price risk or foreign exchange risk and hedging activities:**

The Company's Policy is to take forward cover in respect of its foreign currency exposure in respect of import of raw materials and traded goods. Commodity pricing does not have direct bearing but has an indirect bearing on the Company since some of our chemical consumption is linked to crude prices. During the financial year ended 31st March, 2023, the Company did not engage in commodity hedging activities.

**xvii. Plant locations:**

**Plywood & allied products**

- **P.O. - Tizit, Dist. - Mon,**
  Nagaland
- **Kriparampur,**
  P.O. - Sukhdevpur, Dist. - 24 Parganas(S),
  West Bengal
- **Plot No. 910-913, G.I.D.C. Estate,**
  Bamanbore, Dist. - Surendranagar,
  Gujarat - 363 520

**xviii. Address for correspondence:**

1. **Registrar & Share Transfer Agent:**
   M/s. S. K. Infosolutions Pvt. Ltd.
   D/42, Katju Nagar Colony, Ground Floor,
   Near South City Mall, PO & PS - Jadavpur,
   Kolkata, West Bengal-700032
   PHONE: (033) 2412-0027/0029
   FAX: (033) 2412-0027
   Contact Person: Mr. Dilip Bhattacharya, Director
   Email: skcdilip@gmail.com / contact@skcinfo.com
2. **Company Secretary & Vice President-Legal:**
   Mr. Kaushal Kumar Agarwal
   Greenply Industries Limited
   "Madgul Lounge"
   6th Floor
   23 Chetla Central Road
   Kolkata - 700 027, India
   Phone: (033) 3051-5000
   Fax: (033) 3051-5010
   Email : kaushal@greenply.com / investors@greenply.com
3. **Chief Investor Relations Officer**
   Mr. Gautam Jain
   Greenply Industries Limited
   A-306 & 307, 'Kanakia Dynasty Business Park'
   Near Chakala Metro, Andheri Kurla Road
   Andheri-East, Mumbai : 400059
   Tel : +91-22-2838 7096
   Email: gautam.jain@greenply.com
4. **Nodal Officer (IEPF)**
   Mr. Kaushal Kumar Agarwal
   Company Secretary & Vice President-Legal
   "Madgul Lounge"
   6th Floor
   23, Chetla Central Road
   Kolkata - 700027, India
   Mob.: (+91) 9748738904
   Phone: (033) 3051 5000
   Fax: (033) 3051 5010
   E-mail: kaushal@greenply.com

**xix. List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:**

During the financial year 2022-23, the Company does not have any debt instruments or any Fixed Deposit Programme or any scheme or the proposal of the Company involving mobilization of funds in India or in abroad.

On behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
DIN: 00240900

Place: Kolkata
Date: 30.05.2023





## Certificate by Chief Executive Officer and Chief Financial Officer pursuant to sub-regulation 8 of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
**Greenply Industries Limited**

We, Manoj Tulsian (DIN: 05117060), Joint Managing Director & CEO and Nitinkumar Dagdulal Kalani (PAN: AMGPK8281P), Chief Financial Officer, of Greenply Industries Limited hereby certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended on 31st March, 2023 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Manoj Tulsian**
Joint Managing Director & CEO
DIN: 05117060

**Nitinkumar Dagdulal Kalani**
Chief Financial Officer
PAN: AMGPK8281P

Dated: 30 May, 2023

# Declaration by the Joint Managing Director & CEO pursuant to Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct

To
The Members
**Greenply Industries Limited**

I, Manoj Tulsian (DIN: 05117060), Joint Managing Director & CEO of Greenply Industries Ltd., hereby declare that, all the members of the board of directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended on 31 March, 2023.

**Manoj Tulsian**
Joint Managing Director & CEO
DIN: 05117060

Dated: 30 May, 2023





# CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

**To**
**The Members**
**Greenply Industries Limited**

We, Nidhi Bagri & Company, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by *Greenply Industries Limited (the "Company")* for the year ended **31st March 2023**, as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time *("Listing Regulations")* pursuant to the Listing Agreement of the Company with Stock Exchanges.

## Management's Responsibility

1. The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

## Auditors' Responsibility

2. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing a reasonable assurance on compliance with the conditions of Corporate Governance as stipulated in Listing Regulations by the Company for the year ended 31st March 2023.

## Opinion

4. In our opinion and to the best of our information and according to the explanations given to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations for the year ended 31st March, 2023.

5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

## Restriction on use

6. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Nidhi Bagri & Company**
(Practising Company Secretary)

**(CS Nidhi Bagri)**
Proprietor
Mem. No. 24765
C.P.No. 9590
UDIN A024765E000418818
Peer Review Cert No. 2103/2022

Date: May 30, 2023
Place: Kolkata

FINANCIAL
STATEMENTS



# Independent Auditor's Report

**To the Members of Greenply Industries Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Greenply Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Revenue recognition**

**See Note 3(k) and 26 to standalone financial statements**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer.<br><br>Further, the Company gives incentives to its dealers through various schemes.<br><br>Due to various schemes and a large variety of contractual terms across dealers, the computation of these incentives involves judgement. The amount of such incentive is also significant.<br><br>The management considers revenue as a key measure for evaluation of performance.<br><br>In view of the above we have determined this matter to be a key audit matter. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br><br>• Evaluated the appropriateness of the Company's accounting policy relating to revenue recognition<br><br>• Evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition<br><br>• Evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to computation of incentives<br><br>• Performed substantive testing over a a sample of sales transactions for compliance with the Company's accounting principles to assess the completeness, occurrence and accuracy of revenue recorded. |

| Revenue recognition | |
|---|---|
| See Note 3(k) and 26 to standalone financial statements | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| | • Performed retrospective review of the management's judgement by comparing utilisation of incentives with previously recognized corresponding liability. We also considered the developments during the year and subsequent to the year-end that would significantly affect the measurement of the year-end incentive liability.<br>• Assessesed the adequacy of the discloures made. |

## Other Information

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

## Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors 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 Responsibilities for the Audit of the Standalone Financial Statements

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

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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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.

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.

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 39 (a) to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 9 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 9 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 50 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid or payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid or payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**
Partner
Membership No.: 060715
ICAI UDIN:23060715BGQAAS4406

Place: Kolkata
Date: 30 May 2023





# Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Greenply Industries Limited for the year ended 31 March 2023

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year.For goods-in-transit subsequent clearance of goods has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments, provided any guarantee or security or granted any loans or advance in the nature of loans, secured or unsecured, to firms and limited liability partnerships during the year. The Company has made investments and provided guarantee or security, to companies in respect of which the requisite information is given below. The Company has granted loans to companies and other parties during the year, in respect of which requisite information is given below. The Company has not given any advances in the nature of loan to companies, firms, limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to companies and other parties as below:

| Particulars | Guarantees (Rs in lakhs) | Loans (Rs in lakhs) |
|---|---|---|
| **Aggregate amount during the year** | | |
| Subsidiaries* | 13,500.00 | 9,400.00 |
| Others | - | 180.05 |
| **Balance outstanding as at balance sheet date** | | |
| Subsidiaries* | 56,628.96 | 9,810.86 |
| Others | - | 175.47 |

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has neither provided any security nor given any advance in the nature of loan to any party during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and/or services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, Sales tax, Value Added tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (Rs. in lakhs) (*) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Central Excise Act, 1944 | Wrong availment of service tax on direct sale | 5.54 | March 2006 to September 2007 | Customs, Excise and Service Tax Appellate Tribunal, Kolkata | |
| Central Excise Act, 1944 | Extra Amount collected in the name of finance charges | 11.06 | April 2002 to February 2005 | Customs, Excise and Service Tax Appellate Tribunal, Kolkata | |
| Central Excise Act, 1944 | Disallowance of Discounts | 248.90 | September 2009 to March 2010 | Customs, Excise and Service Tax Appellate Tribunal, Kolkata | |
| West Bengal Sales Tax Act, 1994 | Disallowance of Input Vat and Purchase Tax | 16.29 | April 2005 to March 2006 | West Bengal Commercial Taxes Appellate and Revision Board | |
| West Bengal Sales Tax Act, 1994 | Disallowance of Input Vat and Purchase Tax | 296.57 | April 2008 to March 2009 | West Bengal Taxation Tribunal | |
| Bihar Value Added Tax Act, 2005 | Denial of Entry Tax Credit | 87.93 | April 2011 to March 2012 | Joint Commissioner of Commercial Taxes (Appeals), Patna | |
| Delhi Value Added Tax Act, 2004 | Sales Tax (For Non allowance of Declaration Form "C") | 14.47 | April 2014 to March 2015 | Department of Trade and Taxes, Delhi | |
| Gujarat Value Added Tax Act, 2003 | Sales Tax (For short submission of Declaration Form C) | 427.83 | April 2012 to March 2014 | Gujarat Sales Tax Tribunal | |
| Gujarat Value Added Tax Act, 2003 | Disallowance of Input tax due to Mismatch | 146.78 | April 2013 to March 2014 | Gujarat Sales Tax Tribunal | |
| Gujarata Central Sales Tax, 1956 | Dues claim | 121.20 | Financial Year 1995-1995 and 1997-1998 | Ahemadabad Value Added Tax Tribunal, Gujarat | |
| Harayana Value Added Tax Act, 2003 | Department Enhance Turnover | 7.99 | Financial Year 2016-17 to 2017-18 | Joint Excise and Taxation Commissioner (Appeals), Rohtak | |
| Harayana Central Sales Tax Act, 1956 | Department Enhance Turnover | 57.94 | Financial Year 2016-17 to 2017-18 | Joint Excise and Taxation Commissioner (Appeals), Rohtak | |
| Goods and Services Tax Act, 2017 | Non allowance of input tax credit | 5.30 | Financial Year 2021-22 | Assistant Commissioner of State Tax, Chattisgarh | |
| Goods and Services Tax Act, 2017 | Non allowance of input tax credit | 431.81 | Financial Year 2018-19 to 2019-20 | Assistant Commissioner State Tax-Ahmedabad | |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry tax | 631.59 | July 2013 to December 2014 | Hon'ble Calcutta High Court | |

| Name of the statute | Nature of the dues | Amount (Rs. in lakhs) (*) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Central Excise Act, 1944 | Recovery of interest on Excise Duty Refund | 554.03 | 2008-09 to 2015-16 | Assistant Commissioner, Central Excise & Service Tax, Dimapur Division | |
| Goods and Services Tax Act, 2017 | Disallowance of Input GST | 3.49 | 2018-2019 | Deputy Commissioner of Commercial Taxes | |
| Delhi Central Sales Tax Act, 1956 | Sales Tax (For Non allowance of Declaration Form "C" & "F")Passed Ex-Party Order | 16.74 | April 2017 to June 2017 | Department of Trade and Taxes, Government of NCT of Delhi | |
| Punjab Central Sales Tax Act, 1956 | Short supply of Form C | 1.94 | April 2015 to March-2017 | Excise and Taxation Department, Punjab | |
| Goods and Services Tax Act, 2017 | Disallowance of ITC | 22.01 | April 2017 to March-2019 | Office of Assistant Commissioner of State Tax, Bihar | |
| Income Tax Act, 1961 | Disallowance of expenses and transfer pricing adjustment | 187.29 | Assessment years 2013-14, 2014-15, 2015-16, 2017-18 and 2018-19 | Commission of Income Tax (CIT), Appeals, Kolkata | |

*Amounts of Rs 88.58 lakhs has been deposited by the Company under protest

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 2 CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**
Partner
Membership No.: 060715
ICAI UDIN:23060715BGQAAS4406

Place: Kolkata
Date: 30 May 2023

# Annexure B to the Independent Auditor's Report on the standalone financial statements of Greenply Industries Limited for the year ended 31 March 2023

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

We have audited the internal financial controls with reference to financial statements of Greenply Industries Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**
Partner
Membership No.: 060715
ICAI UDIN:23060715BGQAAS4406

Place: Kolkata
Date: 30 May 2023

# Standalone Balance Sheet as at March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **Assets** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 15,920.84 | 16,564.25 |
| (b) Capital work-in-progress | 6 | 664.27 | 140.11 |
| (c) Right of use assets | 5 | 1,425.20 | 907.33 |
| (d) Intangible assets | 7A | 1,020.69 | 1,051.18 |
| (e) Intangible assets under development | 7B | 36.50 | - |
| (f) Financial assets | | | |
| (i) Investments | 8 | 21,931.94 | 22,805.06 |
| (ii) Loans | 9 | 9,888.18 | 1,939.07 |
| (iii) Other financial assets | 16 | 264.85 | 155.35 |
| (g) Non-current tax assets (net) | 10 | 240.97 | 1,252.78 |
| (h) Deferred tax assets (net) | 36 | 178.73 | 717.11 |
| (i) Other non-current assets | 15 | 1,203.59 | 980.00 |
| **Total non-current assets** | | **52,775.76** | **46,512.24** |
| **(2) Current assets** | | | |
| (a) Inventories | 11 | 17,447.51 | 17,236.72 |
| (b) Financial assets | | | |
| (i) Trade receivables | 12 | 19,462.88 | 15,886.54 |
| (ii) Cash and cash equivalents | 13 | 1,984.83 | 1,087.21 |
| (iii) Bank balances other than cash and cash equivalents | 14 | 34.86 | 961.96 |
| (iv) Loans | 9 | 98.15 | 74.12 |
| (v) Other financial assets | 16 | 912.82 | 997.68 |
| (c) Other current assets | 17 | 2,488.15 | 1,884.32 |
| **Total current assets** | | **42,429.20** | **38,128.55** |
| **Total assets** | | **95,204.96** | **84,640.79** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 18 | 1,228.76 | 1,226.27 |
| (b) Other equity | 19 | 61,719.46 | 49,578.55 |
| **Total equity** | | **62,948.22** | **50,804.82** |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | 365.14 | 1,266.36 |
| (ia) Lease liabilities | 5 | 904.67 | 520.79 |
| (ii) Other financial liabilities | 21 | 12.00 | 9.00 |
| (b) Provisions | 22 | 609.47 | 557.65 |
| **Total non-current liabilities** | | **1,891.28** | **2,353.80** |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | 1,473.85 | 3,103.00 |
| (ia) Lease liabilities | 5 | 299.02 | 160.33 |
| (ii) Trade payables | 23 | | |
| Total outstanding dues of micro and small enterprises | | 124.29 | 158.76 |
| Total outstanding dues of creditors other than micro and small enterprises | | 24,153.89 | 21,938.32 |
| (iii) Derivatives | 24 | 11.78 | 13.64 |
| (iv) Other financial liabilities | 21 | 2,076.25 | 1,881.88 |
| (b) Other current liabilities | 25 | 1,476.17 | 2,538.94 |
| (c) Provisions | 22 | 714.90 | 1,687.30 |
| (d) Current tax liabilities (net) | | 35.31 | - |
| **Total current liabilities** | | **30,365.46** | **31,482.17** |
| **Total liabilities** | | **32,256.74** | **33,835.97** |
| **Total equity and liabilities** | | **95,204.96** | **84,640.79** |
| **Significant accounting policies** | **3** | | |

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023





# Standalone Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | | Note | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|---|
| I. | Revenue from operations | 26 | 164,320.21 | 137,688.81 |
| II. | Other income | 27 | 2,386.86 | 1,317.13 |
| **III** | **Total income (I+II)** | | **166,707.07** | **139,005.94** |
| **IV.** | **Expenses** | | | |
| | Cost of materials consumed | 28 | 51,259.45 | 49,489.28 |
| | Purchase of stock in trade | 29 | 56,737.38 | 37,173.90 |
| | Changes in inventories of finished goods, work-in-progress and stock in trade | 30 | (2,023.23) | (2,301.21) |
| | Employee benefits expense | 31 | 20,118.49 | 17,260.02 |
| | Finance cost | 32 | 615.48 | 578.03 |
| | Depreciation and amortisation expense | 33 | 2,074.81 | 1,860.72 |
| | Other expenses | 34 | 24,418.63 | 23,027.95 |
| | **Total expenses (IV)** | | **153,201.01** | **127,088.69** |
| **V.** | **Profit before exceptional items and tax (III-IV)** | | **13,506.06** | **11,917.25** |
| **VI.** | **Exceptional items** | **35** | **(676.68)** | **-** |
| **VII.** | **Profit before Tax (V+VI)** | | **12,829.38** | **11,917.25** |
| | **Tax expense** | **36** | | |
| | Current tax [including taxes pertaining to earlier years ₹(1,808.17) lakhs (Previous Year: ₹(15.35) lakhs)] | | (1,369.27) | (3,124.40) |
| | Deferred tax (charge)/credit | | (525.59) | 88.48 |
| **VIII.** | **Tax expense** | | **(1,894.86)** | **(3,035.92)** |
| **IX.** | **Profit for the year (VII+VIII)** | | **10,934.52** | **8,881.33** |
| **X.** | **Other comprehensive income** | | | |
| | **Items that will not be reclassified subsequently to profit or loss:** | | | |
| | Remeasurements of defined benefit liability/(asset) | | 50.82 | 40.10 |
| | Income tax relating to items that will not be reclassified to profit or loss | | (12.79) | (10.09) |
| | **Other comprehensive income not to be reclassified subsequently to profit or loss** | | **38.03** | **30.01** |
| **XI.** | **Total comprehensive income for the year (IX+X)** | | **10,972.55** | **8,911.34** |
| **XII.** | **Earnings per equity share** | **38** | | |
| | [Face value of equity share ₹ 1 each (previous year ₹ 1 each)] | | | |
| | - Basic (₹) | | 8.90 | 7.24 |
| | - Diluted (₹) | | 8.82 | 7.24 |
| **Significant accounting policies** | | **3** | | |

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023

# Standalone Statement of changes in equity for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**a) Equity share capital**

| Particulars | Note | Amount |
|---|---|---|
| **Balance as at 1 April 2021** | | **1,226.27** |
| Issue of equity share capital during the year | 18 | - |
| **Balance as at 31 March 2022** | | **1,226.27** |
| Issue of equity share capital during the year | 18 | 2.49 |
| **Balance as at 31 March 2023** | | **1,228.76** |

**b) Other equity**

| Particulars | Note | Share application money pending allotment | Reserves and surplus | | | Total |
|---|---|---|---|---|---|---|
| | | | Securities premium | Retained earnings | Share options outstanding reserve | |
| Balance as at 1 April 2021 | | - | - | 39,801.48 | 46.74 | 39,848.22 |
| **Total comprehensive income for the year ended 31 March 2022** | | | | | | |
| Profit for the year | | - | - | 8,881.33 | - | 8,881.33 |
| Other comprehensive income (net of tax) | | - | - | 30.01 | | 30.01 |
| **Total comprehensive income** | | **-** | **-** | **8,911.34** | **-** | **8,911.34** |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| **Contributions by and distributions to owners** | | | | | | |
| Final dividend on equity shares | 50 | - | - | (490.51) | - | (490.51) |
| **Total contributions by and distributions to owners** | | **-** | **-** | **(490.51)** | **-** | **(490.51)** |
| **Total transactions with owners** | | **-** | **-** | **(490.51)** | **-** | **(490.51)** |
| Received during the year | | 104.09 | | | | 104.09 |
| Recognition of share based payment expense | | - | | - | 1,205.41 | 1,205.41 |
| **Balance as at 31 March 2022** | | **104.09** | **-** | **48,222.31** | **1,252.15** | **49,578.55** |
| Balance as at 1 April 2022 | | 104.09 | - | 48,222.31 | 1,252.15 | 49,578.55 |
| **Total comprehensive income for the year ended 31 March 2023** | | | | | | |
| Profit for the year | | - | - | 10,934.52 | - | 10,934.52 |
| Other comprehensive income (net of tax) | | - | - | 38.03 | | 38.03 |
| **Total comprehensive income** | | **-** | **-** | **10,972.55** | **-** | **10,972.55** |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| **Contributions by and distributions to owners** | | | | | | |
| Final dividend on equity shares | 50 | - | - | (614.32) | - | (614.32) |
| **Total contributions by and distributions to owners** | | **-** | **-** | **(614.32)** | **-** | **(614.32)** |
| **Total transactions with owners** | | **-** | **-** | **(614.32)** | **-** | **(614.32)** |
| Received during the year | | 264.14 | | | | 264.14 |
| Shares options lapsed | | | | 3.36 | (3.36) | - |
| Shares issued during the year | | (136.95) | 469.54 | | (335.08) | (2.49) |
| Recognition of share based payment expense | | - | | | 1,521.03 | 1,521.03 |
| **Balance as at 31 March 2023** | | **231.28** | **469.54** | **58,583.90** | **2,434.74** | **61,719.46** |

**Description, nature and purpose of reserve:**

**(i) Retained earnings:** Retained earnings are the profits by the company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders. It also includes remeasurement gain/loss of defined benefit plan.

**(ii) Share options outstanding reserve :** This reserve relates to stock options granted by the Company to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

**(iii) Share application money pending allotment:** This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

**(iv) Securities premium :** This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

**Significant accounting policies** **3**

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023

# Standalone Statement of Cash Flow for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| **Profit before Tax** | **12,829.38** | **11,917.25** |
| Adjustments for: | | |
| Depreciation and amortisation expense | 2,074.81 | 1,860.72 |
| Finance costs | 615.48 | 578.03 |
| Interest income | (484.04) | (688.93) |
| Loss/(Gain) on fair valuation of investments | 18.56 | (51.91) |
| Loss allowance on trade receivables (net) | (75.75) | 197.01 |
| Liability no longer required written back | (1,077.61) | (118.87) |
| (Gain)/Loss on sale/discard of property, plant and equipment and intangible assets | (8.34) | (29.09) |
| Commission on guarantee given to wholly owned subsidiaries and joint venture | (304.78) | (181.21) |
| Reversal of provision | (962.00) | - |
| Provision for dimunition in value of Investment | 1,638.68 | - |
| Unrealised foreign exchange fluctuations (net) | 147.48 | (38.14) |
| Share based payment expense | 1,520.39 | 1,205.41 |
| **Cash generated from operation before working capital changes** | **3,102.88** | **2,733.02** |
| **Operating cash flows before working capital changes** | **15,932.26** | **14,650.27** |
| Working capital adjustments: | | |
| (Increase)/Decrease in trade receivables | (3,498.71) | 247.97 |
| (Increase)/Decrease in other non- current financial assets | (88.64) | 213.94 |
| (Increase) in other non current assets and loans | (449.75) | (329.28) |
| Decrease/(Increase) in other current financial assets | 250.84 | 547.89 |
| (Increase) in other current assets and loans | (627.22) | (423.62) |
| (Increase) in inventories | (210.79) | (4,097.37) |
| Increase in trade payables | 2,659.39 | 2,131.78 |
| Increase in other non current financial liabilities | 3.00 | 8.00 |
| Increase in other current financial liabilities | 228.15 | 206.91 |
| (Decrease)/Increase in other current liabilities | (431.18) | 736.64 |
| Increase in provisions | 92.24 | 160.38 |
| | **(2,072.67)** | **(596.76)** |
| Cash generated from operating activities | 13,859.59 | 14,053.51 |
| Income tax paid (net of refund) | (322.15) | (3,209.28) |
| **Net cash generated from operating activities** | **13,537.44** | **10,844.23** |
| **B. Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment and capital work-in-progress | (1,587.53) | (2,205.57) |
| Acquisition of intangible assets and intangible assets under development | (66.20) | (955.38) |
| Proceeds from sale of property, plant and equipment, right of use assets and capital work in progress | 148.95 | 1,890.59 |
| Acquisition of investments | (833.50) | (18,217.01) |
| Loan to subsidiary | (9,400.00) | (4,700.00) |
| Repayment of loan by subsidiary | 1,300.15 | 4,700.00 |
| Proceeds in fixed deposits with banks (having maturity of more than 3 months) | 927.33 | 10,023.10 |
| Commission received on guarantee given to wholly owned subsidiaries and joint venture | 265.07 | 162.75 |
| Interest received | 336.91 | 648.37 |
| **Net cash used in investing activities** | **(8,908.82)** | **(8,653.15)** |
| **C. Cash flows from financing activities** | | |
| Proceeds from issue of share capital and securities premium | 264.14 | 104.09 |
| (Repayment)/Proceeds from current borrowings | (583.26) | 156.00 |
| (Repayment) of non current borrowings | (1,947.11) | (1,641.00) |
| Interest paid | (552.02) | (494.23) |
| Repayment towards lease liabilities including interest | (298.43) | (165.76) |
| Dividend paid | (614.32) | (490.51) |
| **Net cash used in financing activities** | **(3,731.00)** | **(2,531.41)** |
| **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | **897.62** | **(340.33)** |
| **Cash and cash equivalents at 1 April 2022 (refer note 13)** | **1,087.21** | **1,427.54** |
| **Cash and cash equivalents at 31 March 2023 (refer note 13)** | **1,984.83** | **1,087.21** |





# Standalone Statement of Cash Flow for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Notes:**

(i) Standalone Statement of Cash Flows has been prepared under the indirect ethod as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

(ii) Acquisition of property, plant and equipment includes movement of capital work-in-progress (including capital advances and liability for capital goods) during the year.

(iii) Change in liabilities arising from financing activities:

| Particulars | As on 1 April 2022 | Cash flows | Fair value changes | As on 31 March 2023 |
|---|---|---|---|---|
| Non-current Borrowings including current maturities (note 20) | 3,213.60 | (1,947.11) | - | 1,266.49 |
| Current Borrowings (note 20) | 1,155.76 | (583.26) | - | 572.50 |

| Particulars | As on 1 April 2021 | Cash flows | Fair value changes | As on 31 March 2022 |
|---|---|---|---|---|
| Non-current Borrowings including current maturities (note 20) | 4,854.60 | (1,641.00) | - | 3,213.60 |
| Current Borrowings (note 20) | 996.05 | 156.00 | 3.71 | 1,155.76 |

The following is the movement in lease liabilities during the year

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Opening Balance** | **681.12** | **1,121.47** |
| Additions | 755.14 | 642.43 |
| Finance cost accrued during the period | 75.54 | 90.00 |
| Transferred/Disposal | (9.67) | (1,007.03) |
| Payment of lease liabilities | (298.44) | (165.76) |
| **Closing Balance** | **1,203.69** | **681.12** |

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023

# Notes to the standalone financial statements for the year ended 31 March 2023

## 1. Reporting entity

Greenply Industries Limited (the 'Company') is a public company domiciled in India having its registered office situated at Makum Road, P.O. Tinsukia, Assam-786125, India. The Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing of plywood and trading of plywood and allied products.

**The Company has following subsidiary companies and joint ventures namely:**

(a) Greenply Holdings Pte. Limited incorporated in Singapore. It has invested in a Joint Venture Company viz. Greenply Alkemal (Singapore) Pte. Limited., incorporated in Singapore, is engaged in trading of veneers. Greenply Alkemal (Singapore) Pte. Limited has invested in a wholly owned subsidiary company - Greenply Industries (Myanmar) Private Limited which is engaged in manufacturing and trading of veneer and lumber.

(b) Greenply Middle East Limited, incorporated in Dubai, is engaged in trading of veneers. It has invested in a wholly owned subsidiary company - Greenply Gabon SA, Gabon, West Africa, is engaged in manufacturing and trading of veneer and lumber.

(c) Greenply Sandila Private Limited, incorporated in India, is engaged in manufacturing of plywood.

(d) 'Greenply Speciality Panels Private Limited (Formerly Known As Baahu Panels Private Limited), incorporated in India, is engaged in manufacturing of medium density fibreboards and allied products.

## 2. Basis of preparation

### a. Statement of compliance

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The standalone financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 30 May 2023.

The details of the Company's accounting policies are included in note 3.

### b. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise stated.

### c. Basis of measurement

The standalone financial statements have been prepared on historical cost basis, except for the following items:

| Items | Measurement |
|---|---|
| Derivative financial instruments | Fair value |
| Certain financial assets and financial liabilities | Fair value |
| Net defined benefit (asset)/ liability | Present value of defined benefit obligations as per actuarial valuation |

### d. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the





# Notes to the standalone financial statements for the year ended 31 March 2023

standalone financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for every period ended is included in the following notes:

- Note 4 – useful life and residual value of property, plant and equipment;

- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;

- Note 36 – recognition of deferred tax assets;

- Note 38 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 42 – fair value measurement of investments;

- Note 43 – impairment of financial assets key assumptions used in estimating recoverable cash flows

### e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# Notes to the standalone financial statements for the year ended 31 March 2023

Further information about the assumptions made in measuring fair values is included in note 42.

## 3. Significant accounting policies

### a. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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

Operating cycle

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### b. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.





# Notes to the standalone financial statements for the year ended 31 March 2023

Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

### c. Financial instruments

#### (i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated and measured at transaction price. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value including transaction costs that are directly attributable to its acquisition or issue (except for an item at fair value through profit and loss (FVTPL)). The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

#### (ii) Classification and subsequent measurement

**Financial assets**

On initial recognition, a financial asset is classified and measured at:

- Amortised cost; or

- Fair value through Profit or Loss or Fair value through Other Comprehensive Income (FVOCI) .

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets."

**Financial assets at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

**Financial assets at FVTPL**

All financial assets which are not classified and measured at amortised cost or Fair value through other comprehensive income (FVOCI) as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets:** Assessment whether contractual cash flows are solely payments of principal and interest (SPPI). For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains

# Notes to the standalone financial statements for the year ended 31 March 2023

a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition."

**Financial assets: Subsequent measurement**

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Investments in subsidiaries are carried at cost in standalone financial statements

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL.

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging





Notes to the standalone financial statements for the year ended 31 March 2023

instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Standalone Statement of Profit and Loss.

Financial guarantee liabilities

Financial guarantees issued by the Company are those contracts that require payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(iii) Derecognition

**Financial assets**

The Company derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or

- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

**Financial liabilities**

The Company derecognises a financial liability when and only when, its contractual obligations are discharged or cancelled or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company holds derivative financial instruments, such as foreign currency forward contracts, to hedge its foreign currency exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**d. Property, plant and equipment**

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, trial run expenses (net of revenue), less accumulated depreciation and accumulated impairment losses, if any.

# Notes to the standalone financial statements for the year ended 31 March 2023

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work-in-progress.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation for the year is recognised in the statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, in the manner specified in Part C of Schedule II of the Act. Depreciation commences from the date the assets are available for their intended use. The estimated useful lives of items of property, plant and equipment are consistent with the Schedule II of the Companies Act, 2013, which are as follows:

Buildings - 3 to 60 years

Plant and Equipments - 10 to 25 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 3 to 10 years

Freehold land is not depreciated. Useful lives and residual values are reviewed at each financial year end and adjusted as appropriate. Depreciation on additions (discard/disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (discarded/disposed off).

**e. Intangible assets**

(i) Recognition and measurement

**Acquired Intangible assets:**

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.





# Notes to the standalone financial statements for the year ended 31 March 2023

**Internally generated intangible assets:**

Expenditure pertaining to research is expensed out as an when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to statement of profit and loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is the systematic allocation of the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss. Amortization commences from the date the assets are available for their intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis .

The estimated useful lives are as follows:

| | |
|---|---|
| - Trademarks | 5 years |
| - Computer software | 5 years |
| - Licenses | indefinite |

Useful lives and residual values are reviewed and adjusted if appropriate at the end of each financial year or whenever there is an indication that intangible assets may be impaired.

**f. Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is ascertained on the 'weighted average' basis. Cost comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Raw materials held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

# Notes to the standalone financial statements for the year ended 31 March 2023

In the case of finished goods and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

**g. Impairment**

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of the ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes subsequent information. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.





# Notes to the standalone financial statements for the year ended 31 March 2023

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

**h. Share-based payments**

Share-based compensation benefits are provided to employees via Greenply Employee Stock Options Scheme 2020.

Employee Options

The fair value of the options granted under the Greenply Employee Stock Options Scheme 2020 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model or Monte Carlo simulation method which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service and performance conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

**i. Employee benefits**

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A short-term liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into Employees' Provident Fund established under The Employees' Provident Fund and Miscellaneous

# Notes to the standalone financial statements for the year ended 31 March 2023

Provisions Act 1952, Employee's state insurance and employee pension scheme, and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions under employee provident fund to Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Other comprehensive income (OCI).

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Standalone statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Such benefits are in form of leave encashment that accrue to employees in return of their service. The calculation of other long term employee benefits is performed by an independent qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in statement of Profit and Loss. Net interest expense and other expenses related to defined benefit plans are recognised in Standalone statement of Profit and Loss.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.





# Notes to the standalone financial statements for the year ended 31 March 2023

**j. Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**k. Revenue**

Sale of goods

The Company manufactures, sales and trades in plywood and allied products. Sales are recognised when control of the products has transferred, being when the products are dispatched/delivered to the dealer, the dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the dealer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risk of obsolescence and loss have been transferred to the dealer, and either the dealer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, if any. Revenue excludes taxes collected from customers.

The products are often sold with various dealers incentive such as volume discounts based on aggregate sales over a 12 months period, cash discount on payment within specified period, promotional gifts on achieving specific targets, quality claims if claims made in the specified period and other promotional expenses. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, cash discounts, quality claims and promotional expenses. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (netted off with trade receivables) is recognised for expected volume discount payables, expected cash discount payables and expected quality claims in relation to sales made until the end of reporting period. Provision (included in other current liabilities) is recognised for expected sales promotional expenses against the sales made until the end of reporting period. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice.

Generally, the Company receives short term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods to the customer and when the customer pays for those goods will be one year or less.

**l. Government grants**

Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with the conditions attached thereto.

Government grants related to revenue are recognised in the Statement of Profit and Loss on a systematic and rational basis in the periods in which the Company recognises the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under ""Other Operating Revenue"".

# Notes to the standalone financial statements for the year ended 31 March 2023

**m. Leases and Right to use assets**

With effect from 01 April 2019, the Company has applied Ind AS 116 using the modified retrospective approach. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

–– the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

–– the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

–– the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

-- the Company has the right to operate the asset; or

-- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Under Ind AS 116: (as a lessee)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

–– fixed payments, including in-substance fixed payments;





Notes to the standalone financial statements for the year ended 31 March 2023

–– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

–– amounts expected to be payable under a residual value guarantee; and

–– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statement of financial position

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months or less and leases of low-value assets.

**n. Recognition of dividend income, interest income or expense and insurance claim.**

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability."

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Insurance claim due to uncertainty in realisation are accounted for on acceptance basis.

**o. Income tax**

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects

# Notes to the standalone financial statements for the year ended 31 March 2023

the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill."

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**p. Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.





# Notes to the standalone financial statements for the year ended 31 March 2023

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

**q. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**r. Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

**s. Cash and cash equivalents**

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**u. Earnings per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**v. Operating segment**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The CODM consists of the Executive Chairman cum Managing Director, Joint Managing Director & CEO and Chief Financial Officer.

The Company business activity fall within a single operating segmenet, namely 'Plywood and allied products.

**w. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but disclosures its existence in the standalone financial statements.

# Notes to the standalone financial statements for the year ended 31 March 2023

**3A. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**4. Property, plant and equipment**

See accounting policy in note 3(d) and (g).

**(a) Reconciliation of carrying amount**

| | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
|---|---|---|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | | | | |
| Balance at 1 April 2021 | 683.09 | 10,077.32 | 13,260.27 | 1,736.77 | 1,978.30 | 1,044.87 | 28,780.62 |
| Additions | - | 145.08 | 1,379.88 | 305.44 | 142.71 | 199.88 | 2,172.99 |
| Disposals/ discard | - | (156.98) | (290.51) | (0.24) | (18.20) | (0.15) | (466.08) |
| Balance at 31 March 2022 | 683.09 | 10,065.42 | 14,349.64 | 2,041.97 | 2,102.81 | 1,244.60 | 30,487.53 |
| **Balance at 1 April 2022** | **683.09** | **10,065.42** | **14,349.64** | **2,041.97** | **2,102.81** | **1,244.60** | **30,487.53** |
| Additions | - | 236.39 | 843.33 | 44.64 | 39.51 | 120.36 | 1,284.23 |
| Disposals/ discard | - | - | (341.82) | - | (290.78) | (157.02) | (789.62) |
| **Balance at 31 March 2023** | **683.09** | **10,301.81** | **14,851.15** | **2,086.61** | **1,851.54** | **1,207.94** | **30,982.14** |
| **Accumulated depreciation** | | | | | | | |
| Balance at 1 April 2021 | - | 2,291.29 | 7,982.23 | 749.88 | 777.94 | 771.33 | 12,572.67 |
| Depreciation for the year | - | 327.02 | 832.39 | 158.20 | 226.19 | 101.43 | 1,645.23 |
| Disposals/ discard | - | (20.18) | (263.75) | (0.24) | (10.31) | (0.14) | (294.62) |
| Balance at 31 March 2022 | - | 2,598.13 | 8,550.87 | 907.84 | 993.82 | 872.62 | 13,923.28 |
| **Balance at 1 April 2022** | **-** | **2,598.13** | **8,550.87** | **907.84** | **993.82** | **872.62** | **13,923.28** |
| Depreciation for the year | - | 322.96 | 908.66 | 185.97 | 238.01 | 130.51 | 1,786.11 |
| Disposals/ discard | - | - | (277.33) | - | (221.73) | (149.03) | (648.09) |
| **Balance at 31 March 2023** | **-** | **2,921.09** | **9,182.20** | **1,093.81** | **1,010.10** | **854.10** | **15,061.30** |
| **Carrying amounts (net)** | | | | | | | |
| Balance at 31 March 2022 | 683.09 | 7,467.29 | 5,798.77 | 1,134.13 | 1,108.99 | 371.98 | 16,564.25 |
| **Balance at 31 March 2023** | **683.09** | **7,380.72** | **5,668.95** | **992.80** | **841.44** | **353.84** | **15,920.84** |

**(b) Security**

As at 31 March 2023, property, plant and equipment with a carrying amount of ₹ 9,229.78 lakhs (31 March 2022: ₹ 9,813.67 lakhs) are subject to first charge to secured borrowings (see note 20).

(c) For contractual commitment with respect to property, plant and equipment, refer note 39.

**5. Right-of-use assets and leases**

See accounting policy in note 3(m).

The Company's lease arrangement is in respect of lands taken on lease for the period ranging between 90-99 years,office premises/godown taken on lease for the period 3-5 years and vehicles taken on lease for the period 2-5 years.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**Following are the changes in the carrying value of right-of- use assets during the year.**

| Particulars | Leasehold Land | Office premises/ godown | Vehicles | Total |
|---|---|---|---|---|
| Balance at 1 April 2021 | 2,630.02 | - | 141.89 | 2,771.91 |
| Additions | - | 392.93 | 249.50 | 642.43 |
| Disposals | 2,345.58 | - | - | 2,345.58 |
| Depreciation for the year | 14.60 | 58.38 | 88.45 | 161.43 |
| **Balance at 31 March 2022** | **269.84** | **334.55** | **302.94** | **907.33** |
| Balance at 1 April 2022 | 269.84 | 334.55 | 302.94 | 907.33 |
| Additions | 22.12 | 74.52 | 658.50 | 755.14 |
| Transferred/Disposal | - | - | 8.75 | 8.75 |
| Depreciation for the year | 3.26 | 87.33 | 137.93 | 228.52 |
| **Balance at 31 March 2023** | **288.70** | **321.74** | **814.76** | **1,425.20** |

**The following is the movement in lease liabilities during the year.**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Opening Balance** | **681.12** | **1,121.47** |
| Additions | 755.14 | 642.43 |
| Interest on lease liabilities | 75.54 | 90.00 |
| Transferred/Disposal | (9.67) | (1,007.03) |
| Payment of lease liabilities | (298.44) | (165.76) |
| **Closing Balance** | **1,203.69** | **681.12** |

The aggregate finance cost on lease liabilities is included under finance costs (refer note 32).

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current lease liabilities | 299.02 | 160.33 |
| Non-current lease liabilities | 904.67 | 520.79 |
| **Total** | **1,203.69** | **681.12** |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Less than one year | 299.02 | 160.33 |
| One to five years | 1,024.93 | 654.41 |
| More than five years | - | - |
| **Total** | **1,323.95** | **814.74** |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company incurred ₹ 812.47 lakhs(31 March 2022: ₹ 733.51 lakhs) for the year ended 31 March 2023, towards expenses relating to short term leases and leases of low value assets included under Rent. (refer note 34).





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

The total cash outflow for leases is ₹ 1,110.91 lakhs (31 March 2022: ₹ 899.27 lakhs) for the year ended 31 March 2023, including cash outflow for short term and leases of low value assets.

## 6. Capital work-in-progress

See accounting policy in note 3(d) and (g)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| At the beginning of the year | 140.11 | 462.46 |
| Additions during the year | 1,531.29 | 1,688.09 |
| Capitalised during the year | (1,007.13) | (1,658.96) |
| Sold during the year | - | (351.48) |
| **At the end of the year** | **664.27** | **140.11** |

Note:

(a) As at 31 March 2023, properties under capital work-in-progress with a carrying amount of ₹ 502.90 Lakhs (31 March 2022: ₹ 107.05 lakhs) are subject to first charge to secured borrowings (refer note 20).

(b) Ageing Schedule of Capital Work in Progress is given below

| Capital work-in-progress Ageing | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less Than One Year | 664.27 | - | 140.11 | - |
| **Total** | **664.27** | **-** | **140.11** | **-** |

(c) There is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan for period ended 31st March 2023.

## 7A. Intangible assets

See accounting policy in note 3(e) and (g)

(a) Reconciliation of carrying amount

| | Licenses (indefinite life) | Trade marks | Computer Software | Total |
|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | |
| Balance at 1 April 2021 | - | 22.87 | 745.28 | 768.15 |
| Additions | 900.00 | - | 55.38 | 955.38 |
| **Balance at 31 March 2022** | **900.00** | **22.87** | **800.66** | **1,723.53** |
| Balance at 1 April 2022 | 900.00 | 22.87 | 800.66 | 1,723.53 |
| Additions | - | - | 29.70 | 29.70 |
| **Balance at 31 March 2023** | **900.00** | **22.87** | **830.36** | **1,753.23** |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| | Licenses (indefinite life) | Trade marks | Computer Software | Total |
|---|---|---|---|---|
| **Accumulated amortisation** | | | | |
| Balance at 1 April 2021 | - | 22.87 | 595.42 | 618.29 |
| Amortisation for the year | - | - | 54.06 | 54.06 |
| **Balance at 31 March 2022** | **-** | **22.87** | **649.48** | **672.35** |
| Balance at 1 April 2022 | - | 22.87 | 649.48 | 672.35 |
| Amortisation for the year | - | - | 60.18 | 60.18 |
| Adjustments/ disposals | - | - | 0.01 | 0.01 |
| **Balance at 31 March 2023** | **-** | **22.87** | **709.67** | **732.54** |
| **Carrying amounts (net)** | | | | |
| **Balance at 31 March 2022** | **900.00** | **-** | **151.18** | **1,051.18** |
| **Balance at 31 March 2023** | **900.00** | **-** | **120.69** | **1,020.69** |

**Licenses (indefinite life):**

For Licenses of the company that were regarded to have indefinite useful lives. There is no foreseeable limit to the period over which these licenses will be valid and are expected to generate cash flows for the company.

### 7B. Intangible assets under development

See accounting policy in note 3(e) and (g)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| At the beginning of the year | - | - |
| Additions during the year | 36.50 | - |
| **At the end of the year** | **36.50** | **-** |

Note:

(a) Ageing Schedule of Intangible assets under development is given below.

| Intangible assets under development Ageing | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less Than One Year | 36.50 | - | - | - |
| **Total** | **36.50** | **-** | **-** | **-** |

(c) There is no Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan for period ended 31st March 2023.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

### 8. Investments

See accounting policy in note 3(c) and (g)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current investments** | | |
| Quoted | | |
| **Equity instruments carried at fair value through profit and loss (FVTPL)** | | |
| 3,400 (31 March 2022: 3,400) equity shares of Indian Overseas Bank Limited (face value ₹ 10 each, fully paid-up) | 0.76 | 0.62 |
| | **0.76** | **0.62** |
| **Unquoted** | | |
| **Equity instruments in subsidiaries carried at cost** | | |
| **100** (31 March 2022: 100) equity shares of Greenply Middle East Limited, (face value AED 100,000 each, fully paid-up) | 1,820.39 | 1,820.39 |
| **38,00,000** (31 March 2022: 38,00,000) equity shares of Greenply Holdings Pte. Limited (face value $ 1 each, fully paid-up) | 2,401.83 | 2,401.83 |
| **10,00,00,000** (31 March 2022: 10,00,00,000) equity shares of Greenply Sandila Private Limited (face value ₹1 each, fully paid-up) | 1,000.00 | 1,000.00 |
| **55,01,00,000** (31 March 2022: 55,01,00,000) equity shares of Greenply Speciality Panels Private Limited (face value ₹1 each, fully paid-up) | 5,501.00 | 5,501.00 |
| | **10,723.22** | **10,723.22** |
| Less: Provision for dimunition in value of Investment (refer note 35) | (1,638.68) | - |
| | **9,084.54** | **10,723.22** |
| **Deemed investment in subsidiaries carried at cost** | | |
| | | |
| Greenply Sandila Private Limited | 0.21 | - |
| Greenply Speciality Panels Private Limited | 0.43 | - |
| | **0.64** | **-** |
| | | |
| **Equity instruments carried at fair value through profit and loss (FVTPL)** | | |
| **11,40,000** (31 March 2022: 11,40,000) equity shares of Nemani Panels Private Limited (face value ₹10 each, fully paid-up) | 140.45 | 156.41 |
| **19,60,000** (31 March 2022: 19,60,000) equity shares of Panchjanaya ply & Board Private Limited (face value ₹10 each, fully paid-up) | 222.07 | 224.81 |
| **7,60,000** (31 March 2022: Nil) equity shares of Hapur Plywood Private Limited (face value ₹10 each, fully paid-up) | 76.00 | - |
| | **438.52** | **381.22** |
| **Investment in preference shares in subsidiaries carried at cost** | | |
| **25,00,00,000** (31 March 2022: 25,00,00,000) preference shares of Greenply Sandila Private Limited (face value ₹1 each, fully paid-up) | 2,500.00 | 2,500.00 |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **99,00,00,000** (31 March 2022: 92,00,00,000) preference shares of Greenply Speciality Panels Private Limited (face value ₹1 each, fully paid-up) | 9,900.00 | 9,200.00 |
| | **12,400.00** | **11,700.00** |
| | | |
| **Equity instruments carried at cost** | | |
| **5,75,000** (31 March 2022: Nil) equity shares of ReNew Green (GJ Four) Private Limited (face value ₹10 each, fully paid-up)^ | 7.48 | - |
| | **7.48** | **-** |
| | **21,931.94** | **22,805.06** |
| | | |
| Aggregate book value of quoted investments | 0.76 | 0.62 |
| Aggregate market value of quoted investments | 0.76 | 0.62 |
| Aggregate value of unquoted investments | 23,569.86 | 22,804.44 |
| Aggregate amount of impairment in value of investments | - | - |

Information about the Company's fair value measurement and exposure to credit and market risks are disclosed in note 42 and 43.

^ In line with the philosophy of enhancing the share of renewable power source in its operations, the Company has entered into a Power Purchase Agreement (PPA) during the year with ReNew Green (GJ Four) Private Limited to procure agreed output of wind and solar energy. Further, to comply with regulatory requirement for being a "captive user" under the Electricity Laws, 2003, during the year, the Company has entered into the Share Purchase, Subscription and Shareholder's Agreement (SPSSA) to acquire up to 3.12% stake in ReNew Green (GJ Four) Private Limited, throughout the term of the definitive agreements i.e. PPA and SPSSA.

## 9. Loans

(Unsecured, considered good)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current** | | |
| Loan to employees | 77.32 | 44.57 |
| To a related party - wholly owned subsidiary | | |
| Loan to Greenply Middle East Limited (refer note 40) | 410.86 | 1,894.50 |
| Loan to Greenply Speciality Panels Private Limited (refer note 40) | 5,900.00 | - |
| Loan to Greenply Sandila* Pvt Ltd (refer note 40) | 3,500.00 | - |
| | **9,888.18** | **1,939.07** |
| **Current** | | |
| Loan to employees | 98.15 | 74.12 |
| | **98.15** | 74.12 |
| | **9,986.33** | **2,013.19** |

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 10. Non-current tax assets

See accounting policy in note 3(o)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Advance income tax (Net of provision for tax) | 240.97 | 1,252.78 |
| | **240.97** | **1,252.78** |

## 11. Inventories

(Valued at the lower of cost and net realisable value)

See accounting policy in note 3(f)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Raw materials | 6,503.42 | 8,290.53 |
| [including in transit ₹550.34 lakhs (31 March 2022 ₹1,295.38 lakhs)] | | |
| Work-in-progress | 1,948.34 | 2,067.28 |
| [including in transit ₹ Nil lakhs (31 March 2022 ₹ 32.50 lakhs)] | | |
| Finished goods | 4,887.45 | 2,631.78 |
| [including in transit ₹ 2,605.20 lakhs (31 March 2022 ₹ 1,928.75 lakhs)] | | |
| Stock in trade | 3,665.26 | 3,778.76 |
| [including in transit ₹ 1,085.01 lakhs (31 March 2022 ₹ 1,301.83 lakhs)] | | |
| Stores and spares | 443.04 | 468.37 |
| [including in transit ₹ Nil lakhs (31 March 2022 ₹ Nil lakhs)] | | |
| | **17,447.51** | **17,236.72** |

* For Carrying amount of inventories pledged as securities against borrowings, refer note 20. The written down inventories to net reliasable during the year amounted to ₹ Nil lakhs (31 March 2023)

## 12. Trade receivables

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Current** | | |
| **Unsecured** | | |
| - Considered good | 19,971.32 | 16,494.61 |
| - Credit impaired | - | - |
| | **19,971.32** | **16,494.61** |
| Less: Loss for allowances | 508.44 | 608.07 |
| **Net trade receivables** | **19,462.88** | **15,886.54** |
| **Of the above :** | | |
| Trade receivables from related parties | - | - |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**Notes:**

(a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

(b) Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 43.

(c) For receivables secured against borrowings, see note 20.

(d) There is no unbilled trade receivable as on 31st March 2023 and 31st March 2022

(e) Ageing Schedule for trade receivables is given below

| 31 March 2023 | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| Particulalrs | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 14,133.07 | 4,893.84 | 299.70 | 232.63 | 120.61 | 145.70 | 19,825.55 |
| (ii) Disputed trade receivable Considered good | - | - | - | - | 2.93 | 142.84 | 145.77 |
| **Total** | **14,133.07** | **4,893.84** | **299.70** | **232.63** | **123.54** | **288.54** | **19,971.32** |
| Less: Loss allowances | | | | | | | 508.44 |
| **Net trade receivables** | | | | | | | **19,462.88** |

| 31 March 2022 | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| Particulalrs | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 12,466.45 | 2,940.30 | 213.83 | 219.00 | 277.28 | 192.66 | 16,309.52 |
| (ii) Disputed trade receivable Considered good | - | 0.36 | - | 18.38 | 84.12 | 82.23 | 185.09 |
| **Total** | **12,466.45** | **2,940.66** | **213.83** | **237.38** | **361.40** | **274.89** | **16,494.61** |
| Less: Loss allowances | | | | | | | 608.07 |
| **Net trade receivables** | | | | | | | **15,886.54** |

## 13. Cash and cash equivalents

See accounting policy in note 3(s)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Cash on hand | 41.80 | 44.35 |
| Balances with banks | | |
| - On current accounts | 1,943.03 | 1,042.86 |
| - On deposit accounts (with original maturities up to 3 months) | - | - |
| | **1,984.83** | **1,087.21** |





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

## 14. Bank balances other than cash and cash equivalents

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date* | 28.25 | 955.58 |
| Earmarked balances with banks for unpaid dividend accounts | 6.61 | 6.38 |
| | **34.86** | **961.96** |

* Out of above ₹ 28.25 Lakh (31 March 2022:₹ 26.95 lakh) pledged/lodged with various government authorities as security

## 15. Other non-current assets

(Unsecured, considered good)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Capital advances | 159.09 | 401.88 |
| **Advances other than capital advances** | | |
| Deposits against demand under appeal and/or under dispute | 88.60 | 60.56 |
| Amount due from government authorities | 61.92 | 56.77 |
| Prepaid expenses | 867.97 | 434.78 |
| Security deposits | 26.01 | 26.01 |
| | **1,203.59** | **980.00** |

## 16. Other financial assets

(Unsecured, considered good)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non Current** | | |
| Security deposits # | 90.52 | 90.52 |
| Other Receivables | 174.33 | 64.83 |
| | **264.85** | **155.35** |
| **Current** | | |
| Government grants receivable (refer note 16.1) | 58.98 | 157.43 |
| Security deposits # | 255.71 | 266.05 |
| Insurance claim receivable | 97.88 | 88.15 |
| Commision Receivable from Subsidiaries & Joint Venture (refer note 40) | 100.45 | 60.74 |
| Interest receivable from subsidiary (refer note 40) | 152.44 | 26.17 |
| Other Receivables | 247.36 | 399.14 |
| | **912.82** | **997.68** |

# For security deposits given to related parties refer note 40.

16.1 Government grant receivable represents incentives against scheme of budgetary support under Goods and Services Tax Regime for the unit set-up in Tizit, Nagaland.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

## 17. Other current assets

(Unsecured, considered good)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **To parties other than related parties** | | |
| Advances to suppliers | 1,349.28 | 748.61 |
| Advances to employees | 49.34 | 60.32 |
| Prepaid expenses | 384.19 | 361.53 |
| Gratuity (refer note 31) | - | 43.93 |
| Amount due from government authorities | 705.34 | 669.93 |
| | **2,488.15** | **1,884.32** |

## 18. Equity share capital

See accounting policy in note 3(q)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Authorised | | |
| 160,000,000 (31 March 2022: 160,000,000) equity shares of ₹ 1 each | 1,600.00 | 1,600.00 |
| | | |
| Issued, subscribed and fully paid-up | | |
| 122,876,395 (31 March 2022: 122,627,395) equity shares of ₹ 1 each | 1,228.76 | 1,226.27 |

**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Balance at the beginning of the year | 12,26,27,395 | 1,226.27 | 12,26,27,395 | 1,226.27 |
| Add: Issued during the year | 2,49,000 | 2.49 | - | - |
| **Balance at the end of the year** | **12,28,76,395** | **1,228.76** | **12,26,27,395** | **1,226.27** |

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

**Note:**

**Shares held in abeyance**

In compliance with the provisions of the Companies Act, 2013, 3020 equity shares of the Company held by 5 shareholders have been held in abeyance.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares**

| Equity shares of ₹ 1 each | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | % | Number | % |
| Rajesh Mittal On Behalf Of Trade Combines, Partnership Firm | 1,17,02,380 | 9.52% | 1,17,02,380 | 9.54% |
| Showan Investment Private Limited | 4,65,46,179 | 37.88% | 4,64,17,179 | 37.85% |
| HDFC Trustee Company Limited | 1,05,14,020 | 8.56% | 90,64,020 | 7.39% |
| Mirae Asset Great Consumer Fund | 1,07,79,721 | 8.77% | 89,60,989 | 7.31% |

(d) Shares held by promoters at the end of the year

| Promoter Name | 31 March 2023 | | 31 March 2022 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | % of total shares | No. of Shares | % of total shares | |
| Rajesh Mittal | - | 0.00% | 50,07,250 | 4.08% | -4.08% |
| Rajesh Mittal On Behalf Of Trade Combines, Partnership Firm | 1,17,02,380 | 9.52% | 1,17,02,380 | 9.54% | -0.02% |
| Sanidhya Mittal | - | 0.00% | 1,21,300 | 0.10% | -0.10% |
| Karuna Mittal | - | 0.00% | 7,33,600 | 0.60% | -0.60% |
| Rajesh Mittal & Sons, Huf | 1,61,821 | 0.13% | 1,61,821 | 0.13% | 0.00% |
| Showan Investment Private Limited | 4,65,46,179 | 37.88% | 4,64,17,179 | 37.85% | 0.03% |
| Mittal Business Holdings Trust (Trustee - Rajesh Mittal & Sanidhya Mittal) | 58,76,650 | 4.78% | - | 0.00% | 4.78% |
| | **6,42,87,030** | **52.32%** | **6,41,43,530** | **52.31%** | **0.01%** |

**(e) Stock option schemes**

Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 37.

**(f) The Company for the period of five years immediately preceding the reporting date has not:**

(i) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.

(ii) Allotted fully paid up shares by way of bonus shares.

(iii) Bought back any class of shares.

## 19. Other equity

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Securities premium** | | |
| At the commencement of the year | - | - |
| Add: Received on issue of shares | 469.54 | - |
| **Balance at the end of the year** | **469.54** | **-** |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Retained earnings** | | |
| At the commencement of the year | 48,222.31 | 39,801.48 |
| Add: Profit for the year | 10,934.52 | 8,881.33 |
| Add: Transfer from Share option outstanding reserve | 3.36 | - |
| Less: Dividend on equity shares | (614.32) | (490.51) |
| Add: Remeasurements of the net defined benefit plans | 38.03 | 30.01 |
| **Balance at the end of the year** | **58,583.90** | **48,222.31** |
| | | |
| **Share application money pending allotment** | | |
| At the commencement of the year | 104.09 | - |
| Add: Received during the year | 264.14 | 104.09 |
| Less: Shares issued during the year | (136.95) | - |
| **Balance at the end of the year** | **231.28** | **104.09** |
| | | |
| **Share option outstanding reserve** | | |
| At the commencement of the year | 1,252.15 | 46.74 |
| Add: Provision during the year | 1,521.03 | 1,205.41 |
| Less: Shares issued during the year | (335.08) | - |
| Less: Trasnfer to Retained Earnings | (3.36) | - |
| **Balance at the end of the year** | **2,434.74** | **1,252.15** |
| | **61,719.46** | **49,578.55** |

**Description, nature and purpose of reserve:**

(i) Retained earnings: Retained earnings are the profits by the company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders. It also includes remeasurement gain/loss of defined benefit plan.

(ii) Share options outstanding reserve: This reserve relates to stock options granted by the Company to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(iii) Share application money pending allotment: This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

(iv) Securities premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

## 20. Borrowings

See accounting policy in note 3(c) and (p)

| Non-current borrowings | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Secured** | | |
| Term loans from bank | | |
| Rupee loans | 1,229.16 | 3,127.16 |
| Less: Current maturities of non-current borrowings | 879.41 | 1,898.01 |
| | **349.75** | **1,229.15** |





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| Non-current borrowings | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Loan against vehicles | 37.33 | 86.44 |
| Less: Current maturities of loan against vehicles | 21.94 | 49.23 |
| | **15.39** | **37.21** |
| | **365.14** | **1,266.36** |
| **Current borrowings** | | |
| **Secured** | | |
| From banks | | |
| Rupee loans - repayable on demand | - | 583.26 |
| Current maturities of non-current borrowings | 879.41 | 1,898.01 |
| Current maturities of loan against vehicles | 21.94 | 49.23 |
| | **901.35** | **2,530.50** |
| **Unsecured** | | |
| From banks | | |
| Channel finance assurance facility* | 572.50 | 572.50 |
| | **572.50** | **572.50** |
| | | |
| | **1,473.85** | **3,103.00** |

* The Company through banks and other source facilitate channel finance for inventory funding facility for its customers. Such arrangements do not qualify for de-recognition due to some liability of loss is still with the Company. Consequently at the year-end, the amount of liability of loss which remains with the Company are shown as unsecured loan.

Information about the Company's exposure to credit and currency risks, related to borrowings are disclosed in note 43.

**(A) Terms of repayment**

| Name of the lender | Interest rate | Repayment schedule | Year of Maturity | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|---|
| HDFC Bank Limited | 3 year MCLR | Repayable at quarterly rest: 2 installment of ₹ 300.00 lakhs | 2023-24 | 599.92 | 1,499.47 |
| HDFC Bank Limited | 3 months MCLR +0.45% | | 2022-23 | - | 719.23 |
| HDFC Bank Limited | 3 months MCLR +0.45% | Repayable at quarterly rest: 9 installment of ₹ 70.00 lakhs | 2024-25 | 629.24 | 908.46 |
| | | | | **1,229.16** | **3,127.16** |
| **Total** | | | | **1,229.16** | **3,127.16** |

**(B) Details of security**

(a) Term loans of ₹1,229.16 lakhs (31 March 2022: ₹3,127.16 lakhs) are secured by:

i) First pari-passu charge on immovable fixed assets of the Company situated at Kriparampur (West Bengal).

ii) First pari passu charge on all movable fixed assets of the company, present and future, except assets specifically charged to other lenders.

iii) Second pari passu charge on all the current assets of the Company.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

(b) Secured Loan against vehicles are in respect of finance of vehicles, secured by hypothecation of the respective vehicles, which is repayable in 37 to 60 months and with interest rate ranging between 6.90% p.a to 9.44% p.a.

(c) Rupee loan repayable on demand of ₹ Nil lakhs(31 March 2022: ₹ 583.26 lakhs) are secured by:

i) First pari passu charge on all the current assets of the Company.

ii) Second pari passu charge on all movable fixed assets of the company, present and future, except assets specifically charged to other lenders.

iii) Second pari-passu charge on immovable fixed assets of the Company situated at Kriparampur (West Bengal).

(e) The Company has submitted quarterly statements of financial information as required by banks which are in agreement with the books of accounts.

## 21. Other financial liabilities

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current** | | |
| Security deposits from customers | 1.00 | 1.00 |
| Security deposits from Suppliers | 11.00 | 8.00 |
| | **12.00** | **9.00** |
| **Current** | | |
| Interest accrued but not due on borrowings | 9.40 | 21.48 |
| Liability for capital goods | 30.33 | 52.26 |
| Employee benefits payable (refer note c below) | 2,029.91 | 1,801.76 |
| Unclaimed dividend | 6.61 | 6.38 |
| | **2,076.25** | **1,881.88** |

(a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2023.

(b) Information about the Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 43.

(c) It includes remuneration payable to related parties, refer note 40.

## 22. Provisions

See accounting policy in note 3(i) and (j)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current** | | |
| Provisions for employee benefits | | |
| Liability for compensated absences | 609.47 | 557.65 |
| | **609.47** | **557.65** |
| **Current** | | |
| Provision for Litigation {refer note (a) below} | 554.03 | 1,516.03 |
| Provisions for employee benefits | | |
| Net defined benefit liability - gratuity | 4.65 | - |
| Liability for compensated absences | 156.22 | 171.27 |
| | **714.90** | **1,687.30** |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**(a) Movement of provisions (Current)**

| | Provision for litigation |
|---|---|
| Balance as at 1 April 2021 | 1,516.03 |
| Add: Provisions made during the year 2021-22 | - |
| Less: Amount paid during the year 2021-22 | - |
| **Balance as at 31 March 2022** | **1,516.03** |
| Less: Provisions reversed during the year 2022-23 | (962.00) |
| Less: Amount paid during the year 2022-23 | - |
| **Balance as at 31 March 2023** | **554.03** |

In a case related to availing of area based exemption under Central Excise where company was required to pay back excess refund received from the Excise Department for the period from 01.04.2008 to 30.06.2017, the Company had paid under protest its share of liability of ₹ 1,625.62 lakhs during the financial ended 31 March 2021. The Company had also made a provision of ₹ 1,516.03 lakhs towards its share of estimated interest even though the applicability of interest is litigative in nature. This provision was made with respect it the Company's own share of 60% in reference to Clause No. 4.3.6 of the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited, duly approved by the Hon'ble National Company Law Tribunal, Guwahati Bench on 28.06.2019. Considering the nature and size of transaction, the Company has already disclosed the above mentioned impact as an ""exceptional items"" in the financial result for the year ended 31 March 2020 and those for the year ended 31 March 2021.

During the current year, the Company has received an order from Office of the Commissioner, Department of Revenue, Central Goods and Services Tax fixing the special rate of value additions for the financial years 2007-08 to 2016-17 in respect of availing of area based exemption under Central Excise. The management has reassessed its liability to ₹ 2,179.64 lakhs including interest with respect to the same and consequently has reversed an excess provision of ₹ 962 lakhs, as recognised in earlier years as an ""exceptional items"" for the year ended 31 March 2023, post providing full impact pursuant to Clause No. 4.3.6 of the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited, duly approved by the Hon'ble National Company Law Tribunal, Guwahati Bench on 28.06.2019.

## 23. Trade payables

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Dues to micro and small enterprises (refer note 47) | 124.29 | 158.76 |
| Dues to other than micro and small enterprises | 18,174.66 | 19,309.61 |
| Dues to related parties (refer note 40) | 3,176.78 | 2,628.71 |
| Acceptances | 2,802.45 | - |
| | **24,278.18** | **22,097.08** |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

Information about the Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 43.

| 31 March 2023 Particulars | Outstanding of following periods from due date of payment Not Due | Less Than One Year | One to two years | Two to three years | More than three years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | 116.63 | 4.88 | 2.78 | - | - | 124.29 |
| (ii) Others | 13,654.03 | 6,806.96 | 68.81 | 16.01 | 16.34 | 20,562.15 |
| **Total** | **13,770.66** | **6,811.84** | **71.59** | **16.01** | **16.34** | **20,686.44** |
| | | | | | | |
| Unbilled Trade payables | | | | | | 3,591.74 |
| | | | | | | **24,278.18** |

| 31 March 2022 Particulars | Outstanding of following periods from due date of payment Not Due | Less Than One Year | One to two years | Two to three years | More than three years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | 137.79 | 20.97 | - | - | - | 158.76 |
| (ii) Others | 12,479.63 | 5,249.38 | 22.79 | 13.32 | 5.99 | 17,771.11 |
| **Total** | **12,617.42** | **5,270.35** | **22.79** | **13.32** | **5.99** | **17,929.87** |
| | | | | | | |
| Unbilled Trade payables | | | | | | 4,167.21 |
| | | | | | | **22,097.08** |

## 24. Derivatives

See accounting policy in note 3(c)(v)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Derivative Liability** | | |
| Foreign exchange forward contracts | 11.78 | 13.64 |
| | **11.78** | **13.64** |

Information about the Company's exposure to interest rate and currency risks related to derivatives is disclosed in note 43.

## 25. Other current liabilities

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Statutory dues* | 675.75 | 1,269.56 |
| Advance from customers | 800.42 | 1,269.38 |
| | **1,476.17** | **2,538.94** |

*Primarily includes GST, TDS, TCS and Entry tax.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

## 26. Revenue from operations

See accounting policy in note 3(k) and (l)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Sale of products** | | |
| Finished goods | 1,00,048.43 | 87,767.95 |
| Stock-in-trade | 63,835.95 | 49,377.23 |
| | **1,63,884.38** | **1,37,145.18** |
| **Other operating revenue** | | |
| Government grants | | |
| - Refund of goods and service tax (refer note 48) | 425.28 | 541.08 |
| - Export Incentive received | 10.55 | 2.55 |
| | **435.83** | **543.63** |
| | **1,64,320.21** | **1,37,688.81** |

Reconciliation of revenue from sale of products with the contracted price

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Contracted price | 1,73,129.46 | 1,45,562.81 |
| Less : Reduction towards variable consideration components. | 9,245.08 | 8,417.63 |
| **Sale of products** | **1,63,884.38** | **1,37,145.18** |

a) The Company is in the business of manufacture and sale of plywood and allied products.Sales are recognised when control of the products has transferred, being when the products are dispatched/delivered to the dealer, the dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the dealer's acceptance of the products. The Company does not give significant credit period resulting in no significant financing component.

b) For contract balances i.e. trade receivables and advance from customers, refer note 12 and 25.

## 27. Other income

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Interest on fixed deposits with banks and others | 75.81 | 461.51 |
| Interest on other financial assets | 20.86 | 40.68 |
| Income from related party: | | |
| - Interest on loan given to wholly owned subsidiaries (refer note 40) | 387.37 | 186.74 |
| - Commission on guarantee given to wholly owned subsidiaries and joint venture (refer note 40) | 304.78 | 181.21 |
| Rent received | 2.07 | - |
| Rent received from subsidiaries (refer note 40) | 53.51 | 1.82 |
| Liabilities no longer required written back | 1,077.61 | 118.87 |
| Interest on income tax refund | 46.70 | - |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| Loss allowance | | | |
| - loss allowance | 99.63 | | - |
| - Bad debts | (23.88) | 75.75 | - |
| Gain on fair valuation of investments at fair value through profit and loss | | - | 51.91 |
| Gain on sale and discard of property, plant and equipment | | 7.41 | 29.09 |
| Miscellaneous income | | 334.99 | 245.30 |
| | | **2,386.86** | **1,317.13** |

### 28. Cost of materials consumed

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Inventory of raw materials at the beginning of the year | 8,290.53 | 6,467.44 |
| Add: Purchases | 49,472.34 | 51,312.37 |
| Less: Inventory of raw materials at the end of the year | (6,503.42) | (8,290.53) |
| | **51,259.45** | **49,489.28** |

### 29. Purchase of stock in trade

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Purchase of stock-in-trade | 56,737.38 | 37,173.90 |
| | **56,737.38** | **37,173.90** |

### 30. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Opening inventories** | | |
| Finished goods | 2,631.78 | 1,700.56 |
| Stock in trade | 3,778.76 | 3,406.97 |
| Work-in-progress | 2,067.28 | 1,069.08 |
| **(A)** | **8,477.82** | **6,176.61** |
| **Closing inventories** | | |
| Finished goods | 4,887.45 | 2,631.78 |
| Stock in trade | 3,665.26 | 3,778.76 |
| Work-in-progress | 1,948.34 | 2,067.28 |
| **(B)** | **10,501.05** | **8,477.82** |
| **(A-B)** | **(2,023.23)** | **(2,301.21)** |

### 31. Employees benefits expense





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

See accounting policy in note 3(i)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Salaries,wages and bonus | 16,877.80 | 14,443.59 |
| Contribution to provident and other funds {refer note 31(a) below} | 765.12 | 679.47 |
| Expenses related to post-employment defined benefit plan {refer note 31(b) below} | 214.40 | 210.84 |
| Expenses related to compensated absences | 360.45 | 305.90 |
| Expenses on Employees Stock Options Scheme (refer note 37) | 1,520.39 | 1,205.41 |
| Staff welfare expenses | 380.33 | 414.81 |
| | **20,118.49** | **17,260.02** |

Salaries, wages and bonus includes ₹ 3,223.31 lakhs (31 March 2022 ₹ 2,621.31 lakhs) relating to outsource manpower cost.

**Note:**

**(a) Defined contribution plan:** The Company makes contributions to a governement administered fund, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident and Pension Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Standalone Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund aggregates to ₹ 724.28 lakhs (31 March 2022: ₹ 639.96 lakhs).

The Company contributes its Employee State Insurance (ESI) contribution with Employees' State Insurance Corporation (ESIC) maintained by Government agencies, contributions made by the Company for ESI is based on the current salaries. In the ESI scheme, contributions are also made by the employees. The annual contribution amount of ₹ 40.84 lakhs (31 March 2022: ₹ 39.51 lakhs) has been charged to the Standalone Statement of Profit and Loss in relation to the above defined contribution scheme.

**(b) Defined benefit plan:** Retirement benefits in the form of gratuity is 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 scheme is funded with insurance company.

**(c) Acturial valuation of gratuity liability**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Defined benefit cost** | | |
| Current service cost | 213.66 | 214.78 |
| Interest expense on defined benefit obligation | 149.32 | 131.25 |
| Interest income on plan assets | (148.58) | (135.19) |
| **Defined benefit cost in Statement of Profit and Loss** | **214.40** | **210.84** |
| Remeasurements from financial assumptions | (27.17) | (9.05) |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Remeasurements from experience adjustments | (41.49) | (45.95) |
| Remeasurements from financial assumption on plan assets | 17.84 | 14.90 |
| **Defined benefit cost in Other Comprehensive Income (OCI)** | **(50.82)** | **(40.10)** |
| **Total defined benefit cost in Statement of Profit and Loss and OCI** | **163.58** | **170.74** |
| | | |
| **Movement in defined benefit obligation** | | |
| Balance at the beginning of the year | 2,103.14 | 1,902.22 |
| Interest cost | 149.32 | 131.25 |
| Current service cost | 213.66 | 214.78 |
| Actuarial (gains)/ losses recognised in other comprehensive income | (68.66) | (55.00) |
| Benefits paid | (223.75) | (90.11) |
| **Balance at the end of the year** | **2,173.71** | **2,103.14** |
| | | |
| **Movement in fair value of plan assets** | | |
| Balance at the beginning of the year | 2,147.07 | 1,891.89 |
| Interest income | 148.58 | 135.19 |
| Employer contributions | 115.00 | 225.00 |
| Benefits paid | (223.75) | (90.11) |
| Return on plan assets | (17.84) | (14.90) |
| **Balance at the end of the year** | **2,169.06** | **2,147.07** |
| | | |
| **Net asset/(liability) recongnised in the Standalone Balance Sheet** | | |
| Present value of defined benefit obligation | (2,173.71) | (2,103.14) |
| Fair value of plan asset | 2,169.06 | 2,147.07 |
| **Net asset/(liability)** | **(4.65)** | **43.93** |
| | | |
| **Sensitivity analysis for significant assumptions:** | | |
| **Increase/(Decrease) in present value of defined benefit obligation at the end of the year** | | |
| Salary escalation - Increase by 1% | 165.81 | 158.50 |
| Salary escalation - Decrease by 1% | (138.01) | (138.97) |
| Withdrawal rates - Increase by 1% | 14.93 | 7.05 |
| Withdrawal rates - Decrease by 1% | (8.09) | (8.45) |
| Discount rates - Increase by 1% | (130.39) | (137.95) |
| Discount rates - Decrease by 1% | 159.12 | 158.63 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Actuarial assumptions** | | |
| Mortality table | IALM 2012-2014 | IALM 2012-2014 |
| Discount rate (per annum) | 7.40% | 7.10% |
| Rate of escalation in salary (per annum) | 6.00% | 6.00% |
| Withdrawal rate | 1% - 8% | 1% - 8% |
| | | |
| **Maturity profile of defined benefit obligation** | | |
| Not later than 1 year | 598.03 | 620.38 |
| Later than 1 year and not later than 5 years | 376.20 | 497.96 |
| 5 to 10 years | 699.53 | 772.89 |
| | | |
| **Weighted average duration of defined benefit obligation (in years)** | **4.58** | **4.61** |

**(d) The major categories of plan assets as a percentage of the fair value of total plan assets**

| | Year ended 31 March 2023 In % | Year ended 31 March 2022 In % |
|---|---|---|
| Fund with HDFC Life Insurance Company Limited | 71.99% | 74.59% |
| Fund with Kotak Mahindra Life Insurance Company Limited | 22.68% | 25.41% |
| | **94.67%** | **100.00%** |

**(e) The Company's expected contribution during next year is ₹ 224.25 lakhs (March 31,2022 ₹ 214.35 lakhs)**

## 32. Finance costs

See accounting policy in note 3(p)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost | 468.17 | 379.49 |
| Interest on Lease Liability (refer note 5) | 75.54 | 90.00 |
| Other borrowing cost | 71.77 | 108.54 |
| | **615.48** | **578.03** |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

### 33. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 4) | 1,786.11 | 1,645.23 |
| Depreciation of Right of use Assets (refer note 5) | 228.52 | 161.43 |
| Amortisation of intangible assets (refer note 7A) | 60.18 | 54.06 |
| | **2,074.81** | **1,860.72** |

### 34. Other expenses

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Consumption of stores and spares | 1,259.10 | 1,117.56 |
| Power and fuel | 1,820.35 | 2,293.48 |
| Rent (refer note 5) | 812.47 | 733.51 |
| Repairs to: | | |
| - Buildings | 131.31 | 89.93 |
| - Plant and equipment | 540.27 | 568.52 |
| - Others | 704.16 | 573.31 |
| Insurance | 455.63 | 539.84 |
| Rates and taxes | 82.21 | 59.45 |
| Travelling expenses | 1,620.11 | 1,393.54 |
| Freight and delivery expenses | 8,485.29 | 7,369.00 |
| Export expenses | 41.77 | - |
| Advertisement and sales promotion | 5,160.62 | 5,213.66 |
| Commission paid to independent directors | 75.00 | 68.14 |
| Directors sitting fees | 59.75 | 61.55 |
| Payment to auditors [refer note 34 (i)] | 51.66 | 49.15 |
| Donation | 34.13 | 23.16 |
| Expenditure on corporate social responsibility [refer note 34 (ii)] | 188.00 | 150.00 |
| Loss on fair valuation of investments at fair value through profit and loss | 18.56 | - |
| Legal and Professional fees | 783.56 | 477.63 |
| Commission expenses | 214.42 | 439.84 |
| Loss allowance | | |
| - Bad debts | - | 23.11 |
| - loss allowance | - | 173.90 |
| | - | 197.01 |
| Foreign exchange fluctuations(net) | 115.06 | 108.22 |
| Miscellaneous expenses | 1,765.20 | 1,501.45 |
| | **24,418.63** | **23,027.95** |





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

#### (i) Payment to auditors

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| As auditors: | | |
| - Statutory audit fees | 35.30 | 34.00 |
| - Limited review of quarterly results | 11.92 | 9.50 |
| In other capacity | | |
| - Certification fees | 2.10 | 3.96 |
| Reimbursement of expenses | 2.34 | 1.69 |
| | **51.66** | **49.15** |

#### (ii) Details of corporate social responsibility (CSR) expenditure

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| (a) Amount required to be spent by the Company during the year | 166.07 | 149.52 |
| (b) Amount of expenditure incured : | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | | |
| - Contribution to trust i.e. Greenply Foundation | 188.00 | 150.00 |
| (c) Shortfall at the end of the year | - | - |
| (d) Total of previous year shortfall | - | - |
| (e) Reason for Shortfall | NA | NA |
| (f) Nature of CSR Activity | Education, Healthcare, Plantation, Sanitation, Drinking Water, promoting Sports | |
| (g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard | | |
| - Contribution to trust i.e. Greenply Foundation | **188.00** | **150.00** |

### 35. Exceptional items

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Reversal of provision for excise duty liability and interest {refer note 22(a)} | 962.00 | - |
| Provision for dimunition in value of Investment (refer note below) | (1,638.68) | - |
| | **(676.68)** | **-** |

The Company had recognised impairment loss of ₹1,638.68 lakhs on investment in Greenply Holdings Pte.Limited (wholly owned subsidiary of the Company). This is due to Greenply Industries (Myanmar) Private Limited, (Myanmar, wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited (Singapore), joint venture of Greenply Holdings Pte.Limited (Singapore) has disposed/discarded off its assets in its manufacturing unit due to political and adverse business environment in Myanmar.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

### 36. Income tax and deferred tax net (assets) / liability

See accounting policy in note 3(o)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **(a) Amount recognised in Profit and Loss** | | |
| Current tax | 3,177.44 | 3,139.75 |
| Taxes pertaining to earlier years | (1,808.17) | (15.35) |
| **Income tax** | **1,369.27** | **3,124.40** |
| Deferred tax | 525.59 | (88.48) |
| **Deferred tax** | **525.59** | **(88.48)** |
| **Tax expense recognised in Statement of Profit and Loss** | **1,894.86** | **3,035.92** |
| | | |
| Deferred tax in other comprehensive income | 12.79 | 10.09 |
| **Tax expense in Total Comprehensive Income** | **1,907.65** | **3,046.01** |
| | | |
| **(b) Reconciliation of effective tax rate for the year** | | |
| Profit before tax | 12,829.38 | 11,917.25 |
| Applicable Income tax rate | 25.168% | 25.168% |
| **Tax impact relating to :** | | |
| Computed tax expense | 3,228.90 | 2,999.33 |
| Income tax of earlier years | (1,808.17) | (15.35) |
| Non-deductible expenses for tax purposes* | 471.18 | 47.52 |
| Other differences | 2.95 | 4.42 |
| **Tax expense in Statement of Profit and Loss** | **1,894.86** | **3,035.92** |

**(c) Movement in deferred tax liabilities and assets balances:**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Deferred tax assets (net)** | | |
| Deferred tax liabilities | 411.05 | 369.56 |
| Less: Deferred tax assets | (589.78) | (1,086.67) |
| **Net deferred tax (assets)/liabilities** | **(178.73)** | **(717.11)** |

*Deferred tax assets is not recognised on "Provision for dimunition in value of Investment" [exceptional item (refer note 35) of ₹281.20 lakhs due to lack of reasonable certainty.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**(d) Movement in deferred tax (asset) / liability**

| Movement in deferred Tax Asset / liability | 1 April 2022 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 369.56 | 41.49 | - | 411.05 |
| | | | | |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (313.33) | 65.55 | 12.79 | (234.99) |
| Expenses allowed for tax purposes when paid | (540.65) | 401.21 | - | (139.44) |
| Provisions for Trade receivables | (183.98) | 29.05 | - | (154.93) |
| Other temporary differences | (48.71) | (11.71) | - | (60.42) |
| | **(717.11)** | **525.59** | **12.79** | **(178.73)** |

| Movement in deferred tax asset / liability | 1 April 2021 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 346.88 | 22.68 | - | 369.56 |
| | | | | |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (211.79) | (111.63) | 10.09 | (313.33) |
| Expenses allowed for tax purposes when paid | (540.65) | - | - | (540.65) |
| Provisions for Trade receivables | (148.27) | (35.71) | - | (183.98) |
| Other temporary differences | (84.89) | 36.18 | - | (48.71) |
| | **(638.72)** | **(88.48)** | **10.09** | **(717.11)** |

### 37. Share based payments

**(a) Employee stock option scheme**

See accounting policy in note 3(h)

The ""Greenply Employee Stock Option Plan 2020"" (herewith refered to as ""ESOP Scheme 2020"") was approved by the Nomination and Remuneration Committee (NRC) of Board of Directors of the Company, in their meeting held on 14 August 2020. Approval of the Shareholders were received on 15 October 2020 (for approval of ESOPs) and 23 December 2020 (modification of ESOPs previously approved) with respect to ESOP Scheme 2020. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Company of ₹1 each upon payment of the exercise price at the time of exercise of options by employees. The exercise period commences from the date of vesting of the Options and expires at the end of 4 years from the date of vesting. The first options was granted on 17th March 2021 to all the eligible employees followed by second options on 16th March 2022.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

The Company has granted fresh options to the eligible employees on 20th March 2023.

Vesting schedule of the said options granted on 17th March 2021 was as follows :-

**Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)**

- After 12 Months from the date of grant : 35 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 30 Months from the date of grant : 30 % of the options granted

**For Employees other than Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 3,44,500)**

- After 12 Months from the date of grant : 50 % of the options granted
- After 24 Months from the date of grant : 50 % of the options granted

The new options were granted on 16th March 2022 to Mr. Manoj Tulsian, Joint Managing Director & CEO

Vesting schedule of the above options granted is as below:-

**Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)**

- After 12 Months from the date of grant : 50 % of the options granted
- After 18 Months from the date of grant : 50 % of the options granted

Vesting schedule of the options granted on 20 March 2023 are as follows

**For employee of the Company including subsidiaries (Options Granted 3,03,240)**

- After 12 Months from the date of grant : 25 % of the options granted
- After 24 Months from the date of grant and based on performance of the employee : 25 % of the options granted
- After 36 Months from the date of grant and based on performance of the employee : 25 % of the options granted
- After 48 Months from the date of grant and based on performance of the employee : 25 % of the options granted

In terms of the aforesaid plan, the eligible employee of the Company receives certain number of shares of the Company as per the terms and conditions of the Plan. The aforesaid plan is an equity settled plan.

**Measurement of fair value**

**For grant of options on 17th March 2021 and 16th March 2022:-**

The fair value of ESOP Scheme 2020 as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

| Particulars | Vest-1 | Vest-2 | Vest-3 | Vest-4 | Vest-5 |
|---|---|---|---|---|---|
| Grant date | | March 17, 2021 | | March 16, 2022 | |
| Fair value at grant date (₹) | 134.57 | 137.43 | 139.04 | 128.57 | 130.20 |
| Share price at grant date (₹) | 181.85 | 181.85 | 181.85 | 175.05 | 175.05 |
| Exercise price (₹) | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 |
| Expected volatilty | 43.92% | 40.73% | 40.73% | 46.21% | 45.04% |
| Expected Life (expected weighted average life) | 3.00 | 4.00 | 4.51 | 3.00 | 3.51 |
| Expected dividend yield (%) | 0.22 | 0.22 | 0.22 | 0.23 | 0.23 |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 5.16% | 5.59% | 5.77% | 5.45% | 5.67% |

**For grant of options on 20 March 2023:-**

The Company has recognised these share based payment transactions as equity settled share based payment transaction in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments, since the Company receives the services of the employee to whom the shares have been granted by the Company and the Company has no obligation to settle the same.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

| Particulars | Vest-1 | Vest-2 | Vest-3 | Vest-4 |
|---|---|---|---|---|
| Grant date | | 20 March 2023 | | |
| Fair value at grant date (₹) | 95.16 | 98.88 | 101.94 | 104.93 |
| Share price at grant date (₹) | 139.20 | 139.20 | 139.20 | 139.20 |
| Exercise price (₹) | 55.00 | 55.00 | 55.00 | 55.00 |
| Expected volatilty | 43.98% | 43.98% | 43.98% | 43.98% |
| Expected Life (expected weighted average life) | 3.00 | 4.00 | 5.00 | 6.00 |
| Expected dividend yield (%) | 0.36 | 0.36 | 0.36 | 0.36 |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 7.57% | 7.57% | 7.57% | 7.57% |

**Expected volatility -** since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Companys stock price on NSE over the years.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**Reconciliation of outstanding share options**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Number of Options Outstanding at the beginning of the year | 21,12,750 | 13,35,000 |
| Number of Options granted during the year | 3,03,240 | 10,00,000 |
| Number of Options forfeited/lapsed during the year | 21,250 | 33,000 |
| Number of Options vested during the year | 9,82,250 | 5,01,000 |
| Number of Options exercised during the year | 4,80,250 | 1,89,250 |
| Number of Shares arising as a result of exercise of options | 2,49,000 | - |
| Number of Options forfeited/lapsed during the year after vesting | 2,500 | - |
| Number of Options outstanding at the end of the year | 19,14,490 | 21,12,750 |
| Number of Options exercisable at the end of the year | 8,11,250 | 3,11,750 |
| | | |
| For stock options exercised during the period, the weighted average share price at the date of exercise (₹) | 138.23 | 186.33 |

**(b) Expense arising from share based payment transactions**

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Expenses on Employees Stock Options Scheme | 1,520.39 | 1,205.41 |
| | **1,520.39** | **1,205.41** |

## 38. Earnings per share

| Earnings per share | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **Basic and diluted earnings per share** | | | |
| (i) Profit for the year, attributable to the equity shareholders | **(A)** | **10,934.52** | **8,881.33** |
| (ii) Weighted average number of equity shares | | | |
| - Number of equity shares at the beginning of the year | | 122,627,395 | 122,627,395 |
| - Number of equity shares at the end of the year | | 122,876,395 | 122,627,395 |
| Weighted average number of equity shares for computing basic earning per share | **(B)** | **122,828,211** | **122,627,395** |
| Weighted average number of potential equity shares on account of employee stock options | **(C)** | **1,150,977** | **94,355** |
| Weighted average number of equity shares for computing diluted earning per share | **[D =( B + C)]** | **123,979,188** | **122,721,750** |
| **Basic earnings per share (₹)** | **(A/B)** | **8.90** | **7.24** |
| **Diluted earnings per share (₹)** | **(A/D)** | **8.82** | **7.24** |





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

## 39. Contingent liabilities and commitments

(to the extent not provided for)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Contingent liabilities** | | |
| **(a) Claims against the Company not acknowledged as debts:** | | |
| (i) Excise duty, sales tax and other indirect tax in dispute | 2,599.25 | 3,159.02 |
| (ii) Consumer court cases in dispute | 161.36 | 128.39 |

**(b)** The Supreme Court, in a judgement dated 28 February 2019, has stipulated the components of salary that need to be taken into account for computing the contribution to provident fund under the Employees Provident Fund Act,1952. The Company is awaiting clarification in interpreting aspects of the judgement and effective date of its application from the government authorities. The Company will account for the impact of the judgement after such clarity and does not expect the impact to be material.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **(c) Guarantees outstanding** | | |
| (i) Guarantee given to bank in respect of financial assitance to two wholly owned subsidiaries, a joint venture company & a step down wholly owned subsidiary (refer note 40) | 50,331.44 | 52,055.01 |
| (ii) Standby letter of credit issued on behalf of the Company to secure the financial assistance to its subsidiary (refer note 40) | 6,297.52 | 5,807.61 |

**Guarantee outstanding:**

The Company has issued guarantee in favour of banker on behalf of its step down subsidiary company Greenply Gabon SA for the purpose of availing term loan.This guarantee was issued in Euro.

The Company had issued guarantee in favour of banker on behalf of its joint venture company - Greenply Alkemal (Singapore) Pte. Limited for the purpose of availing working capital loan. This guarantee was issued in USD.

The Company had issued standby letter of credit in favour(SBLC) of banks on behalf of its wholly owned subsidiary company - Greenply Middle East Limited, for the purpose of availing working capital loan. This SBLC was issued in USD.

The Company had issued guarantee in favour of banker on behalf of its wholly owned subsidiary company - Greenply Sandila Private Limited for the purpose of availing term loan. This guarantee was issued in INR.

The Company had issued guarantee in favour of banker on behalf of its wholly owned subsidiary company - Greenply Speciality Panels Pvt. Ltd. for the purpose of availing term loan. This guarantee was issued in INR and Euro.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Capital and other commitments** | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 352.82 | 554.73 |
| (ii) Other commitments: proposed investment to be made in an entity | - | 190.00 |

**Claim against the Company not acknowledged as debt:**

Cash outflows for the above are determinable only on receipt of judgments pending at various forums/ authorities. The Company has reviewed all its pending litigations and preceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**40. Related party disclosure**

**a) Related parties where control exists**

Wholly owned subsidiary company:

i) Greenply Holdings Pte. Limited, Singapore

ii) Greenply Middle East Limited, Dubai

iii) Greenply Gabon SA, Gabon (Subsidiary of Greenply Middle East Limited, Dubai)

iv) Greenply Sandila Private Limited (w.e.f 24th May 2021)

iv) Greenply Speciality Panels Private Limited (Formerly known As Baahu Panels Private Limited) (w.e.f 04th August 2021)

Company in which a Subsidiary is a Joint Venture Partner:

i) Greenply Alkemal (Singapore) Pte. Limited, Singapore

(Joint venture of Greenply Holdings Pte. Limited, Singapore with Alkemal Singapore Pte. Limited, Singapore)

ii) Greenply Industries (Myanmar) Private Limited (Wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited.)

**b) Related parties with whom transactions have taken place during the year.**

(i) Key Management Personnel (KMP)

i) Mr. Rajesh Mittal, Chairman cum Managing Director

ii) Mr. Sanidhya Mittal, Joint Managing Director

iii) Mr. Manoj Tulsian, Joint Managing Director & CEO

vi) Mr. Nitin Kalani, Chief Financial Officer (w.e.f. 14th February 2022)

v) Mr. Mukesh Agarwal, Chief Financial Officer (till 15th January 2022)

vi) Mr. Kaushal Kumar Agarwal, Company Secretary & Sr. Vice President - Legal

(ii) Non- executive Directors

i) Mr. Susil Kumar Pal, Independent Director

ii) Mr. Vinod Kumar Kothari, Independent Director

iii) Mr. Upendra Nath Challu, Independent Director

iv) Ms. Sonali Bhagwati Dalal, Independent Director

v) Ms. Vinita Bajoria, Independent Director (w.e.f 15th September 2021)

(iii) Relatives of Key Management Personnel (KMP)

i) Mrs. Karuna Mittal (Wife of Mr. Rajesh Mittal)

ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

(iv) Enterprises controlled by Key Management Personnel or their relatives

i) RS Homcon Limited

ii) Karuna Investment Pvt Ltd

iii) Greenlam Industries Limited

iv) Greenpanel Industries Limited

v) Vinod Kothari & Company

vi) Greenply Foundation

vii) RKS Family Foundation

**c) Related party transactions**

| Name of the related party | Nature of transaction | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| Greenply Middle East Limited | Purchase of products | 1,660.69 | 4,032.38 |
| | Commission on guarantee | 101.15 | 115.78 |
| | Interest income | 89.10 | 99.15 |
| | Refund of loan | 1,300.15 | - |
| Greenply Alkemal (Singapore) Pte. Limited | Purchase of products | 647.03 | 424.06 |
| | Commission on guarantee | 24.43 | 22.28 |
| Greenply Gabon SA | Commission on guarantee | 2.49 | 22.18 |
| Greenply Sandila Private Limited | Rent received | 52.31 | 1.03 |
| | Guarantee Given | - | 7,350.00 |
| | Loan given | 3,500.00 | 3,400.00 |
| | Refund of loan | - | 3,400.00 |
| | Investment in Equity Shares | - | 1,000.00 |
| | Investment in Preference Shares | - | 2,500.00 |
| | Commission on guarantee | 44.10 | 3.00 |
| | Transfer/sale of Right of use assets and Capital work-in-progress | - | 2,828.85 |
| | Tranfer of lease liabilities | - | 991.64 |
| | Interest Income | 142.38 | 56.54 |
| | Fees for services | 168.46 | - |
| | Purchase of products | 7,902.36 | - |
| | Sale of products | 94.56 | - |
| | Receipt of capital work-in-progress | 30.23 | - |
| | Sale of assets | 6.51 | - |
| Greenply Speciality Panels Private Limited | Rent received | 1.20 | 0.79 |
| | Guarantee Given | 13,500.00 | 37,819.83 |
| | Guarantee closed | 11,500.00 | - |
| | Loan given | 5,900.00 | 1,300.00 |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| Name of the related party | Nature of transaction | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Refund of loan | - | 1,300.00 |
| | Investment in Equity Shares | - | 5,501.00 |
| | Investment in Preference Shares | 700.00 | 9,200.00 |
| | Commission on guarantee | 132.61 | 17.98 |
| | Interest Income | 155.88 | 31.05 |
| | Purchase of products | 269.80 | - |
| | Sale of products | 31.55 | - |
| Greenpanel Industries Limited | Purchase of products | 5.78 | - |
| | Rent paid | 0.60 | 0.59 |
| Greenlam Industries Limited | Purchase of products | 9.07 | 50.10 |
| Greenply Foundation | Contribution towards corporate social responsibility | 188.00 | 150.00 |
| RKS Family Foundation | Sale of products | 6.61 | - |
| | Sales return of products | - | 6.39 |
| Mr. Rajesh Mittal | Remuneration | 605.84 | 596.32 |
| | Rent paid | 5.79 | 5.54 |
| Mr. Sanidhya Mittal | Remuneration | 315.83 | 237.90 |
| | Rent paid | 5.79 | 5.54 |
| Mr. Manoj Tulsian | Remuneration | 674.01 | 520.25 |
| | Share application money received | 220.00 | 78.65 |
| Mr. Kaushal Kumar Agarwal | Remuneration | 61.55 | 54.81 |
| | Share application money received | 0.55 | - |
| Mr. Mukesh Agarwal | Remuneration | - | 62.53 |
| Mr. Nitin Kalani | Remuneration | 105.83 | 15.77 |
| Ms. Vinita Bajoria | Remuneration | 26.50 | 13.64 |
| Mr. Susil Kumar Pal | Remuneration | 31.25 | 31.95 |
| Mr. Upendra Nath Challu | Remuneration | 31.25 | 32.45 |
| Mr. Vinod Kumar Kothari | Remuneration | 24.75 | 31.45 |
| Ms. Sonali Bhagwati Dalal | Remuneration | 21.00 | 20.20 |
| Mrs. Karuna Mittal | Rent paid | 26.43 | 13.48 |
| | Security deposit Paid | - | 3.36 |
| Mrs. Surbhi Poddar | Remuneration | 32.85 | 28.30 |
| Vinod Kothari & Company | Professional fees paid | 7.70 | 0.70 |
| RS Homcon Limited | Rent paid | 11.77 | 11.88 |
| Karuna Investment Pvt Ltd | Rent received | 0.72 | - |
| Mastermind Shoppers Private Limited | Rent paid | - | 10.07 |





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**d) Outstanding balances**

| Name of the related party | Nature of transaction | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| Greenply Middle East Limited | Loan given | 410.86 | 1,894.50 |
| | Trade payables | 666.23 | 2,416.58 |
| | Guarantee given | 6,297.52 | 5,807.61 |
| | Interest receivable | 10.58 | 26.17 |
| | Commission on guarantee receivable | 28.81 | 28.22 |
| Greenply Alkemal (Singapore) Pte. Limited | Trade payables | 201.10 | 261.22 |
| | Guarantee given | 2,465.18 | 2,273.40 |
| | Commission on guarantee receivable | 6.07 | 5.60 |
| Greenply Sandila Private Limited | Guarantee given | 7,350.00 | 7,350.00 |
| | Commission on guarantee receivable | 11.74 | 3.24 |
| | Loan given | 3,500.00 | - |
| | Interest receivable | 65.20 | - |
| | Other receivable | 87.88 | - |
| | Trade payables | 2,856.53 | - |
| Greenply Speciality Panels Private Limited | Guarantee given | 40,516.26 | 37,819.83 |
| | Commission on guarantee receivable | 53.83 | 19.41 |
| | Loan given | 5,900.00 | - |
| | Interest receivable | 76.65 | - |
| | Trade payables | 109.54 | - |
| Greenply Gabon SA | Guarantee given | - | 4,611.78 |
| | Commission on guarantee receivable | - | 4.26 |
| Greenlam Industries Limited | Trade payables | 2.80 | 3.91 |
| Greenpanel Industries Limited | Trade payables | 6.81 | - |
| Mr. Rajesh Mittal | Remuneration | 198.00 | 184.00 |
| | Security deposit | 2.50 | 2.50 |
| Mr. Manoj Tulsian | Remuneration | 132.00 | 123.00 |
| Mr. Sanidhya Mittal | Remuneration | 175.00 | 90.00 |
| Ms. Vinita Bajoria | Remuneration | 13.50 | 7.32 |
| Mr. Susil Kumar Pal | Remuneration | 13.50 | 13.50 |
| Mr. Upendra Nath Challu | Remuneration | 13.50 | 13.50 |
| Mr. Vinod Kumar Kothari | Remuneration | 13.50 | 13.50 |
| Ms. Sonali Bhagwati Dalal | Remuneration | 13.50 | 13.50 |
| RS Homcon Limited | Security deposit | 2.07 | 2.07 |
| Mrs. Karuna Mittal | Security deposit | 3.36 | 3.36 |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**e) Key Management Personnel compensation**

Key management personnels compensation comprised of the following:

| Nature of transaction | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Short-term employee benefits | 1,720.30 | 1,391.02 |
| Other long-term benefits | 42.76 | 96.56 |
| **Total compensation to key management personnel** | **1,763.06** | **1,487.58** |

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above. Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

**f) Terms and conditions of transactions with related parties**

Purchase and sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

The Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

The loan given to related parties are on terms at arm's length price. Outstanding balances at the year-end is unsecured and settlement occurs in cash. The interest on loan given to indian subsidiaries are repo rate plus 200 bps or borrowing rate of compamy plus 100 bps, whichever is higher on reducing balance and that given to foreign subsidiary is at 12 months USD Libor plus 500 basis points.

The guarantee given to related parties are on terms at arm's length price. The commission on such guarantee has been recovered at arm length price as per safe harbour rules of Income Tax Act,1961.

**g) Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013**

(i) Details of loans

Loan given to Greenply Middle East Limited bears interest rate of 12 months USD Libor plus 5% p.a. and is repayable at various dates on or before 11 February 2024 and the said loan has been given for business requirements. (refer note 9).

Loan given to Greenply Sandila Private Limited and Greenply Speciality Panels Private Limited bears interest rate of repo rate plus 200 bps or borrowing rate of compamy plus 100 bps, whichever is higher on reducing balance and is repayable within two year from the date of disbursement.

(ii) Details of investments

Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 8.

(iii) Details of guarantee given / (closed) during the year

Nature and purpose of guarantee given along with closing balances have been disclosed in note 40.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| Name of the Company | Date of undertaking | Purpose | 31 March 2023 |
|---|---|---|---|
| Greenply Speciality Panels Private Limited | 25 April 2022 | Term Loan facility | 7,000.00 |
| Greenply Speciality Panels Private Limited | 21 April 2022 | Term Loan facility | 6,500.00 |

| Name of the Company | Date of undertaking | Purpose | 31 March 2022 |
|---|---|---|---|
| Greenply Sandila Private Limited | 28 December 2021 | Term Loan facility | 7,350.00 |
| Greenply Speciality Panels Private Limited | 28 December 2021 | Letter of credit for import of capital goods | 11,500.00 |
| Greenply Speciality Panels Private Limited | 24 February 2022 | Term Loan facility | 15,000.00 |
| Greenply Speciality Panels Private Limited | 31 March 2022 | ECB Loan | 11,319.83 |

## 41. Accounting classifications and fair values

See accounting policy in note 3 (c)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet are as follows:

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| **Financial assets at amortised cost** | **Carrying Value** | **Fair Value** | **Carrying Value** | **Fair Value** |
| Investments | 21,492.66 | 21,492.66 | 22,423.22 | 22,423.22 |
| Loans | 9,986.33 | 9,986.33 | 2,013.19 | 2,013.19 |
| Other financial assets | 1,177.67 | 1,177.67 | 1,153.03 | 1,153.03 |
| Trade receivables | 19,462.88 | 19,462.88 | 15,886.54 | 15,886.54 |
| Cash and cash equivalents | 1,984.83 | 1,984.83 | 1,087.21 | 1,087.21 |
| Other bank balances | 34.86 | 34.86 | 961.96 | 961.96 |
| | **54,139.23** | **54,139.23** | **43,525.15** | **43,525.15** |
| **Financial assets at fair value through profit and loss** | | | | |
| Level 1 | | | | |
| Investments | 0.76 | 0.76 | 0.62 | 0.62 |
| Level 2 | | | | |
| Derivatives | - | - | - | - |
| Level 3 | | | | |
| Investments | 438.52 | 438.52 | 381.22 | 381.22 |
| | **439.28** | **439.28** | **381.84** | **381.84** |
| **Total Financial Assets** | **54,578.51** | **54,578.51** | **43,906.99** | **43,906.99** |
| | | | | |
| **Financial liabilities at amortised cost** | | | | |
| Borrowings | 1,838.99 | 1,838.99 | 4,369.36 | 4,369.36 |
| Lease liabilites | 1,203.69 | 1,203.69 | 681.12 | 681.12 |
| Other financial liabilities | 2,088.25 | 2,088.25 | 1,890.88 | 1,890.88 |
| Trade payables | 24,278.18 | 24,278.18 | 22,097.08 | 22,097.08 |
| | **29,409.11** | **29,409.11** | **29,038.44** | **29,038.44** |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| Financial liabilities at fair value through profit and loss | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Level 2 | | | | |
| Derivatives | 11.78 | 11.78 | 13.64 | 13.64 |
| | **11.78** | **11.78** | **13.64** | **13.64** |
| **Total financial liabilities** | **29,420.89** | **29,420.89** | **29,052.08** | **29,052.08** |

## 42. Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurement are as follows :-

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Financial assets - Level 1 | | |
| Investments | 0.76 | 0.62 |
| Financial assets - Level 2 | | |
| Derivatives | - | - |
| Financial assets - Level 3 | | |
| Investments | 438.52 | 381.22 |
| Financial liabilities - Level 2 | | |
| Derivatives | 11.78 | 13.64 |

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the current maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of derevatives (forward foreign exchange contracts,etc) is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies based on report obtained from banking partners.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

(c) The fair value of unquoted investments included in level 3 is determined using discounted cash flows, net asset value approach. Significant unobservable inputs comprise long term growth rates, market conditions of the specific industry etc. However, the changes in the fair values due to changes in unobservable inputs will not be material to the financial statements.

There were no tranfer of financial assets or liabilities measured at fair value between level 1 and level 3, or tranfer into or out of level 3 during the year ended 31 March 2022 and 31 March 2021.

**Level 3 Fair Values**

**Movement in the value of unquoted equity instruments through FVTPL**

Reconciliation from the Opening balances to the Closing Balance

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Opening | 381.22 | 313.38 |
| Additions | 76.00 | 16.00 |
| (Loss)/Gain on fair valuation of investments at fair value through profit and loss | (18.70) | 51.84 |
| **Closing** | **438.52** | **381.22** |

## 43. Financial risk management

**Risk management framework**

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance.

The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The sources of risks which the Company is exposed to and their management is given below:

| Risk | Exposure Arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Trade receivables, Investments, Derivative financial instruments, Loans and deposits | Ageing analysis, Credit rating | Diversification of Credit limit and credit worthiness monitoring, credit based approval process. |
| Liquidity risk | Borrowings, lease liabilities and Other liabilities | Rolling cash flow forecasts | Adequate unused credit lines and borrowing facilities. |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| | | | |
|---|---|---|---|
| Market risk Foreign exchange risk | Committed commercial transaction Financial asset and liabilities not denominated in INR | Sensitivity analysis | Forward foreign exchange contracts. |
| Interest rate | Borrowings at variable rates | Sensitivity analysis Interest rate movements | The company has laid policies and guidelines to minimise impact of interest rate risk. |

**(i) Credit risk**

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

**Trade receivable**

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

**Exposure to credit risks**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Revenue from top customer | 2.89% | 3.29% |
| Revenue from top five customers | 7.31% | 7.66% |

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments amd makes appropriate provisions at each reporting date whenever it is for longer period and involves higher risk. The movement of expected credit loss provision is as follows:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balance at the beginning | 608.07 | 434.17 |
| Movement in loss allowance | (99.63) | 173.90 |
| **Balance at the end** | **508.44** | **608.07** |





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| 31 March 2023 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 1,546.07 | 388.18 | - | 1,934.25 |
| Trade payables | 24,278.18 | - | - | 24,278.18 |
| Lease liabilites* | 299.02 | 1,024.93 | - | 1,323.95 |
| Other financial liabilities | 2,066.85 | 12.00 | | 2,078.85 |
| Derivatives | 11.78 | - | - | 11.78 |
| | **28,201.90** | **1,425.11** | **-** | **29,627.01** |

| 31 March 2022 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 3,310.78 | 1,341.62 | - | 4,652.40 |
| Trade payables | 22,097.08 | - | - | 22,097.08 |
| Lease liabilites* | 160.33 | 654.41 | - | 814.74 |
| Other financial liabilities | 1,860.40 | 9.00 | - | 1,869.40 |
| Derivatives | 13.64 | - | - | 13.64 |
| | **27,442.23** | **2,005.03** | **-** | **29,447.26** |

* including estimated interest

**(iii) Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**(a) Currency risk**

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

**Exposure to currency risk**

The Company's exposure to foreign currency are at the end of the reporting period are as follows:

| Particulars | Currency | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|
| | | Amount in F.currency (Lakhs) | ₹ in Lakhs | Amount in F.currency (Lakhs) | ₹ in Lakhs |
| - Hedged exposures * | | | | | |
| Trade payables | EURO | 1.85 | 155.28 | 1.31 | 109.84 |
| Trade payables | USD | 14.59 | 1,198.81 | 41.92 | 3,176.70 |
| | | | 1,354.09 | | 3,286.54 |
| - Unhedged exposures | | | | | |
| Trade payables | EURO | 1.02 | 91.20 | 0.56 | 46.77 |
| | USD | 3.64 | 299.02 | 16.86 | 1,277.31 |
| | | | 390.22 | | 1,324.08 |
| Loans to subsidaries | USD | 5.00 | 410.86 | 25.00 | 1,894.50 |
| | | | 410.86 | | 1,894.50 |
| Trade receivables | USD | 0.46 | 38.18 | 0.21 | 15.91 |
| | EURO | 0.42 | 36.95 | - | - |
| | | | 75.13 | | 15.91 |

* These foreign exchange liabilities are covered with forward contract having a maturity of less than one year.

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the USD and EURO against Indian Rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | Effect | Nature | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| USD (1% Movement) | Strengthening | Increase in Profit | 1.50 | 6.33 |
| USD (1% Movement) | Weakening | Decrease in Profit | (1.50) | (6.33) |
| USD (1% Movement) | Strengthening | Increase in Equity, net of tax | 1.12 | 4.74 |
| USD (1% Movement) | Weakening | Decrease in Equity, net of tax | (1.12) | (4.74) |
| EUR (1% Movement) | Strengthening | Increase in Profit | (0.54) | (0.47) |
| EUR (1% Movement) | Weakening | Decrease in Profit | 0.54 | 0.47 |
| EUR (1% Movement) | Strengthening | Increase in Equity, net of tax | (0.40) | (0.35) |
| EUR (1% Movement) | Weakening | Decrease in Equity, net of tax | 0.40 | 0.35 |





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's current borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial assets | - | - |
| Financial liabilities | (37.33) | (86.44) |
| | **(37.33)** | **(86.44)** |
| **Variable rate instruments** | | |
| Financial assets | 9,810.86 | 1,894.50 |
| Financial liabilities | (1,229.16) | (3,710.42) |
| | **8,581.70** | **(1,815.92)** |

**Sensitivity analysis**

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars | Effect | Nature | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| Variable rate instruments | Strengthening | Decrease in Profit | 85.82 | (18.16) |
| | Weakening | Increase in Profit | (85.82) | 18.16 |
| | Strengthening | Decrease in Equity, net of tax | 64.22 | (13.59) |
| | Weakening | Increase in Equity, net of tax | (64.22) | 13.59 |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

| | | | | |
|---|---|---|---|---|
| Cash flow sensitivity (net) | Strengthening | Decrease in Profit | 85.82 | (18.16) |
| | Weakening | Increase in Profit | (85.82) | 18.16 |
| | Strengthening | Decrease in Equity, net of tax | 64.22 | (13.59) |
| | Weakening | Increase in Equity, net of tax | (64.22) | 13.59 |

**44. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Borrowings (refer note 20) | 1,838.99 | 4,369.36 |
| Less: Cash and cash equivalents (refer note 13) | 1,984.83 | 1,087.21 |
| **Adjusted net debt** | **(145.84)** | **3,282.15** |
| Equity (refer note 18 and 19) | 62,948.22 | 50,804.82 |
| **Debt to Equity (net)** | **(0.00)** | **0.06** |

In addition the Company has financial covenants relating to the banking facilities that it has taken from all the lenders like interest service coverage ratio, Debt to EBITDA, current ratio etc. which is maintained by the Company.

**45. Segments information (Ind AS 108)**

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

**46.** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**47. Due to Micro enterprises and small enterprises**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year; | | |
| - Principal | 117.93 | 158.76 |
| - Interest | 6.36 | 0.17 |
| (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 , along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | 841.81 | 336.59 |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | 3.58 | 1.42 |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | 6.36 | 2.78 |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

**48.** Government grant (Ind AS 20): Other operating revenue includes incentives against scheme of budgetary support under Goods and Services Tax Regime for the units set-up in Tizit, Nagaland of ₹425.28 lakhs (31 March 2022 ₹ 541.08 lakhs).

**49. Ratios**

| | 31 March 2023 | 31 March 2022 | Variance |
|---|---|---|---|
| Current Ratio (in times) | 1.40 | 1.21 | 15.37% |
| Debt Equity Ratio (in times) | (0.00) | 0.06 | -103.59% |
| Debt Service Coverage ratio (in times) | 5.45 | 5.30 | 2.83% |
| Return on Equity ratio (in %) | 19.23% | 19.33% | -0.56% |
| Inventory turnover ratio (in times) | 9.45 | 9.03 | 4.65% |
| Trade Receivables Turnover ratio (in times) | 9.27 | 8.51 | 8.91% |
| Trade Payables Turnover ratio (in times) | 5.63 | 5.29 | 6.43% |
| Net Capital turnover ratio (in times) | 13.58 | 20.63 | -34.16% |
| Net profit ratio (in %) | 6.67% | 6.48% | 3.03% |
| Return on Capital employed (in%) | 17.83% | 17.14% | 3.98% |
| Return on Investments (in%) | -4.52% | 14.92% | -130.30% |

# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

**The following items are included in numerator and denominator of the above ratios.**

| | |
|---|---|
| **Current Ratio =** | Total Current Assets/ Total Current Liabilities |
| **Debt Equity Ratio =** | Total Borrowings less cash and cash equivalent/ Total Equity |
| | Total Borrowings= Non-current Borrowings + Current Borrowings |
| **Debt Service Coverage Ratio =** | Earnings available for debt service / Debt Service |
| | Earnings available for debt service= Profit for the year+ Depreciation and amortisation +Finance cost |
| | Debt Service= Interest paid and Principal repayments of borrowings |
| **Return on Equity Ratio=** | Profit for the year / Average Total Equity |
| | Average Total Equity= (Opening Equity+ Closing Equity)/2 |
| **Inventory Turnover ratio =** | Sale of products / Average Inventory |
| | Average Inventory= (Opening Inventory+ Closing Inventory)/2 |
| **Trade receivables turnover ratio =** | Sale of products / Average Trade Receivables |
| | Average Trade Receivables= (Opening Trade Receivables + Closing Trade Receivables)/2 |
| **Trade payables turnover ratio =** | Purchase of products and other expenses / Average Trade Payables |
| | Average Trade Payables= (Opening Trade Payables + Closing Trade Payables)/2 |
| **Net capital turnover ratio =** | Sale of products / Working Capital |
| | Working Capital = Total Current - Total Current Liabilities |
| **Net Profit Ratio =** | Profit for the year / Sale of products |
| **Return on Capital employed=** | Earning before interes/ Capital Employed |
| | Earning before interest = Profit for the year + Finance cost |
| | Capital Employed = Total Equity + Non-current Borrowings + Current Borrowings |
| **Return on investment =** | (Loss)/Gain on fair valuation of investments at fair value through profit and loss/ Average investments |
| | Average investments= {Opening investments(excluding investment on subsidiaries) + Closing investments(excluding investment on subsidiaries)}/2 |

**Explanation for change in the ratios by more than 25% as compared to the preceding year**

**Debt-Equity Ratio :** Improved due to reduction in borrowings.

**Net Capital turnover ratio:** Decreased due to increase in working capital during the year.

**Return on investment:** Decreased due to decrease in fair valuation of investments as compared to previous year.





# Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

## 50. Distribution made and proposed dividend

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Cash dividend on equity shares declared and paid | | |
| Final dividend for the year ended on 31 March 2022: | 614.32 | 490.51 |
| ₹ 0.50 per share (31 March 2021: ₹ 0.40 per share) | | |
| Total dividend paid | 614.32 | 490.51 |
| | | |
| Proposed dividend on Equity shares | | |
| Final dividend for the year ended on 31 March 2023: | 675.82 | 613.14 |
| ₹ 0.50 per share (31 March 2022: ₹ 0.50 per share) | | |
| Total dividend proposed | 675.82 | 613.14 |

Proposed dividends on equity shares are subject to approval by the shareholders at the ensuing annual general meeting and are not recognised as a liability as at 31 March 2023.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer
Place : Kolkata
Dated : 30th May 2023

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

# Independent Auditor's Report

**To the Members of Greenply Industries Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Greenply Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Revenue recognition Dealers Incentive**

**See Note 3(k) and 26 to standalone financial statements**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer.<br><br>Further, the Company gives incentives to its dealers through various schemes.<br><br>Due to various schemes and a large variety of contractual terms across dealers, the computation of these incentives involves judgement. The amount of such incentive is also significant.<br><br>The management considers revenue as a key measure for evaluation of performance.<br><br>In view of the above we have determined this matter to be a key audit matter. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br><br>• Evaluated the appropriateness of the Company's accounting policy relating to revenue recognition.<br><br>• Evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition.<br><br>• Evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to computation of incentives. |





**Revenue recognition Dealers Incentive**

**See Note 3(k) and 26 to standalone financial statements**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| | • Performed substantive testing over a a sample of sales transactions for compliance with the Company's accounting principles to assess the completeness, occurrence and accuracy of revenue recorded.<br><br>• Performed retrospective review of the management's judgement by comparing utlisation of incentives with previously recognized corresponding liability. We also considered the developments during the year and subsequent to the year-end that would significantly affect the measurement of the year-end incentive liability.<br><br>• Assessed the adequacy of the disclosures made |

### Other Information

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

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

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

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of each company.

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

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

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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





**Other Matter**

a. We did not audit the financial statements of four subsidiaries (including one step-down subsidiary), whose financial statements reflect total assets (before consolidation adjustments) of Rs. 54,723.48 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 32,598.07 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 2,982.16 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive loss) of Rs 2,075.21 lakhs for the year ended 31 March 2023, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

   Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we report on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   In our opinion and according to the information and explanation given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Comanies (Auditor's Report) Order 2020, (CARO):

| Sl No | Name of the entities | CIN | Holding Company / Subsidiary / JV | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---|---|---|---|---|
| 1 | Greenply Speciality Panels Privte Limited (Formerly known as Baahu Panels Private Limited) | U20299WB2021PTC245437 | Subsidiary | xvii |

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matter" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the "Other Matter" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its and joint ventures. Refer Note 40(a) to the consolidated financial statements.

b. The Group and its Joint Ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 10 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 10 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company incorporated in India during the year, in respect of the same declared for the previous years, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 50 to the consolidated financial statements, the respective Board of Directors of the Holding Company incorporated in India have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid or payable to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**
Partner
Membership No.: 060715
ICAI UDIN:23060715BGQAAS4406

Place: Kolkata
Date: 30 May 2023

# Annexure A to the Independent Auditor's Report on the consolidated financial statements of Greenply Industries Limited for the year ended 31 March 2023

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

In conjunction with our audit of the consolidated financial statements of Greenply Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

## Meaning of Internal Financial Controls with Reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

## Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**
Partner
Membership No.: 060715
ICAI UDIN:23060715BGQAAS4406

Place: Kolkata
Date: 30 May 2023

# Consolidated Balance Sheet as at March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

| | Note | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **Assets** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 40,138.00 | 30,855.64 |
| (b) Capital work-in-progress | 6 | 51,295.81 | 10,962.98 |
| (c) Right of use assets | 5 | 4,718.14 | 3,343.82 |
| (d) Intangible assets | 7A | 1,024.58 | 1,051.44 |
| (e) Intangible assets under development | 7B | 36.50 | - |
| (f) Investments accounted for using the equity method- | 8 | 123.07 | 2,198.28 |
| (g) Financial assets | | | |
| (i) Investments | 9 | 514.08 | 381.84 |
| (ii) Loans | 10 | 80.45 | 44.57 |
| (iii) Other financial assets | 17 | 952.61 | 766.19 |
| (h) Non-current tax assets (net) | 11 | 276.31 | 1,257.44 |
| (i) Deferred tax assets (net) | 37 | 272.62 | 726.71 |
| (j) Other non-current assets | 16 | 3,385.47 | 9,372.12 |
| **Total non-current assets** | | **1,02,817.64** | **60,961.03** |
| **(2) Current assets** | | | |
| (a) Inventories | 12 | 27,838.15 | 22,563.31 |
| (b) Financial assets | | | |
| (i) Trade receivables | 13 | 22,872.32 | 18,643.46 |
| (ii) Cash and cash equivalents | 14 | 3,106.58 | 6,295.93 |
| (iii) Bank balances other than cash and cash equivalents | 15 | 35.38 | 961.96 |
| (iv) Loans | 10 | 129.65 | 74.12 |
| (v) Other financial assets | 17 | 592.02 | 916.37 |
| (c) Other current assets | 18 | 10,711.26 | 5,462.95 |
| **Total current assets** | | **65,285.36** | **54,918.10** |
| **Total assets** | | **1,68,103.00** | **1,15,879.13** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 19 | 1,228.76 | 1,226.27 |
| (b) Other equity | 20 | 63,153.01 | 52,590.23 |
| **Total equity** | | **64,381.77** | **53,816.50** |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 51,524.18 | 14,308.16 |
| (ii) Lease liabilities | 5 | 2,369.76 | 1,305.29 |
| (iii) Other financial liabilities | 22 | 30.00 | 9.00 |
| (b) Deferred tax liabilities (net) | 37 | 98.87 | - |
| (d) Provisions | 23 | 679.82 | 563.88 |
| **Total non-current liabilities** | | **54,702.63** | **16,186.33** |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 14,817.50 | 14,878.33 |
| (ii) Lease liabilities | 5 | 911.62 | 456.22 |
| (iii) Trade payables | 24 | | |
| - Total outstanding dues of micro and small enterprises | | 124.29 | 158.76 |
| - Total outstanding dues of creditors other than micro and small enterprises | | 24,144.38 | 21,479.08 |
| (iv) Derivatives | 25 | 11.78 | 13.64 |
| (v) Other financial liabilities | 22 | 6,352.24 | 4,359.84 |
| (b) Other current liabilities | 26 | 1,888.51 | 2,842.76 |
| (c) Provisions | 23 | 732.97 | 1,687.67 |
| (d) Current tax liabilities (net) | | 35.31 | - |
| **Total current liabilities** | | **49,018.60** | **45,876.30** |
| **Total liabilities** | | **1,03,721.23** | **62,062.63** |
| **Total equity and liabilities** | | **1,68,103.00** | **1,15,879.13** |
| **Significant accounting policies** | **3** | | |

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Seema Mohnot**
Partner
Membership No: 060715

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023

Place : Kolkata
Dated : 30th May 2023





# Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | | Note | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|---|
| I. | Revenue from operations | 27 | 184,562.99 | 156,280.38 |
| II. | Other income | 28 | 1,534.44 | 990.20 |
| **III** | **Total income (I+II)** | | **186,097.43** | **157,270.58** |
| IV. | Expenses | | | |
| | Cost of materials consumed | 29 | 66,866.71 | 56,001.96 |
| | Purchase of stock in trade | 30 | 49,871.15 | 39,635.49 |
| | Changes in inventories of finished goods, work-in-progress and stock in trade | 31 | (4,079.60) | (2,106.75) |
| | Employees benefits expense | 32 | 24,313.26 | 19,329.75 |
| | Finance costs | 33 | 2,624.71 | 1,193.15 |
| | Depreciation and amortisation expense | 34 | 3,646.08 | 2,584.60 |
| | Other expenses | 35 | 30,680.60 | 28,393.76 |
| | **Total expenses (IV)** | | **173,922.91** | **145,031.96** |
| V. | Share of profit/(loss) of a joint venture | | (2,075.21) | 260.27 |
| VI. | Profit before exceptional items and tax (III-IV+V) | | 10,099.31 | 12,498.89 |
| VII. | Exceptional items | 36 | 962.00 | - |
| VIII. | Profit before tax (VI-VII) | | 11,061.31 | 12,498.89 |
| | Tax expense | 37 | | |
| | Current tax [including taxes pertaining to earlier years ₹ (1,808.17) lakhs (Previous Year: ₹.(15.35) lakhs)] | | (1,378.00) | (3,124.40) |
| | Deferred tax (charge)/credit | | (540.13) | 98.08 |
| **IX.** | **Tax expense** | | **(1,918.13)** | **(3,026.32)** |
| **X.** | **Profit for the year (VIII+IX)** | | **9,143.18** | **9,472.57** |
| XI. | Other comprehensive income | | | |
| | Items that will not be reclassified subsequently to profit or loss: | | | |
| | Remeasurements of defined benefit (asset) | | 51.07 | 40.10 |
| | Income tax relating to items that will not be reclassified to profit or loss | | (12.83) | (10.09) |
| | **Other comprehensive income not to be reclassified subsequently to profit or loss (net of tax)** | | **38.24** | **30.01** |
| | Items that will be reclassified subsequently to profit or loss: | | | |
| | Exchange differences in translating financial statements of foreign operations reclassified to profit or loss | | - | - |
| | Exchange differences in translating financial statements of foreign operations | | 213.00 | (176.17) |
| | **Net other comprehensive income to be reclassified subsequently to profit or loss** | | **213.00** | **(176.17)** |
| | **Other comprehensive income for the year (net of tax)** | | **251.24** | **(146.16)** |
| **XII.** | **Total comprehensive income for the year attributable to owners of the company (X+XI)** | | **9,394.42** | **9,326.41** |
| **XIII.** | **Earnings per equity share** | **39** | | |
| | [Face value of equity share ₹ 1 each (previous year ₹ 1 each)] | | | |
| | - Basic (₹) | | 7.44 | 7.72 |
| | - Diluted (₹) | | 7.37 | 7.72 |
| Significant accounting policies | | 3 | | |

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Seema Mohnot**
Partner
Membership No: 060715

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023

Place : Kolkata
Dated : 30th May 2023

# Consolidated Statement of changes in equity for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## a) Equity share capital

| Particulars | Note | Amount |
|---|---|---|
| **Balance as at 1 April 2021** | | **1,226.27** |
| Issue of equity share capital during the year | 19 | - |
| **Balance as at 31 March 2022** | | **1,226.27** |
| Issue of equity share capital during the year | 19 | 2.49 |
| **Balance as at 31 March 2023** | | **1,228.76** |

## b) Other equity

| Particulars | Note | Share application money pending allotment | Reserves and surplus | | | Items of OCI | Total |
|---|---|---|---|---|---|---|---|
| | | | Securities premium | Retained earnings | Share options outstanding reserve | Exchange differences on translation | |
| Balance as at 1 April 2021 | | - | - | 42,066.58 | 46.74 | 331.51 | 42,444.83 |
| **Total comprehensive income for the year ended 31 March 2022** | | | | | | | |
| Profit for the year | | - | - | 9,472.57 | - | - | 9,472.57 |
| Other comprehensive income (net of tax) | | - | - | 30.01 | - | (176.17) | (146.16) |
| **Total comprehensive income** | | **-** | **-** | **9,502.58** | **-** | **(176.17)** | **9,326.41** |
| **Transactions with owners, recorded directly in equity** | | | | | | | |
| **Contributions by and distributions to owners** | | | | | | | |
| Final dividend on equity shares | 50 | - | - | (490.51) | - | - | (490.51) |
| **Total contributions by and distributions to owners** | | **-** | **-** | **(490.51)** | **-** | **-** | **(490.51)** |
| **Total transactions with owners** | | **-** | **-** | **(490.51)** | **-** | **-** | **(490.51)** |
| Received during the year | | 104.09 | | | | | 104.09 |
| Recognition of share based payment expense | | | | | 1,205.41 | | 1,205.41 |
| **Balance as at 31 March 2022** | | **104.09** | **-** | **51,078.65** | **1,252.15** | **155.34** | **52,590.23** |
| **Balance as at 1 April 2022** | | **104.09** | **-** | **51,078.65** | **1,252.15** | **155.34** | **52,590.23** |
| **Total comprehensive income for the year ended 31 March 2023** | | | | | | | |
| Profit for the year | | - | - | 9,143.18 | - | - | 9,143.18 |
| Other comprehensive income (net of tax) | | - | - | 38.24 | - | 213.00 | 251.24 |
| **Total comprehensive income** | | **-** | **-** | **9,181.42** | **-** | **213.00** | **9,394.42** |





# Consolidated Statement of changes in equity for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| Particulars | Note | Share application money pending allotment | Reserves and surplus | | | Items of OCI | Total |
|---|---|---|---|---|---|---|---|
| | | | Securities premium | Retained earnings | Share options outstanding reserve | Exchange differences on translation | |
| **Transactions with owners, recorded directly in equity** | | | | | | | |
| **Contributions by and distributions to owners** | | | | | | | |
| Final dividend on equity shares | 50 | - | - | (614.32) | - | - | (614.32) |
| **Total contributions by and distributions to owners** | | **-** | **-** | **(614.32)** | **-** | **-** | **(614.32)** |
| **Total transactions with owners** | | **-** | **-** | **(614.32)** | **-** | **-** | **(614.32)** |
| Received during the year | | 264.14 | | | | | 264.14 |
| **Shares options lapsed** | | | **3.36** | | **(3.36)** | | **-** |
| **Shares issued during the year** | | **(136.95)** | **469.54** | | **(335.08)** | | **(2.49)** |
| **Recognition of share based payment expense** | | **-** | | **-** | **1,521.03** | **-** | **1,521.03** |
| **Balance as at 31 March 2023** | | **231.28** | **472.90** | **59,645.75** | **2,434.74** | **368.34** | **63,153.01** |

**Description, nature and purpose of reserve:**

**(i) Retained earnings:** Retained earnings are the profits by the group has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders. It also includes remeasurement gain/loss of defined benefit plan.

**(ii) Other comprehensive income (OCI):** It comprises of exchange differences in translating financial statements of foreign operations.

**(iii) Share options outstanding reserve:** This reserve relates to stock options granted by the group to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested option.

**(iv) Share application money pending allotment:** This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

**(v) Securities premium :** This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

**Significant accounting policies** **3**

The accompanying notes form an integral part of the Consolidated financial statements
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023

# Consolidated Statement of Cash Flow for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| Profit before Tax | 11,061.31 | 12,498.89 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 3,646.08 | 2,584.60 |
| Finance costs | 2,624.71 | 1,193.15 |
| Loss/(Gain) on fair valuation of investments | 18.56 | (51.91) |
| (Gain)/Loss allowance on trade receivables (net) | (68.28) | 235.16 |
| (Gain) on sale/discard of property, plant and equipment and intangible assets | (6.49) | (43.19) |
| Liability no longer required written back | (1,077.61) | (118.87) |
| Interest income | (126.08) | (506.79) |
| Commission on guarantee given to joint venture | (24.43) | (22.28) |
| Unrealised foreign exchange fluctuations (net) | (100.06) | 105.58 |
| Reversal of provision | (962.00) | - |
| Share of loss/(profit) from a joint venture | 2,075.21 | (260.27) |
| Share based payment expense | 1,521.03 | 1,205.41 |
| **Cash generated from operation before working capital changes** | **7,520.64** | **4,320.59** |
| **Operating cash flows before working capital changes** | **18,581.95** | **16,819.48** |
| Working capital adjustments: | | |
| (Increase)/Decrease in trade receivables | (4,158.70) | 510.68 |
| (Increase)/Decrease in other non- current financial assets | (148.10) | 150.50 |
| (Increase) in other non current assets and loans | (453.59) | (329.28) |
| Decrease in other current financial assets | 324.82 | 547.89 |
| (Increase) in other current assets and loans | (5,294.17) | (2,915.70) |
| (Increase) in inventories | (5,274.84) | (4,643.51) |
| Increase in trade payables | 2,925.64 | 1,346.63 |
| Increase in other non current financial liabilities | 21.00 | 8.00 |
| Increase in other current financial liabilities | 202.80 | 333.67 |
| (Decrease)/Increase in other current liabilities | (322.66) | 379.52 |
| Increase in provisions | 174.31 | 166.98 |
| | **(12,003.49)** | **(4,444.62)** |
| Cash generated from operations | 6,578.46 | 12,374.86 |
| Income tax paid (net of refund) | (361.56) | (3,213.94) |
| **Net cash generated from operating activities** | **6,216.90** | **9,160.92** |
| **B. Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment and capital work-in-progress | (41,461.79) | (22,243.60) |
| Acquisition of intangible assets and intangible assets under development | (70.39) | (955.63) |
| Proceeds from sale of property, plant and equipment | 294.56 | 269.96 |
| Acquisition of investments | (651.00) | (16.00) |
| Proceeds in fixed deposits with banks (having maturity of more than 3 months) | 906.04 | 9,512.44 |
| Commission received on guarantee given to joint venture | 23.96 | 22.08 |
| Interest received | 105.22 | 466.12 |
| **Net cash used in investing activities** | **(40,853.40)** | **(12,944.63)** |
| **C. Cash flows from financing activities** | | |
| Proceeds from issue of share capital and securities premium | 264.14 | 104.09 |
| Proceeds from non-current borrowings | 41,217.95 | 10,098.47 |
| (Repayment)/Proceeds from current borrowings | (2,600.65) | 2,382.07 |
| (Repayment) of non current borrowings | (2,216.15) | (2,759.25) |
| Interest paid | (3,737.62) | (1,126.21) |
| Repayment towards lease liabilities including interest | (537.35) | (165.76) |
| Dividend paid | (614.32) | (490.51) |
| **Net cash generated in financing activities** | **31,776.00** | **8,042.90** |
| **Net increase in cash and cash equivalents (A+B+C)** | **(2,860.50)** | **4,259.19** |
| Cash and cash equivalents at beginning of the year (less bank overdrafts) (refer note 14) | 3,801.43 | (391.22) |
| Effect of exchange rate fluctuations on cash held | (126.59) | (66.54) |
| **Cash and cash equivalents as at end of the year (refer note 14)** | **814.34** | **3,801.43** |





# Consolidated Statement of Cash Flow for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Notes:**

(i) Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

(ii) Acquisition of property, plant and equipment includes movement of capital work-in-progress (including capital advances and liability for capital goods) during the year.

(iii) Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

| Particulars | As on 1 April 2022 | Cash flows | Fair value changes | As on 31 March 2023 |
|---|---|---|---|---|
| Non-current Borrowings including current maturities (note 21) | 18,003.33 | 39,001.80 | 956.30 | 57,961.43 |
| Current Borrowings (note 21) | 8,688.66 | (2,600.65) | - | 6,088.01 |

| Particulars | As on 1 April 2021 | Cash flows | Fair value changes | As on 31 March 2022 |
|---|---|---|---|---|
| Non-current Borrowings including current maturities (note 21) | 10,664.11 | 7,339.22 | - | 18,003.33 |
| Current Borrowings (note 21) | 6,302.88 | 2,382.07 | 3.71 | 8,688.66 |

The following is the movement in lease liabilities during the year

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Opening Balance** | **1,761.50** | **1,121.47** |
| Additions | 1,883.00 | 643.29 |
| Interest on lease liabilities | 287.80 | 162.48 |
| Disposal | (9.67) | - |
| Payment of lease liabilities | (537.35) | (165.74) |
| **Closing Balance** | **3,281.38** | **1,761.50** |

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023

# Notes to the Consolidated financial statements for the year ended 31 March 2023

## 1. Reporting entity

Greenply Industries Limited ('the Holding Company' or the 'Company') is a public company domiciled in India having its registered office situated at Makum Road, P.O. Tinsukia, Assam-786125, India. The Holding Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Holding Company is primarily involved in manufacturing of plywood and trading of plywood and allied products.

**The Holding Company has following subsidiary companies and joint ventures namely:**

(a) Greenply Holdings Pte. Limited incorporated in Singapore. It has invested in a Joint Venture Company viz. Greenply Alkemal (Singapore) Pte. Limited., incorporated in Singapore, is engaged in trading of veneers. Greenply Alkemal (Singapore) Pte. Limited has invested in a wholly owned subsidiary company - Greenply Industries (Myanmar) Private Limited which is engaged in manufacturing and trading of veneer and lumber.

(b) Greenply Middle East Limited, incorporated in Dubai, is engaged in trading of veneers. It has invested in a wholly owned subsidiary company - Greenply Gabon SA, Gabon, West Africa, is engaged in manufacturing and trading of veneer and lumber.

(c) Greenply Sandila Private Limited, incorporated in India, is engaged in manufacturing of plywood.

(d) Greenply Speciality Panels Private Limited (Formerly Known As Baahu Panels Private Limited) , incorporated in India, is engaged in manufacturing of Medium density fibreboards and allied products.

The Holding Company together with its subsidiaries and joint ventures collectively referred to as ""the Group"".

## 2. Basis of preparation

### a. Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The consolidated financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 30 May 2023.

The details of the Group's accounting policies are included in note 3.

### b. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise stated.

### c. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis, except for the following items:

| Items | Measurement |
|---|---|
| Derivative financial instruments | Fair value |
| Certain financial assets and financial liabilities | Fair value |
| Net defined benefit (asset)/ liability | Present value of defined benefit obligations as per actuarial valuation |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

### d. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for every period ended is included in the following notes:

- Note 4 – useful life and residual value of property, plant and equipment;

- Note 32 – measurement of defined benefit obligations: key actuarial assumptions;

- Note 37 – recognition of deferred tax assets;

- Note 40 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 43 – fair value measurement of investments;

- Note 44 – impairment of financial assets: key assumptions used in estimating recoverable cash flows.

### e. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation matters are reported to the Holding Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

Further information about the assumptions made in measuring fair values is included in note 43.

**f. Basis of consolidation**

(i) Subsidiaries

These Consolidated financial statements are prepared in accordance with Ind AS-110 on "Consolidated Financial Statements", specified under Section 133 of the Companies Act, 2013.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated financial statements are:

| Name of the Company | Country of Incorporation | Percentage of Holding (%) | |
|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 |
| Greenply Holdings Pte. Limited | Singapore | 100% | 100% |
| Greenply Middle East Limited | Dubai | 100% | 100% |
| Greenply Sandila Private Limited | India | 100% | 100% |
| "Greenply Speciality Panels Private Limited (Formely known as Baahu Panels Private Limited)" | India | 100% | 100% |
| Greenply Gabon SA* | Gabon | 100% | 100% |

*wholly owned subsidiary of  Greenply Middle East Limited

(ii) Loss of control

When the Group losses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement of profit or loss.

(iii) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiaries used in the consolidation procedures are drawn upto the same reporting date i.e. 31 March 2023.

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with subsidiaries are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Equity accounted investees

The Group's interest in equity accounted investee comprises interest in joint venture.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in  joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which joint control ceases. Joint venture considered in the Consolidated financial statements are:





# Notes to the Consolidated financial statements for the year ended 31 March 2023

| Name of the Company | Country of Incorporation | Percentage of Holding (%) | |
|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 |
| Greenply Alkemal (Singapore) Pte. Limited | Singapore | 50% | 50% |
| Greenply Industries (Myanmar) Private Limited* | Myanmar | 50% | 50% |

*wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited.

**3. Significant accounting policies**

**a. Current and non-current classification**

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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

Operating cycle

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

b. (i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries) like fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at an average rate.

The Group has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2015. Consequently, the Group has kept the same classification for the past business combinations as in its previous GAAP financial statements.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in Other Comprehensive Income (OCI) is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to Non-controlling Interest (NCI).

**c. Financial instruments**

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated and measured at transaction price. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value including transaction costs that are directly attributable to its acquisition or issue (except for an item at fair value through profit and loss (FVTPL)). The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost; or

- Fair value through Profit or Loss or Fair value through Other Comprehensive Income (FVOCI) .

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Financial assets at amortised cost





# Notes to the Consolidated financial statements for the year ended 31 March 2023

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

**Financial assets at FVTPL**

All financial assets which are not classified and measured at amortised cost or Fair value through other comprehensive income (FVOCI) as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI). For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets: Subsequent measurement**

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Consolidated Statement of Profit and Loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Consolidated Statement of Profit and Loss.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

In making this assessment, the group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

**Financial liabilities at amortised cost**

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss.

**Financial guarantee liabilities**

Financial guarantees issued by the Group are those contracts that require payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the





# Notes to the Consolidated financial statements for the year ended 31 March 2023

liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**(iii) Derecognition**

Financial assets

The Group derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or

- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) Derivative financial instruments**

The Group holds derivative financial instruments, such as foreign currency forward contracts, to hedge its foreign currency exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**d. Property, plant and equipment**

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, trial run expenses (net of revenue), less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work-in-progress.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation for the year is recognised in the Consolidated statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, in the manner specified in Part C of Schedule II of the Act. Depreciation commences from the date the assets are available for their intended use. The estimated useful lives of items of property, plant and equipment are consistent with the Schedule II of the Companies Act, 2013, which are as follows:

Buildings - 3 to 60 years

Plant and Equipments - 10 to 25 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 3 to 10 years

Freehold land is not depreciated. Useful lives and residual values are reviewed at each financial year end and adjusted as appropriate. Depreciation on additions (discard/disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (discarded/disposed off).

**e. Intangible assets**

(i) Recognition and measurement

Acquired Intangible assets:

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets:

Expenditure pertaining to research is expensed out as an when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to consolidated statement of profit and loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.





Notes to the Consolidated financial statements for the year ended 31 March 2023

(iii) Amortisation

Amortisation is the systematic allocation of the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Consolidated Statement of Profit and Loss. Amortization commences from the date the assets are available for their intended use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis .

The estimated useful lives are as follows:

| | |
|---|---|
| - Trademarks | 5 years |
| - Computer software | 5 years |
| - Licenses | indefinite |

Useful lives and residual values are reviewed and adjusted if appropriate at the end of each financial year or whenever there is an indication that intangible assets may be impaired.

**f. Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is ascertained on the 'weighted average' basis. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Raw materials held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

In the case of finished goods and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

**g. Impairment**

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of the ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes subsequent information. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

**h. Share-based payments**

Share-based compensation benefits are provided to employees via Greenply Employee Stock Options Scheme 2020.

Employee Options

The fair value of the options granted under the Greenply Employee Stock Options Scheme 2020 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model or Monte Carlo simulation method which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service and performance conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

**i. Employee benefits**

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A short-term liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into Employees' Provident Fund established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952, employee's state insurance and employee pension scheme, and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions under employee provident fund to Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

### (iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in the Consolidated Statement of Other comprehensive income (OCI).

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### (iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Such benefits are in form of leave encashment that accrue to employees in return of their service. The calculation of other long term employee benefits is performed by an independent qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in statement of Profit and Loss. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

### (v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

## j. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.





Notes to the Consolidated financial statements for the year ended 31 March 2023

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## k. Revenue

### (i) Sale of goods

The Group manufactures, sales and trades in plywood and allied products. Sales are recognised when control of the products has transferred, being when the products are dispatched/delivered to the dealer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risk of obsolescence and loss have been transferred to the dealer, and either the dealer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, if any. Revenue excludes taxes collected from customers.

The products are often sold with various dealers' incentive such as volume discounts based on aggregate sales over a 12 months period, cash discount on payment within specified period, promotional gifts on achieving specific targets, quality claims if claims made in the specified period and other promotional expenses. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, cash discounts, quality claims and promotional expenses. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (netted off with trade receivables) is recognised for expected volume discount payables, expected cash discount payables and expected quality claims in relation to sales made until the end of reporting period. Provision (included in other current liabilities) is recognised for expected sales promotional expenses against the sales made until the end of reporting period. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice.

Generally, the Group receives short term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods to the customer and when the customer pays for those goods will be one year or less.

## l. Government grants

Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the conditions attached thereto.

Government grants related to revenue are recognised in the Consolidated Statement of Profit and Loss on a systematic and rational basis in the periods in which the group recognises the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under ""Other Operating Revenue"".

## m. Leases and Right to use assets

With effect from 01 April 2019, the Group has applied Ind AS 116 using the modified retrospective approach. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for

# Notes to the Consolidated financial statements for the year ended 31 March 2023

consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

-- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

-- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

-- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

-- the Group has the right to operate the asset; or

-- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Under Ind AS 116: (as a lessee)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

-- fixed payments, including in-substance fixed payments;

-- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

-- amounts expected to be payable under a residual value guarantee; and

-- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in





# Notes to the Consolidated financial statements for the year ended 31 March 2023

an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statement of financial position

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office premises that have a lease term of 12 months or less and leases of low-value assets.

**n. Recognition of dividend income, interest income or expense and insurance claim**

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Insurance claim due to uncertainty in realisation are accounted for on acceptance basis.

**o. Income tax**

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax are recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**p. Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

**q. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**r. Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

**s. Cash and cash equivalents**

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Earnings per share**

Basic earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**v. Operating segment**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The CODM consists of the Chairman cum Managing Director, Joint Managing Director & CEO and Chief Financial Officer.

**w. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognise a contingent liability but disclosures its existence in the consolidated financial statements.

**3A. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

# Notes to the Consolidated financial statements for the year ended 31 March 2023

**Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statement





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 4. Property, plant and equipment

See accounting policy in note 3(d) and (g).

### (a) Reconciliation of carrying amount

| | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
|---|---|---|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | | | | |
| Balance at 1 April 2021 | 6,323.47 | 13,673.16 | 17,121.88 | 1,865.34 | 2,229.30 | 1,066.12 | 42,279.27 |
| Additions | 2,774.92 | 396.52 | 1,638.74 | 312.45 | 369.70 | 246.63 | 5,738.96 |
| Disposals/ discard | - | (156.98) | (300.47) | (0.24) | (93.00) | (0.15) | (550.84) |
| Exchange differences on translation of foreign operations | (129.25) | (79.74) | (91.04) | (2.18) | (6.40) | (0.42) | (309.03) |
| Balance at 31 March 2022 | 8,969.14 | 13,832.96 | 18,369.11 | 2,175.37 | 2,499.60 | 1,312.18 | 47,158.36 |
| **Balance at 1 April 2022** | **8,969.14** | **13,832.96** | **18,369.11** | **2,175.37** | **2,499.60** | **1,312.18** | **47,158.36** |
| Additions | 203.34 | 4,123.73 | 7,013.40 | 119.94 | 219.96 | 223.94 | 11,904.31 |
| Disposals/ discard | - | - | (456.14) | (12.67) | (333.20) | (157.02) | (959.03) |
| Exchange differences on translation of foreign operations | 360.36 | 223.26 | 326.87 | 8.48 | 18.46 | 1.72 | 939.15 |
| **Balance at 31 March 2023** | **9,532.84** | **18,179.95** | **25,253.24** | **2,291.12** | **2,404.82** | **1,380.82** | **59,042.79** |
| **Accumulated depreciation** | | | | | | | |
| Balance at 1 April 2021 | - | 2,826.04 | 9,073.02 | 787.96 | 884.46 | 784.31 | 14,355.79 |
| Depreciation for the year | - | 532.75 | 1,252.80 | 173.80 | 283.60 | 109.69 | 2,352.64 |
| Disposals/ discard | - | (20.18) | (264.64) | (0.24) | (64.06) | (0.14) | (349.26) |
| Exchange differences on translation of foreign operations | - | (17.25) | (35.33) | (1.12) | (2.39) | (0.36) | (56.45) |
| Balance at 31 March 2022 | - | 3,321.36 | 10,025.85 | 960.40 | 1,101.61 | 893.50 | 16,302.72 |
| **Balance at 1 April 2022** | **-** | **3,321.36** | **10,025.85** | **960.40** | **1,101.61** | **893.50** | **16,302.72** |
| Depreciation for the year | - | 660.13 | 1,749.45 | 202.36 | 310.79 | 155.48 | 3,078.21 |
| Disposals/ discard | - | (0.01) | (282.06) | (2.91) | (236.02) | (149.03) | (670.03) |
| Exchange differences on translation of foreign operations | - | 55.89 | 123.86 | 4.04 | 8.82 | 1.28 | 193.89 |
| **Balance at 31 March 2023** | **-** | **4,037.37** | **11,617.10** | **1,163.89** | **1,185.20** | **901.23** | **18,904.79** |
| **Carrying amounts (net)** | | | | | | | |
| Balance at 31 March 2022 | 8,969.14 | 10,511.60 | 8,343.26 | 1,214.97 | 1,397.99 | 418.68 | 30,855.64 |
| **Balance at 31 March 2023** | **9,532.84** | **14,142.58** | **13,636.14** | **1,127.23** | **1,219.62** | **479.59** | **40,138.00** |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

(b) For contractual commitment with respect to property, plant and equipment, refer note 40.

**(c) Security**

As at 31 March 2023, property, plant and equipment with a carrying amount of ₹ 30,561.07 lakhs (31 March 2022: ₹ 21,299.51 lakhs) are subject to first charge to secured borrowings (see note 21).

### 5. Right-of-use assets and leases

See accounting policy in note 3(m).

The Group's lease arrangement is in respect of lands taken on lease for the period ranging between 90-99 years, office premises/godown taken on lease for the period of 3-5 years, factory premises 5 years and vehicles taken on lease for the period 2-5 years.

**Following are the changes in the carrying value of right-of- use assets during the year.**

| Particulars | Factory Premises | Leasehold Land | Office premises/ godown | Vehicles | Total |
|---|---|---|---|---|---|
| Balance at 1 April 2021 | - | 2,630.02 | - | 141.89 | 2,771.91 |
| Additions | - | 107.37 | 392.93 | 249.50 | 749.80 |
| Disposals | - | - | - | - | - |
| Depreciation for the year | - | 31.06 | 58.38 | 88.45 | 177.89 |
| **Balance at 31 March 2022** | **-** | **2,706.33** | **334.55** | **302.94** | **3,343.82** |
| Balance at 1 April 2022 | - | 2,706.33 | 334.55 | 302.94 | 3,343.82 |
| Additions | 1,127.86 | 22.12 | 74.52 | 658.50 | 1,883.00 |
| Disposals/ cancelled | - | - | - | 8.75 | 8.75 |
| Depreciation for the year | 250.01 | 31.72 | 87.33 | 137.93 | 506.99 |
| Exchange differences on translation of foreign operations | 7.06 | - | | - | 7.06 |
| **Balance at 31 March 2023** | **884.91** | **2,696.73** | **321.74** | **814.76** | **4,718.14** |

The following is the movement in lease liabilities during the year.

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Opening Balance** | **1,761.50** | **1,121.47** |
| Additions | 1,883.00 | 643.29 |
| Interest on lease liabilities | 287.80 | 162.48 |
| Disposal | (9.67) | - |
| Payment of lease liabilities | (537.35) | (165.74) |
| Exchange differences on translation of foreign operations | (103.90) | - |
| **Closing Balance** | **3,281.38** | **1,761.50** |

The aggregate finance cost on lease liabilities is included under finance costs (refer note 33).

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current lease liabilities | 911.62 | 456.22 |
| Non-current lease liabilities | 2,369.76 | 1,305.29 |
| **Total** | **3,281.38** | **1,761.51** |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Less than one year | 911.62 | 456.22 |
| One to five years | 2,801.27 | 1,430.28 |
| More than five years | 349.16 | 350.59 |
| **Total** | **4,062.05** | **2,237.09** |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group incurred ₹ 842.59 lakhs (31 March 2022: ₹ 735.86 lakhs) for the year ended 31 March 2023 towards expenses relating to short term leases and leases of low value assets included under Rent (refer note 35).

The total cash outflow for leases is ₹ 1,379.94 lakhs (31 March 2022: ₹ 901.62 lakhs) for the year ended 31 March 2023, including cash outflow for short term and leases of low value assets.

### 6. Capital work-in-progress

See accounting policy in note 3(d) and (g)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| At the beginning of the year | 10,962.98 | 624.35 |
| Additions during the year | 50,970.48 | 12,147.91 |
| Capitalised during the year | (10,637.63) | (1,783.32) |
| Sold during the year | - | (25.19) |
| Exchange differences on translation of foreign operations | (0.02) | (0.77) |
| **At the end of the year** | **51,295.81** | **10,962.98** |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Capital work-in-progress includes:**

Pre-operative Expenditure incurred during construction period on new manufacturing facility of the Group:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **At the beginning of the year** | 1,232.32 | - |
| Additions during the year: | | |
| Finance costs | 2,026.27 | 505.63 |
| Employees benefits expense | 1,652.54 | 197.03 |
| Legal and professional fees | 251.94 | 167.61 |
| Miscellaneous expenses | 1,290.95 | 362.05 |
| | **5,221.70** | **1,232.32** |
| Less: Capitalised During the year | (970.14) | - |
| **At the end of the year** | **5,483.88** | **1,232.32** |

**Notes:**

(a) As at 31 March 2023, properties under capital work-in-progress with a carrying amount of ₹ 51,134.45 lakhs (31 March 2022: ₹ 10,874.58 lakhs) are subject to first charge to secured borrowings (refer note 21).

(b) Ageing Schedule of Capital Work in Progress is given below.

| Capital work-in-progress Ageing | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less Than One Year | 45,878.71 | - | 10,962.98 | - |
| One to Two Years | 5,417.10 | - | - | - |
| **Total** | **51,295.81** | **-** | **10,962.98** | **-** |

Details of capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

| Name of projects | 31 March 2023 To be completed in | | 31 March 2022 To be completed in | |
|---|---|---|---|---|
| | Less than 1 year | Total | Less than 1 year | Total |
| Manufacturing Plant of medium density fibreboards at Sherpura, Vadodara, Gujarat. | 49,943.28 | 49,943.28 | - | - |
| | **49,943.28** | **49,943.28** | **-** | **-** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 7A. Intangible assets

See accounting policy in note 3(e) and (g)

**Reconciliation of carrying amount**

| | Licenses (indefinite life) | Trade marks | Computer Software | Total |
|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | |
| Balance at 1 April 2021 | - | 22.87 | 754.81 | 777.68 |
| Additions | 900.00 | - | 55.65 | 955.65 |
| Exchange differences on translation of foreign operations | - | - | (0.21) | (0.21) |
| **Balance at 31 March 2022** | **900.00** | **22.87** | **810.25** | **1,733.12** |
| Balance at 1 April 2022 | 900.00 | 22.87 | 810.25 | 1,733.12 |
| Additions | - | - | 33.89 | 33.89 |
| Exchange differences on translation of foreign operations | - | - | 0.75 | 0.75 |
| **Balance at 31 March 2023** | **900.00** | **22.87** | **844.89** | **1,767.76** |
| **Accumulated amortisation** | | | | |
| Balance at 1 April 2021 | - | 22.87 | 604.95 | 627.82 |
| Amortisation for the year | - | - | 54.07 | 54.07 |
| Exchange differences on translation of foreign operations | - | - | (0.21) | (0.21) |
| **Balance at 31 March 2022** | **-** | **22.87** | **658.81** | **681.68** |
| Balance at 1 April 2022 | - | 22.87 | 658.81 | 681.68 |
| Amortisation for the year | - | - | 60.88 | 60.88 |
| Exchange differences on translation of foreign operations | - | - | 0.62 | 0.62 |
| **Balance at 31 March 2023** | **-** | **22.87** | **720.31** | **743.18** |
| **Carrying amounts (net)** | | | | |
| **Balance at 31 March 2022** | **900.00** | **-** | **151.44** | **1,051.44** |
| **Balance at 31 March 2023** | **900.00** | **-** | **124.58** | **1,024.58** |

**Licenses (indefinite life):**

For Licenses of the Group that are regarded to have indefinite useful lives. There is no foreseeable limit to the period over which these licenses will be valid and are expected to generate cash flows for the Group.

## 7B. Intangible assets under development

See accounting policy in note 3(e) and (g)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| At the beginning of the year | - | - |
| Additions during the year | 36.50 | - |
| **At the end of the year** | **36.50** | **-** |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Note:**

(a) Ageing Schedule of Intangible assets under development is given below.

| Intangible assets under development Ageing | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less Than One Year | 36.50 | - | - | - |
| **Total** | **36.50** | **-** | **-** | **-** |

(c) There is no project whose completion is overdue or has exceeded its cost compared to its original plan for period ended 31st March 2023.

**8. Investment accounted for using the equity method**

See accounting policy in note 3(c) and (g)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current investments** | | |
| Unquoted | | |
| **Investment in joint venture** | | |
| 3,750,000 (31 March 2022: 3,750,000) equity shares of Greenply Alkemal (Singapore) Pte. Limited, (face value USD 1 each, fully paid-up) | 123.07 | 2,198.28 |
| | | |
| Aggregate value of unquoted investments | 123.07 | 2,198.28 |
| Aggregate amount of impairment in value of investments | - | - |
| | | |
| **Equity accounted investees** | | |
| Interest in a joint venture | 123.07 | 2,198.28 |

**Joint Venture**

Greenply Alkemal (Singapore) Pte. Limited is a joint arrangement in which the Group has 50% ownership interest. It is principally engaged in the business of trading and marketing of commercial veneers and other products. Greenply Alkemal (Singapore) Pte. Limited is not publicly listed.

Greenply Industries (Myanmar) Private Limited is a wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited. It is principally engaged in the business of manufacturing and marketing of commercial veneers.

Greenply Alkemal (Singapore) Pte. Limited is structured as a separate legal entity and the Group has an interest in the net assets of Greenply Alkemal (Singapore) Pte. Limited. Accordingly, the Group has classified its interest in Greenply Alkemal (Singapore) Pte. Limited as a joint venture.

The following table summarise the financial information of Greenply Alkemal (Singapore) Pte. Limited and the carrying amount of the Group's interest in Greenply Alkemal (Singapore) Pte. Limited.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Percentage ownership interest** | 50% | 50% |
| **Non-current assets** | 1.72 | 4,047.83 |
| Current assets (including cash and cash equivalents - 31 March 2023: ₹ 137.92 lakhs, 31 March 2022 ₹ 149.24 lakhs) | 359.72 | 3,441.46 |
| | **361.44** | **7,489.29** |
| Non-current liabilities (non-current financial liabilities other than trade payables and other financial liabilities and provisions - 31 March 2023: ₹ Nil lakhs, 31 March 2022: ₹ Nil lakhs) | - | (1,849.32) |
| | | |
| Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions– 31 March 2023: ₹ 105.09 lakhs, 31 March 2022: ₹ 1082.31 lakhs) | (115.31) | (1,243.41) |
| | **(115.31)** | **(3,092.73)** |
| **Net assets** | **246.13** | **4,396.56** |
| **Group's share of net assets** | **123.07** | **2,198.28** |
| **Carrying amount of interest in joint venture** | **123.07** | **2,198.28** |

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Percentage ownership interest** | **50%** | **50%** |
| Revenue | 2,582.94 | 7,562.38 |
| Depreciation and amortisation | (374.79) | (350.47) |
| Interest expense | (443.23) | (429.59) |
| Profit/(Loss) | (4,150.42) | 520.54 |
| **Total comprehensive income/(loss)** | **(4,150.42)** | **520.54** |
| Group's share of Profit/(loss) | (2,075.21) | 260.27 |
| Group's share of other comprehensive income/(loss) | - | - |
| Group's share of total comprehensive income/(loss) | (2,075.21) | 260.27 |

a) During the year, Greenply Industries (Myanmar) Private Limited, (Myanmar) has disposed/discarded off its assets in its manufacturing unit due to political and adverse business environment in Myanmar. The aforesaid losses are primarily on account of the same.

b) During the years ended 31 March 2023 and 31 March 2022, the Group did not receive dividends from the joint venture.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 9. Investments

See accounting policy in note 3(c) and (g)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current investments** | | |
| **Quoted** | | |
| **Equity instruments carried at fair value through profit and loss (FVTPL)** | | |
| **3,400** (31 March 2022: 3,400) equity shares of Indian Overseas Bank Limited (face value ₹ 10 each, fully paid-up) | 0.76 | 0.62 |
| **Unquoted** | | |
| **Equity instruments carried at fair value through profit and loss (FVTPL)** | | |
| **11,40,000** (31 March 2022: 11,40,000) equity shares of Nemani Panels Private Limited (face value ₹10 each, fully paid-up) | 140.45 | 156.41 |
| **19,60,000** (31 March 2022: 18,00,000) equity shares of Panchjanaya ply & Board Private Limited (face value ₹.10 each, fully paid-up) | 222.07 | 224.81 |
| **7,60,000** (31 March 2022: Nil) equity shares of Hapur Plywood Private Limited (face value ₹10 each, fully paid-up) | 76.00 | - |
| **Equity instruments carried at cost** | | |
| **57,50,000** (31 March 2022: Nil) equity shares of ReNew Green (GJ Four) Private Limited (face value ₹10 each, fully paid-up)^ | 74.80 | - |
| | **514.08** | **381.84** |
| Aggregate book value of quoted investments | 0.76 | 0.62 |
| Aggregate market value of quoted investments | 0.76 | 0.62 |
| Aggregate value of unquoted investments | 513.32 | 381.22 |
| Aggregate amount of impairment in value of investments | - | - |

Information about the Group's fair value measurement and exposure to credit and market risks are disclosed in note 42 and 43.

^ In line with the philosophy of enhancing the share of renewable power source in its operations, the Group has entered into a Power Purchase Agreement (PPA) during the year with ReNew Green (GJ Four) Private Limited to procure agreed output of wind and solar energy. Further, to comply with regulatory requirement for being a "captive user" under the Electricity Laws, 2003, during the year, the Group has entered into the Share Purchase, Subscription and Shareholder's Agreement (SPSSA) to acquire up to 31.20% stake in ReNew Green (GJ Four) Private Limited, throughout the term of the definitive agreements i.e. PPA and SPSSA.

## 10. Loans

(Unsecured, considered good)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current** | | |
| Loan to employees | 80.45 | 44.57 |
| | **80.45** | **44.57** |
| **Current** | | |
| Loan to employees | 129.65 | 74.12 |
| | **129.65** | 74.12 |
| | **210.10** | **118.69** |

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 11. Non-current tax assets

See accounting policy in note 3(o)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Advance income tax (Net of provision for tax) | 276.31 | 1,257.44 |
| | **276.31** | **1,257.44** |

## 12. Inventories

(Valued at the lower of cost and net realisable value)

See accounting policy in note 3(f)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Raw materials** | 9,434.73 | 8,992.35 |
| [including in transit ₹ 801.66 Lakhs (31 March 2022 ₹ 1,713.85 lakhs)] | | |
| Work-in-progress | 2,699.87 | 2,072.48 |
| [including in transit ₹ Nil lakhs (31 March 2022 ₹ 32.50 lakhs)] | | |
| Finished goods | 10,845.64 | 6,938.77 |
| [including in transit ₹ 3,985.39 lakhs (31 March 2022 ₹ 3,419.63 lakhs)] | | |
| Stock in trade | 3,665.26 | 3,778.76 |
| [including in transit ₹ 1,085.01 lakhs (31 March 2022 ₹ 1.301.83 lakhs)] | | |
| Stores and spares | 1,192.65 | 780.95 |
| [including in transit ₹ Nil lakhs (31 March 2022 ₹ Nil lakhs)] | | |
| | **27,838.15** | **22,563.31** |

## 13. Trade receivables

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Current** | | |
| **Unsecured** | | |
| - Considered good | 23,438.73 | 19,297.96 |
| - Credit impaired | - | - |
| | **23,438.73** | **19,297.96** |
| Less: Loss allowances | 566.41 | 654.50 |
| **Net trade receivables** | **22,872.32** | **18,643.46** |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Notes:**

(a) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

(b) Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 44.

(c) For receivables secured against borrowings, see note 21.

(d) There is no unbilled trade receivable as on 31st March 2023 and 31 March 2022.

(e) Ageing Schedule for trade receivables is given below.

| 31 March 2023 Particulalrs | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 15,298.81 | 6,694.68 | 299.70 | 733.46 | 120.61 | 145.70 | 23,292.96 |
| (ii) Disputed trade receivable Considered good | - | - | - | - | 2.93 | 142.84 | 145.77 |
| **Total** | **15,298.81** | **6,694.68** | **299.70** | **733.46** | **123.54** | **288.54** | **23,438.73** |
| Less: Loss allowances | | | | | | | 566.41 |
| **Net trade receivables** | | | | | | | **22,872.32** |

| 31 March 2022 Particulalrs | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 14,168.42 | 3,689.20 | 294.55 | 490.76 | 277.28 | 192.66 | 19,112.87 |
| (ii) Disputed trade receivable Considered good | - | 0.36 | - | 18.38 | 84.12 | 82.23 | 185.09 |
| **Total** | **14,168.42** | **3,689.56** | **294.55** | **509.14** | **361.40** | **274.89** | **19,297.96** |
| Less: Loss allowances | | | | | | | 654.50 |
| **Net trade receivables** | | | | | | | **18,643.46** |

## 14. Cash and cash equivalents

See accounting policy in note 3(s)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Cash on hand | 355.80 | 284.43 |
| Balances with banks | | |
| - On current accounts | 2,750.78 | 6,011.50 |
| **Cash and cash equivalents in balance sheet** | **3,106.58** | **6,295.93** |
| Bank overdrafts | (2,292.24) | (2,494.50) |
| **Cash and cash equivalents in the consolidated statement of cash flows** | **814.34** | **3,801.43** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 15. Bank balances other than cash and cash equivalents

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Bank deposits due to mature after 3 months of original maturities but within 12 months from the reporting date* | 28.77 | 955.58 |
| Earmarked balances with banks for unpaid dividend accounts | 6.61 | 6.38 |
| | **35.38** | **961.96** |

* Out of above ₹ 28.77 lakhs (31 March 2022: ₹ 26.95 lakhs) pledged/lodged with various government authorities as security.

## 16. Other non-current assets

(Unsecured, considered good)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Capital advances | 1,895.80 | 8,794.00 |
| **Advances other than capital advances** | | |
| Deposits against demand under appeal and/or under dispute | 88.60 | 60.56 |
| Amount due from government authorities | 61.92 | 56.77 |
| Prepaid expenses | 1,313.14 | 434.78 |
| Security deposits | 26.01 | 26.01 |
| | **3,385.47** | **9,372.12** |

## 17. Other financial assets

(Unsecured, considered good)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current** | | |
| Security deposits* | 246.85 | 190.70 |
| Other receivables | 174.33 | 64.83 |
| Bank deposits due to mature after 12 months from the reporting date^ | 531.43 | 510.66 |
| | **952.61** | **766.19** |
| ^Pledged/lodged with various government authorities as security. | | |
| | | |
| **Current** | | |
| Government grants receivable (refer note 17.1) | 58.98 | 157.43 |
| Security deposits* | 258.10 | 266.05 |
| Insurance claim receivable | 97.88 | 88.15 |
| Other receivables | 170.99 | 399.14 |
| Commision receivable from joint venture (refer note 41) | 6.07 | 5.60 |
| | **592.02** | **916.37** |
| | **1,544.63** | **1,682.56** |

*For security deposit given to related parties refer note 41.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**17.1** Government grant receivable represents incentives against scheme of budgetary support under Goods and Services Tax Regime for the unit set-up in Tizit, Nagaland.

## 18. Other current assets

(Unsecured, considered good)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **To parties other than related parties** | | |
| Advances to suppliers | 4,385.14 | 2,698.78 |
| Advances to employees | 215.06 | 82.80 |
| **Others** | | |
| Prepaid expenses | 597.18 | 678.91 |
| Gratuity (refer note 32) | - | 27.21 |
| Amount due from government authorities | 5,513.88 | 1,975.25 |
| | **10,711.26** | **5,462.95** |

## 19. Equity share capital

See accounting policy in note 3(q)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Authorised** | | |
| 160,000,000 (31 March 2022: 160,000,000) equity shares of ₹ 1 each | 1,600.00 | 1,600.00 |
| | | |
| **Issued, subscribed and fully paid-up** | | |
| 122,876,395 (31 March 2022: 122,627,395) equity shares of ₹ 1 each | 1,228.76 | 1,226.27 |

**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Balance at the beginning of the year | 12,26,27,395 | 1,226.27 | 12,26,27,395 | 1,226.27 |
| Add: Issued during the year | 2,49,000 | 2.49 | - | - |
| **Balance at the end of the year** | **12,28,76,395** | **1,228.76** | **12,26,27,395** | **1,226.27** |

**(b) Rights, preferences and restrictions attached to equity shares**

The Holding Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Holding Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Note:**

**Shares held in abeyance**

In compliance with the provisions of the Companies Act, 2013, 3020 equity shares of the Holding Company held by 5 shareholders have been held in abeyance.

**(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares**

| Equity shares of ₹ 1 each | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | % | Number | % |
| Rajesh Mittal On Behalf Of Trade Combines, Partnership Firm | 1,17,02,380 | 9.52% | 1,17,02,380 | 9.54% |
| Showan Investment Private Limited | 4,65,46,179 | 37.88% | 4,64,17,179 | 37.85% |
| HDFC Trustee Company Limited | 1,05,14,020 | 8.56% | 90,64,020 | 7.39% |
| Mirae Asset Great Consumer Fund | 1,07,79,721 | 8.77% | 89,60,989 | 7.31% |

**(d) Shares held by promoters at the end of the year**

| Promoter Name | 31 March 2023 | | 31 March 2022 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | % of total shares | No. of Shares | % of total shares | |
| Rajesh Mittal | - | 0.00% | 50,07,250 | 4.08% | -4.08% |
| Rajesh Mittal On Behalf of Trade Combines, Partnership Firm | 1,17,02,380 | 9.52% | 1,17,02,380 | 9.54% | -0.02% |
| Sanidhya Mittal | - | 0.00% | 1,21,300 | 0.10% | -0.10% |
| Karuna Mittal | - | 0.00% | 7,33,600 | 0.60% | -0.60% |
| Rajesh Mittal & Sons, Huf | 1,61,821 | 0.13% | 1,61,821 | 0.13% | 0.00% |
| Showan Investment Private Limited | 4,65,46,179 | 37.88% | 4,64,17,179 | 37.85% | 0.03% |
| Mittal Business Holdings Trust (Trustee - Rajesh Mittal & Sanidhya Mittal) | 58,76,650 | 4.78% | - | 0.00% | 4.78% |
| | **6,42,87,030** | **52.32%** | **6,41,43,530** | **52.31%** | **0.01%** |

**(e) Stock option schemes**

'Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 38.

**(f) The Holding Company for the period of five years immediately preceding the reporting date has not:**

(i) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.

(ii) Allotted fully paid up shares by way of bonus shares.

(iii) Bought back any class of shares.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**19. Other equity**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Securities premium** | | |
| Balance at the commencement of the year | - | - |
| Add: Received on issue of shares | 469.54 | - |
| **Balance at the end of the year** | **469.54** | **-** |
| | | |
| **Retained earnings** | | |
| Balance at the commencement of the year | 51,078.65 | 42,066.58 |
| Add: Profit for the year | 9,143.18 | 9,472.57 |
| Add: Transfer from Share option outstanding reserve | 3.36 | - |
| Less: Dividend on equity shares | (614.32) | (490.51) |
| Add: Remeasurements of the net defined benefit plans | 38.24 | 30.01 |
| **Balance at the end of the year** | **59,649.11** | **51,078.65** |
| | | |
| **Share application money pending allotment** | | |
| At the commencement of the year | 104.09 | - |
| Add: Received during the year | 264.14 | 104.09 |
| Less: Shares issued during the year | (136.95) | - |
| **Balance at the end of the year** | **231.28** | **104.09** |
| | | |
| **Share option outstanding reserve** | | |
| At the commencement of the year | 1,252.15 | 46.74 |
| Add: Provision during the year | 1,521.03 | 1,205.41 |
| Less: Shares issued during the year | (335.08) | - |
| Less: Trasnfer to Retained Earnings | (3.36) | - |
| **Balance at the end of the year** | **2,434.74** | **1,252.15** |
| | | |
| **Other comprehensive income (OCI)** | | |
| Balance at the commencement of the year | 155.34 | 331.51 |
| Exchange differences in translating financial statements of foreign operations | 213.00 | (176.17) |
| **Balance at the end of the year** | **368.34** | **155.34** |
| | **63,153.01** | **52,590.23** |

**(a) Description, nature and purpose of reserve:**

(i) Retained earnings: Retained earnings are the profits by the group has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders. It also includes remeasurement gain of defined benefit plans.

(ii) Share options outstanding reserve: This reserve relates to stock options granted by the group to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(iii) Other comprehensive income (OCI): It comprises of exchange differences in translating financial statements of foreign operations.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

(iv) Share application money pending allotment: This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

**(b) Disaggregation of changes in items of OCI**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Retained earnings** | | |
| Exchange differences in translating financial statements of foreign operations | 368.34 | 155.34 |
| | **368.34** | **155.34** |

**21. Borrowings**

See accounting policy in note 3 (c) and (p)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current borrowings** | | |
| | | |
| **Secured** | | |
| Term loans from bank | | |
| Foreign currency loans | 23,127.28 | 6,453.43 |
| Rupee loans | 34,796.82 | 11,463.46 |
| | **57,924.10** | **17,916.89** |
| Less: Current maturities of non-current borrowings | 6,415.31 | 3,645.94 |
| | **51,508.79** | **14,270.95** |
| | | |
| Loan against vehicles | 37.33 | 86.44 |
| Less: Current maturities of loan against vehicles | 21.94 | 49.23 |
| | **15.39** | **37.21** |
| | | |
| | **51,524.18** | **14,308.16** |
| **Current borrowings** | | |
| | | |
| **Secured** | | |
| From banks | | |
| Foreign currency loans - repayable on demand | 5,073.83 | 5,622.83 |
| Bank overdraft | 2,292.24 | 2,494.50 |
| Rupee loans - repayable on demand | - | 583.26 |
| Current maturities of non-current borrowings | 6,415.31 | 3,645.94 |
| Current maturities of loan against vehicles | 21.94 | 49.23 |
| | **13,803.32** | **12,395.76** |
| **Unsecured** | | |
| From banks | | |
| Channel finance assurance facility* | 572.50 | 572.50 |
| Foreign loans - bill discounting | 441.68 | 1,910.07 |
| | **1,014.18** | **2,482.57** |
| | | |
| | **14,817.50** | **14,878.33** |

## Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

* The Group through banks and other source facilitate channel finance for inventory funding facility for its customers. Such arrangements do not qualify for de-recognition due to some liability of loss is still with the Group. Consequently at the year-end, the amount of liability of loss which remains with the Group are shown as unsecured loan.

Information about the Group's exposure to credit and currency risks, and loss allowances related to borrowings are disclosed in note 44.

**(A) Terms of repayment**

| Name of the lender | Interest rate | Repayment schedule | Year of Maturity | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|---|
| **(i) Foreign currency term loans** | | | | | |
| Landesbank Baden-Wurttemberg EUR 114.76 Lakhs(31 March 2022: Nil) | 6 month Euribor plus 0.475% | Repayable at half yearly rest: 17 installment of Eur 7.94 Lakhs | 2031-32 | 10,396.23 | - |
| Axis Bank Limited [USD Nil (31 March 2022: USD 9.99 lakhs)] | "3 month Libor +2.75%" | | 2023-24 | - | 757.04 |
| Export-Import Bank of India [EURO Nil (31 March 2022: Euro 17.19 lakhs)] | "3 month Euribor +3.25%" | | 2023-24 | - | 1,441.18 |
| BGFI Bank [XAF 19735.88 lakhs (31 March 2022: XAF 20000 lakhs)] | 8.5%+ 1% Cess | Repayable in 16 installments quarterly rest | 2026-27 | 2,678.04 | 2,493.04 |
| BGFI Bank [XAF 62721.01 lakhs (31 March 2022: XAF Nil lakhs)] | 8.5%+ 1% Cess | Repayable in 16 installments quarterly rest | 2027-28 | 8,510.85 | - |
| UGB Bank [XAF 11365.03 lakhs (31 March 2022: XAF 14000 lakhs)] | 8.5%+ 18% Taxes | Repayable in 24 installments monthly rest | 2024-25 | 1,542.16 | 1,762.17 |
| | | | | **23,127.28** | **6,453.43** |
| **(ii) Rupee term loans** | | | | | |
| HDFC Bank Limited | 3 year MCLR | Repayable at quarterly rest: 2 of ₹ 300.00 lakhs | 2023-24 | 599.92 | 1,499.47 |
| HDFC Bank Limited | "3 months MCLR +0.45%" | | 2022-23 | - | 719.23 |
| HDFC Bank Limited | "3 months MCLR +0.45%" | Repayable at quarterly rest: 9 installment of ₹ 70.00 lakhs | 2024-25 | 629.24 | 908.46 |
| HDFC Bank Limited | Linked to 3 Month T-Bill + spread | Repayable at quarterly structured repayment of 28 installment from FY 2024-25 | 2030-31 | 12,757.11 | 1,000.00 |
| HDFC Bank Limited | Linked to 1 Month T-Bill + spread | Repayable at quarterly rest: 20 installment of ₹ 367.5 lakhs from fy 2023-24 | 2027-28 | 7,340.36 | 7,336.30 |
| Axis Bank Ltd | Linked to Repo rate + Spread | Repayable at quarterly structured repayment of 28 installment from FY 2024-25 | 2030-31 | 6,485.67 | - |
| Kotak Bank Ltd | Linked to Repo rate + Spread | Repayable at quarterly structured repayment of 28 installment from FY 2024-25 | 2030-31 | 6,984.52 | - |
| | | | | **34,796.82** | **11,463.46** |
| **Total** | | | | **57,924.10** | **17,916.89** |

**(B) Details of security**

(a) Foreign currency loans of Greenply Speciality Panels Private Limited of ₹ 10,396.23 lakhs (31 March 2022: ₹ Nil) are secured by: Charge by way of hypothecation over the MDF production line machinery including the Conti-Roll Press as per contract with Siempelkamp Maschinen-und Anlagenbau GmbH.

(b) Term loan of Greenply Middle East Limited from Axis Bank Limited of ₹ Nil lakhs (31 March 2022: ₹ 757.04 lakhs) was secured by Standby letter of credit.

(c) Term loan of Greenply Gabon SA from Export Import Bank of India of ₹ Nil lakhs (31 March 2022: ₹ 1,441.18 lakhs) was secured by exclusive charge on the movable project assets including current assets at Gabon and Corporate gurantee from the Holding Company. Pledge of 100% shares of the Greenply Gabon SA held by Greenply Middle East Limited U.A.E.

(d) Term Loan of Greenply Gabon SA from BGFI Bank ₹ 2,678.04 lakhs (31 March 2022: ₹ 2,493.04 lakhs) is secured by (i) mortgage of factory Land at Gabon. This bank medium Term Loan repayble on demand and bearing interest rate 8.5% p.a. repayble in 5 years commencing quarterly from 31/05/2023.

(e) Term Loan of Greenply Gabon SA from BGFI Bank ₹ 8,510.85 lakhs (31 March 2022: ₹ Nil lakhs) is secured by (i) mortgage of factory Land at Gabon. This bank medium Term Loan repayble on demand and bearing interest rate 8.5% p.a. repayble in 5 years commencing quarterly from 31/07/2023.

(f) Term Loan of Greenply Gabon SA from UGB Bank ₹ 1,542.16 lakhs (31 March 2022: ₹ 1,762.17 lakhs) is secured by (i) Mortgage of Equipment. This bank medium Term Loan repayble on demand and bearing interest rate 8.5% p.a. repayble in 2.5 years commencing monthly from 22/09/2022.

(g) Term loans of ₹ 1,229.16 lakhs (31 March 2022: ₹ 3,127.16 lakhs) are secured by:

i) First pari-passu charge on immovable fixed assets of the Parent Company situated at Kriparampur (West Bengal).

ii) First pari passu charge on all movable fixed assets of the Parent Company, present and future, except assets specifically charged to other lenders.

iii) Second pari passu charge on all the current assets of the Parent Company.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

(h) Rupee term loans of Greenply Speciality Panels Private Limited of ₹ 26,227.30 Lakhs (31 March 2022: ₹ 1,000 Lakhs) are secured by

i) First Pari Passu charge on immovable fixed assets situated at Vadodara, Gujarat, India, including land and building.

ii) First Pari Passu charge on all movable fixed assets of the Company, present and future except for one exclusively charged to LBBW.

iii) Second pari passu charge on all the current Assets of the Company.

iv) Unconditional and Irrevocable Corporate Guarantee of Holding Company for entire tenure of loan.

(i) Rupee term loans of Greenply Sandila Private Limited of ₹ 7,340.36 Lakhs (31 March 2022: ₹ 7,336.30 Lakhs) are secured by:

i) Exclusive charge on immovable fixed assets situated at Sandilia Industrial Area, Hardoi, India.

ii) Exclusive charge on all movable fixed assets of the Company, present and future.

iii) Second exclusive charge on all current assets of the Company.

iv) Unconditional and Irrevocable Corporate Guarantee of Holding Company for entire tenure of loan.

(j) Rupee loan repayable on demand of ₹ Nil lakhs (31 March 2022: ₹ 583.26 lakhs) are secured by:

i) First pari passu charge on all the current assets of the Holding Company.

ii) Second pari passu charge on all movable fixed assets of the Holding Company, present and future, except assets specifically charged to other lenders.

iii) Second pari passu charge on immovable fixed assets of the Holding Company situated at Kriparampur (West Bengal).

(k) Secured Loan against vehicles are in respect of finance of vehicles, secured by hypothecation of the respective vehicles, which is repayable in 37 to 60 months and with interest rate ranging between 6.90% p.a to 9.44% p.a.

(l) Working capital loans of Greenply Middle East Limited of ₹ 2,300.83 lakhs (31 March 2022: ₹ 2,121.84 lakhs) and Bank overdraft of Greenply Middle East.Limited of ₹ 2,292.24 lakhs (31 March 2022: ₹ 2,494.50 lakhs) are secured by Standby letter of credit issued by Axis Bank Limited, India and CITI Bank, India on behalf of the Holding Company.

(m) Short Term borrowings repayable upto 90 days and working capital loans repayable on demand of Greenply Gabon SA of ₹ 2,773.00 lakhs (31 March 2022: ₹ 3,500.99 lakhs) from local banks at gabon are secured by (i) an irrevocable domiciliation of receipts up to 20% - 40% of turnover (ii) a pledge of goodwill having interest rates of 8% to 8.5% p.a.

(n) Foreign currency loan - buyers credit and bill discounting of ₹ 441.68 lakhs (31 March 2022: ₹ 1,910.07 lakhs) is secured by standby letter of credit/letter of credit issued by banks using fund based limit of the Holding Company.

(o) The Group has submitted quarterly statements of financial information as required by banks which are in agreement with the books of accounts.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

### 22. Other financial liabilities

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current** | | |
| Security deposits from customers | 1.00 | 1.00 |
| Security deposits from Suppliers | 29.00 | 8.00 |
| | **30.00** | **9.00** |
| **Current** | | |
| Interest accrued but not due on borrowings | 432.98 | 46.40 |
| Liability for capital goods | 3,645.06 | 2,242.27 |
| Employee benefits payable (refer note c below) | 2,267.59 | 2,064.79 |
| Unclaimed dividend | 6.61 | 6.38 |
| | **6,352.24** | **4,359.84** |

(a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2023.

(b) Information about the Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 44.

(c) It includes remuneration payable to related parties, refer note 41.

### 23. Provisions

See accounting policy in note 3(i) and (j)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Non-current** | | |
| Provisions for employee benefits: | | |
| Net defined benefit liability - gratuity | 42.52 | - |
| Liability for compensated absences | 637.30 | 563.88 |
| | **679.82** | **563.88** |
| **Current** | | |
| Provision for Litigation {refer note below} | 554.03 | 1,516.03 |
| Provisions for employee benefits | | |
| Net defined benefit liability - gratuity | 13.61 | - |
| Liability for compensated absences | 165.33 | 171.64 |
| | **732.97** | **1,687.67** |

**(a) Movement of provisions (Current)**

| | Provision for litigation |
|---|---|
| Balance as at 1 April 2021 | 1,516.03 |
| Add: Provisions made during the year 2021-22 | - |
| **Balance as at 31 March 2022** | **1,516.03** |
| Less: Provisions reversed during the year 2022-23 | (962.00) |
| **Balance as at 31 March 2023** | **554.03** |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

In a case related to availing of area based exemption under Central Excise where Parent Company was required to pay back excess refund received from the Excise Department for the period from 01.04.2008 to 30.06.2017, the Parent Company had paid under protest its share of liability of ₹ 1,625.62 lakhs during the financial ended 31 March 2021. The Parent Company had also made a provision of ₹ 1,516.03 lakhs towards its share of estimated interest even though the applicability of interest is litigative in nature. This provision was made with respect it the Parent Company's own share of 60% in reference to Clause No. 4.3.6 of the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited, duly approved by the Hon'ble National Company Law Tribunal, Guwahati Bench on 28.06.2019. Considering the nature and size of transaction, the Parent Company has already disclosed the above mentioned impact as an "exceptional items" in the financial result for the year ended 31 March 2020 and those for the year ended 31 March 2021.

During the current year, the Parent Company has received an order from Office of the Commissioner, Department of Revenue, Central Goods and Services Tax fixing the special rate of value additions for the financial years 2007-08 to 2016-17 in respect of availing of area based exemption under Central Excise. The management has reassessed its liability to ₹ 2,179.64 lakhs including interest with respect to the same and consequently has reversed an excess provision of ₹ 962 lakhs, as recognised in earlier years as an "exceptional items" for the year ended 31 March 2023, post providing full impact pursuant to Clause No. 4.3.6 of the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited, duly approved by the Hon'ble National Company Law Tribunal, Guwahati Bench on 28.06.2019.

## 24. Trade payables

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Dues to micro and small enterprises | 124.29 | 158.76 |
| Dues to other than micro and small enterprises | 21,138.03 | 21,213.95 |
| Dues to related parties (refer note 41) | 203.90 | 265.13 |
| Acceptances | 2,802.45 | - |
| | **24,268.67** | **21,637.84** |

Information about the Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 44.

| 31 March 2023 | Outstanding of following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| **Particulars** | **Not Due** | **Less Than One Year** | **One to two years** | **Two to three years** | **More than three years** | |
| (i) MSME | 116.63 | 4.88 | 2.78 | - | - | 124.29 |
| (ii) Others | 12,313.54 | 7,560.39 | 74.67 | 18.06 | 16.34 | 19,983.00 |
| **Total** | **12,430.17** | **7,565.27** | **77.45** | **18.06** | **16.34** | **20,107.29** |
| | | | | | | |
| Unbilled Trade payables | | | | | | 4,161.38 |
| | | | | | | **24,268.67** |

| 31 March 2022 | Outstanding of following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| **Particulars** | **Not Due** | **Less Than One Year** | **One to two years** | **Two to three years** | **More than three years** | |
| (i) MSME | 137.79 | 20.97 | - | - | - | 158.76 |
| (ii) Others | 10,055.88 | 5,761.75 | 24.53 | 24.93 | 38.36 | 15,905.45 |
| **Total** | **10,193.67** | **5,782.72** | **24.53** | **24.93** | **38.36** | **16,064.21** |
| | | | | | | |
| Unbilled Trade payables | | | | | | 5,573.63 |
| | | | | | | **21,637.84** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 25. Derivatives

See accounting policy in note 3(c)(v)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Derivative Liability** | | |
| Foreign exchange forward contracts | 11.78 | 13.64 |
| | **11.78** | **13.64** |

Information about the Group's exposure to interest rate and currency risks related to derivatives is disclosed in note 44.

## 26. Other current liabilities

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Current** | | |
| Statutory dues* | 890.36 | 1,371.84 |
| Advance from customers | 998.15 | 1,470.92 |
| | **1,888.51** | **2,842.76** |

*Primarily includes GST, TDS, TCS and Entry tax.

## 27. Revenue from operations

See accounting policy in note 3(k) and (l)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Sale of products** | | |
| Finished goods | 1,20,291.21 | 1,06,359.52 |
| Stock-in-trade | 63,835.95 | 49,377.23 |
| | **1,84,127.16** | **1,55,736.75** |
| **Other operating revenue** | | |
| Government grants | | |
| - Refund of goods and service tax (refer note 48) | 425.28 | 541.08 |
| -Export incentives | 10.55 | 2.55 |
| | **435.83** | **543.63** |
| | **1,84,562.99** | **1,56,280.38** |

**Reconciliation of revenue from sale of products with the contracted price**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Contracted price | 1,93,372.24 | 1,64,154.38 |
| Less : Reduction towards variable consideration components. | 9,245.08 | 8,417.63 |
| **Sale of products** | **1,84,127.16** | **1,55,736.75** |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

a) The Group is in the business of manufacture and sale of plywood, medium density fibreboards and allied products. Sales are recognised when control of the products has transferred, being when the products are dispatched/delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The Group does not give significant credit period resulting in no significant financing component.

b) For contract balances i.e. trade receivables and advance from customers, refer note 13 and 26.

c) For information on revenue from contracts with customers disaggregated on the basis of geographical region, refer note 46.

## 28. Other income

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| Interest on fixed deposits with banks and others | | 105.22 | 466.11 |
| Interest on other financial assets | | 20.86 | 40.68 |
| Income from related party: | | | |
| - Commission on guarantee given to joint venture (refer note 41) | | 24.43 | 22.28 |
| Liabilities no longer required written back | | 1,077.61 | 118.87 |
| Interest on income tax refund | | 46.90 | - |
| Rent Received | | 2.07 | - |
| Loss allowance | | | |
| - loss allowance | 92.16 | | |
| - Bad debts | (23.88) | 68.28 | - |
| Gain on fair valuation of investments at fair value through profit and loss | | - | 51.91 |
| Gain on sale and discard of property, plant and equipment | | 5.56 | 43.19 |
| Miscellaneous income | | 183.51 | 247.16 |
| | | **1,534.44** | **990.20** |

## 29. Cost of materials consumed

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Inventory of raw materials at the beginning of the year | 8,992.35 | 6,444.13 |
| Add: Purchases | 67,309.09 | 58,550.18 |
| Less: Inventory of raw materials at the end of the year | (9,434.73) | (8,992.35) |
| | **66,866.71** | **56,001.96** |

## 30. Purchase of stock in trade

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Purchase of stock-in-trade | 49,871.15 | 39,635.49 |
| | **49,871.15** | **39,635.49** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 31. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

| | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **Opening inventories** | | | |
| Work-in-progress | | 2,072.48 | 1,098.48 |
| Finished goods | | 6,938.77 | 6,274.72 |
| Stock in trade | | 3,778.76 | 3,406.97 |
| | **(A)** | **12,790.01** | **10,780.17** |
| **Closing inventories** | | | |
| Work-in-progress | | 2,699.87 | 2,072.48 |
| Finished goods | | 10,845.64 | 6,938.77 |
| Stock in trade | | 3,665.26 | 3,778.76 |
| | **(B)** | **17,210.77** | **12,790.01** |
| Effect of foreign exchange fluctuations | **(C)** | **341.16** | **(96.91)** |
| | **(A-B+C)** | **(4,079.60)** | **(2106.75)** |

## 32. Employees benefits expense

See accounting policy in note 3(i)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Salaries,wages and bonus | 20,621.17 | 16,258.49 |
| Contribution to provident and other funds {refer note 32(a) below} | 972.64 | 748.50 |
| Expenses related to post-employment defined benefit plan {refer note 32(b) below} | 227.45 | 216.92 |
| Expenses related to compensated absences | 433.80 | 315.84 |
| 'Expenses on Employees Stock Options Scheme (refer note 38) | 1,521.03 | 1,205.41 |
| Staff welfare expenses | 537.17 | 584.59 |
| | **24,313.26** | **19,329.75** |

Salaries, wages and bonus includes ₹ 3,912.72 lakhs (31 March 2022: ₹ 3,005.48 lakhs) relating to outsource manpower cost.

Notes:

(a) Defined contribution plan: The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident and Pension Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund aggregates to ₹ 928.03 lakhs (31 March 2022: ₹ 708.99 lakhs).

The Group contributes its Employee State Insurance (ESI) contribution with Employees' State Insurance Corporation (ESIC) maintained by Government agencies, contributions made by the Group for ESI is based on the current salaries. In the ESI scheme, contributions are also made by the employees. The annual contribution amount of

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

₹ 40.84 lakhs (31 March 2022: ₹ 39.51 lakhs) has been charged to the Consolidated Statement of Profit and Loss in relation to the above defined contribution scheme."

(b) Defined benefit plan: Retirement benefits in the form of gratuity is 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 scheme is funded with an insurance Company only by the Parent Company.

The following table sets out the amounts recognized in the financial statements for the defined benefit plan of the Group.

**(c) Actuarial valuation of gratuity liability**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Defined benefit cost** | | |
| Current service cost* | 248.20 | 231.50 |
| Interest expense on defined benefit obligation | 149.79 | 131.25 |
| Interest income on plan assets | (148.58) | (135.19) |
| **Defined benefit cost in Statement of Profit and Loss** | **249.41** | **227.56** |
| Remeasurements from financial assumptions | (10.22) | (9.05) |
| Remeasurements from experience adjustments | (58.69) | (45.95) |
| Remeasurements from financial assumptions on plan assets | 17.84 | 14.90 |
| **Defined benefit cost in Other Comprehensive Income (OCI)** | **(51.07)** | **(40.10)** |
| **Total defined benefit cost in Statement of Profit and Loss and OCI** | **198.34** | **187.46** |
| | | |
| ***During the year Gratuity expenses for construction period on new manufacturing facility of the Group has been transferred to pre-operative expenses.** | | |
| | | |
| **Movement in defined benefit obligation** | | |
| Balance at the beginning of the year | 2,119.86 | 1,902.22 |
| Interest cost | 149.79 | 131.25 |
| Current service cost | 248.20 | 231.50 |
| Actuarial losses/(gains) recognised in other comprehensive income | (68.91) | (55.00) |
| Benefits paid | (223.75) | (90.11) |
| **Balance at the end of the year** | **2,225.19** | **2,119.86** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Movement in fair value of plan assets** | | |
| Balance at the beginning of the year | 2,147.07 | 1,891.89 |
| Interest income | 148.58 | 135.19 |
| Employer contributions | 115.00 | 225.00 |
| Benefits paid | (223.75) | (90.11) |
| Remeasurements from financial assumptions on plan assets | (17.84) | (14.90) |
| **Balance at the end of the year** | **2,169.06** | **2,147.07** |
| | | |
| **Net asset/(liability) recognised in the Consolidated Balance Sheet** | | |
| Present value of defined benefit obligation | (2,225.19) | (2,119.86) |
| Fair value of plan asset | 2,169.06 | 2,147.07 |
| **Net asset/(liability)** | **(56.13)** | **27.21** |
| | | |
| **Sensitivity analysis** | | |
| **Increase/(Decrease) in present value of defined benefit obligation at the end of the year** | | |
| Salary escalation - Increase by 1% | 169.32 | 158.50 |
| Salary escalation - Decrease by 1% | (140.88) | (138.97) |
| Withdrawal rates - Increase by 1% | 14.20 | 7.05 |
| Withdrawal rates - Decrease by 1% | (7.24) | (8.45) |
| Discount rates - Increase by 1% | (133.12) | (137.95) |
| Discount rates - Decrease by 1% | 162.50 | 158.63 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Actuarial assumptions** | | |
| Mortality table | IALM 2012-2014 | IALM 2012-2014 |
| Discount rate (per annum) | 7.40% | 7.10% |
| Rate of escalation in salary (per annum) | 6.00% | 6.00% |
| Withdrawal rate | 1% - 8% | 1% - 8% |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Expected benefit payments** | | |
| Not later than 1 year | 606.99 | 620.38 |
| Later than 1 year and not later than 5 years | 380.98 | 497.96 |
| 5 to 10 years | 715.68 | 772.89 |
| | | |
| **Weighted average duration of defined benefit obligation (in years)** | **4.58** | **4.61** |

**(d) The major categories of plan assets as a percentage of the fair value of total plan assets**

| | Year ended 31 March 2023 In % | Year ended 31 March 2022 In % |
|---|---|---|
| Fund with HDFC Life Insurance Company Limited | 71.99% | 74.59% |
| Fund with Kotak Mahindra Life Insurance Company Limited | 22.68% | 25.41% |
| | **94.67%** | **100.00%** |

**(e) The Group's expected contribution during next year is ₹ 264.80 lakhs (31 March, 2022 ₹ 214.35 lakhs)**

## 33. Finance costs

See accounting policy in note 3(p)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost | 4,081.79 | 967.37 |
| Interest on Lease Liabilities (refer note 5) | 287.80 | 90.00 |
| Other borrowing cost | 281.40 | 135.78 |
| Less: Transferred to Capital work-in-progress | (2,026.28) | - |
| | **2,624.71** | **1,193.15** |

## 34. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 4) | 3,078.21 | 2,352.64 |
| Depreciation of Right of use Assets (refer note 5) | 506.99 | 177.89 |
| Amortisation of intangible assets (refer note 7A) | 60.88 | 54.07 |
| | **3,646.08** | **2,584.60** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 35. Other expenses

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Consumption of stores and spares | 1,634.91 | 1,315.44 |
| Power and fuel | 2,522.78 | 2,445.91 |
| Rent (refer note 5) | 842.59 | 735.86 |
| Repairs to: | | |
| - Buildings | 160.52 | 89.93 |
| - Plant and equipment | 602.19 | 568.52 |
| - Others | 922.36 | 728.41 |
| Insurance | 566.10 | 626.49 |
| Rates and taxes | 111.38 | 73.67 |
| Travelling expenses | 1,913.00 | 1,597.60 |
| Freight and delivery expenses | 8,619.10 | 7,407.32 |
| Export related expenses | 2,511.70 | 2,950.52 |
| Advertisement and sales promotion | 5,167.74 | 5,213.95 |
| Commission paid to independent directors | 75.00 | 68.14 |
| Directors sitting fees | 59.75 | 61.55 |
| Payment to auditors | 51.66 | 49.15 |
| Donation | 34.13 | 23.16 |
| Expenditure on corporate social responsibility | 188.00 | 150.00 |
| Loss on fair valuation of investments at fair value through profit and loss | 18.56 | - |
| Legal and Professional fees | 964.91 | 640.35 |
| Commission expenses | 484.68 | 706.92 |
| Loss allowance and bad debts | | |
| - Bad debts | - | 23.11 |
| - Loss allowance | - | 212.05 235.16 |
| Foreign exchange fluctuations (net) | 707.67 | 390.51 |
| Miscellaneous expenses | 2,521.87 | 2,315.20 |
| | **30,680.60** | **28,393.76** |

## 36. Exceptional items

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Reversal of provision for excise duty liability and interest {refer note 23(a)} | 962.00 | - |
| | | |
| | **962.00** | **-** |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 37. Income tax and deferred tax assets (net)

See accounting policy in note 3(o)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **(a) Amount recognised in Profit and Loss** | | |
| Current tax | 3,186.17 | 3,139.75 |
| Taxes pertaining to earlier years | (1,808.17) | (15.35) |
| **Income tax** | **1,378.00** | **3,124.40** |
| Deferred tax | 540.13 | (98.08) |
| **Deferred tax** | **540.13** | **(98.08)** |
| **Tax expense recognised in Statement of Profit and Loss** | **1,918.13** | **3,026.32** |
| Deferred tax in other comprehensive income | 12.83 | 10.09 |
| **Tax expense in Total Comprehensive Income** | **1,930.96** | **3,036.41** |
| | | |
| **(b) Reconciliation of effective tax rate for the year** | | |
| Profit before tax | 11,061.31 | 12,498.89 |
| Applicable Income Tax rate | 25.168% | 25.168% |
| **Computed tax expense** | **2,783.91** | **3,145.72** |
| Tax impact relating to: | | |
| Exempt income of subsidiaries | 334.49 | (131.23) |
| Share of (profit)/loss of joint venture | 522.29 | (65.50) |
| Income tax of earlier years | (1,808.17) | (15.35) |
| Non-deductible expenses for tax purposes | 64.43 | 47.52 |
| Other differences (net) | 21.18 | 45.16 |
| **Tax expense in Statement of Profit and Loss** | **1,918.13** | **3,026.32** |

**(c) Movement in deferred tax liabilities and assets balances:**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Deferred tax liabilities | 509.92 | 369.56 |
| Less: Deferred tax assets | (683.67) | (1,096.27) |
| **Net deferred tax (assets)/liabilities** | **(173.75)** | **(726.71)** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**(d) Movement in deferred tax (asset) / liability**

| Movement in deferred Tax Asset / liability | 1 April 2022 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 369.56 | 194.92 | - | 564.48 |
| | | | | |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (313.33) | 61.89 | 12.83 | (238.61) |
| Expenses allowed for tax purposes when paid | (540.65) | 282.94 | - | (257.71) |
| Provisions for Trade receivables | (183.98) | 29.05 | - | (154.93) |
| Tax losses - carried forward | - | (26.32) | - | (26.32) |
| Other temporary differences | (58.31) | (2.35) | - | (60.66) |
| | **(726.71)** | **540.13** | **12.83** | **(173.75)** |

| Movement in deferred tax asset / liability | 1 April 2021 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 346.88 | 22.68 | - | 369.56 |
| | | | | |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (211.79) | (111.63) | 10.09 | (313.33) |
| Expenses allowed for tax purposes when paid | (540.65) | - | - | (540.65) |
| Provisions for Trade receivables | (148.27) | (35.71) | - | (183.98) |
| Other temporary differences | (84.89) | 26.58 | - | (58.31) |
| Other temporary differences | (638.72) | (98.08) | - | (726.71) |
| | **(638.72)** | **(88.48)** | **10.09** | **(717.11)** |

## 37. Share based payments

### (a) Employee stock option scheme

See accounting policy in note 3(h)

The "Greenply Employee Stock Option Plan 2020" (herewith reffered to as "ESOP Scheme 2020") was approved by the Nomination and Remuneration Committee (NRC) of Board of Directors of the Parent Company, in their meeting held on 14 August 2020. Approval of the Shareholders were received on 15 October 2020 (for approval of ESOPs) and 23 December 2020 (modification of ESOPs previously approved) with respect to ESOP Scheme 2020. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

shares of the Parent Company of Re.1 each upon payment of the exercise price at the time of exercise of options by employees. The exercise period commences from the date of vesting of the Options and expires at the end of 4 years from the date of vesting. The first options were granted on 17th March 2021 to all the eligible employees followed by second options on 16th March 2022.

The Group has granted fresh options to the eligible employees on 20 March 2023.

Vesting schedule of the said options granted on 17th March 2021 was as follows :-

**Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)**

- After 12 Months from the date of grant : 35 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 30 Months from the date of grant : 30 % of the options granted

**For Employees other than Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 3,44,500)**

- After 12 Months from the date of grant : 50 % of the options granted
- After 24 Months from the date of grant : 50 % of the options granted

The new options were granted on 16th March 2022 to Mr. Manoj Tulsian, Joint Managing Director & CEO

Vesting schedule of the above options granted is as below:-

**Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)**

- After 12 Months from the date of grant : 50 % of the options granted
- After 18 Months from the date of grant : 50 % of the options granted

Vesting schedule of the options granted on 20 March 2023 are as follows

For employee of the Company including subsidiaries **(Options Granted 3,03,240)**

- After 12 Months from the date of grant : 25 % of the options granted
- After 24 Months from the date of grant and based on performance of the employee : 25 % of the options granted
- After 36 Months from the date of grant and based on performance of the employee : 25 % of the options granted
- After 48 Months from the date of grant and based on performance of the employee : 25 % of the options granted

In terms of the aforesaid plan, the eligible employee of the Group receives certain number of shares of the Parent Company as per the terms and conditions of the Plan. The aforesaid plan is an equity settled plan.

**Measurement of fair value**

**For grant of options on 17th March 2021 and 16th March 2022:-**

The fair value of ESOP Scheme 2020 as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

| Particulars | Vest-1 | Vest-2 | Vest-3 | Vest-4 | Vest-5 |
|---|---|---|---|---|---|
| Grant date | | 17 March 2021 | | 16 March 2022 | |
| Fair value at grant date (₹) | 134.57 | 137.43 | 139.04 | 128.57 | 130.20 |
| Share price at grant date (₹) | 181.85 | 181.85 | 181.85 | 175.05 | 175.05 |
| Exercise price (₹) | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 |
| Expected volatilty | 43.92% | 40.73% | 40.73% | 46.21% | 45.04% |
| Expected Life (expected weighted average life) | 3.00 | 4.00 | 4.51 | 3.00 | 3.51 |
| Expected dividend yield (%) | 0.22 | 0.22 | 0.22 | 0.23 | 0.23 |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 5.16% | 5.59% | 5.77% | 5.45% | 5.67% |

Expected volatility - since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Parent Companys stock price on NSE over the years.

**For grant of options on 20 March 2023:-**

The Group has recognised these share based payment transactions as equity settled share based payment transaction in accordance with the requirements of paragraph 43 A and 43 B of Ind AS 102 Share Based Payments, since the Group receives the services of the employee to whom the shares have been granted by the Group and the Group has no obligation to settle the same.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

| Particulars | Vest-1 | Vest-2 | Vest-3 | Vest-4 |
|---|---|---|---|---|
| Grant date | | 20 March 2023 | | |
| Fair value at grant date (₹) | 95.16 | 98.88 | 101.94 | 104.93 |
| Share price at grant date (₹) | 139.20 | 139.20 | 139.20 | 139.20 |
| Exercise price (₹) | 55.00 | 55.00 | 55.00 | 55.00 |
| Expected volatilty | 43.98% | 43.98% | 43.98% | 43.98% |
| Expected Life (expected weighted average life) | 3.00 | 4.00 | 5.00 | 6.00 |
| Expected dividend yield (%) | 0.36 | 0.36 | 0.36 | 0.36 |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 7.57% | 7.57% | 7.57% | 7.57% |

**Expected volatility -** since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Parent Companys stock price on NSE over the years.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Reconciliation of outstanding share options**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Number of Options Outstanding at the beginning of the year | 21,12,750 | 13,35,000 |
| Number of Options granted during the year | 3,03,240 | 10,00,000 |
| Number of Options forfeited/lapsed during the year | 21,250 | 33,000 |
| Number of Options vested during the year | 9,82,250 | 5,01,000 |
| Number of Options exercised during the year | 4,80,250 | 1,89,250 |
| Number of Shares arising as a result of exercise of options | 2,49,000 | - |
| Number of Options forfeited/lapsed during the year after vesting | 2,500 | - |
| Number of Options outstanding at the end of the year | 19,14,490 | 21,12,750 |
| Number of Options exercisable at the end of the year | 8,11,250 | 3,11,750 |
| | | |
| For stock options exercised during the period, the weighted average share price at the date of exercise (₹) | 138.23 | 186.33 |

**(b) Expense arising from share based payment transactions**

Total expenses arising from share-based payment transactions recognised in Statement of consolidated Profit and Loss as part of employee benefit expense are as follows:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Expenses on Employees Stock Options Scheme | 1,521.03 | 1,205.41 |
| | **1,521.03** | **1,205.41** |

## 39. Earnings per share

| Earnings per share | | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **Basic and diluted earnings per share** | | | |
| (i) Profit for the year, attributable to the equity shareholders | **(A)** | **9,143.18** | **9,472.57** |
| (ii) Weighted average number of equity shares | | | |
| - Number of equity shares at the beginning of the year | | 12,26,27,395 | 12,26,27,395 |
| - Number of equity shares at the end of the year | | 12,28,76,395 | 12,26,27,395 |
| Weighted average number of equity shares for computing basic earning per share | **(B)** | **12,28,28,211** | **12,26,27,395** |
| Weighted average number of potential equity shares on account of employee stock options | **(C)** | **11,50,977** | **94,355** |
| Weighted average number of equity shares for computing diluted earning per share | **[D =( B + C)]** | **12,39,79,188** | **12,27,21,750** |
| **Basic earnings per share (₹)** | **(A/B)** | **7.44** | **7.72** |
| **Diluted earnings per share (₹)** | **(A/D)** | **7.37** | **7.72** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

## 40. Contingent liabilities and commitments

(to the extent not provided for)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Contingent liabilities** | | |
| **(a) Claims against the Group not acknowledged as debts:** | | |
| (i) Excise duty, sales tax and other indirect tax matters in dispute/appeal | 2,599.25 | 3,159.02 |
| (ii) Consumer court cases in dispute | 161.36 | 128.39 |
| **(b) Deferred Duty on Capital Goods under MOOWR scheme** | 1,313.84 | - |
| **c)** The Supreme Court, in a judgement dated 28 February 2019, has stipulated the components of salary that need to be taken into account for computing the contribution to provident fund under the Employees Provident Fund Act,1952. The Holding Company will account for the impact of the judgement after clarification is obtained in interpreting aspects of the judgement and after knowing the effective date of its application. The Holding Company does not expect the impact to be material. | | |
| | | |
| **(c) Guarantees outstanding** | | |
| (i) Guarantee given to bank in respect of financial assitance to a joint venture Company (refer note 41) | 2,465.18 | 2,273.40 |
| **Guarantee outstanding:** | | |
| The Holding Company had issued guarantee in favour of banker on behalf of its joint venture Parent Company - Greenply Alkemal (Singapore) Pte. Limited for the purpose of availing working capital loan. This guarantee was issued in USD. | | |
| | | |
| **Capital and other commitments** | | |
| | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 4,394.45 | 34,593.30 |
| (ii) Other commitments: proposed investment to be made in an entity | - | 190.00 |

**Claim against the Company not acknowledged as debt:**

Cash outflows for the above are determinable only on receipt of judgments pending at various forums/ authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

## 41. Related party disclosure

**a) Related parties where control exists**

Company in which a subsidiary is a Joint Venture Partner:

i) Greenply Alkemal (Singapore) Pte. Limited, Singapore

(Joint venture of Greenply Holdings Pte. Limited, Singapore with Alkemal Singapore Pte. Limited, Singapore)

ii) Greenply Industries (Myanmar) Private Limited (Wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited.)

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**b) Related parties with whom transactions have taken place during the year.**

(i) Key Management Personnel (KMP)

i) Mr. Rajesh Mittal, Chairman cum Managing Director

ii) Mr. Sanidhya Mittal, Joint Managing Director

iii) Mr. Manoj Tulsian, Joint Managing Director & CEO

vi) Mr. Nitin Kalani, Chief Financial Officer (w.e.f. 14th February 2022)

v) Mr. Mukesh Agarwal, Chief Financial Officer (till 15th January 2022)

vi) Mr. Kaushal Kumar Agarwal, Company Secretary & Sr. Vice President - Legal

(ii) Non- executive Directors

i) Mr. Susil Kumar Pal, Independent Director

ii) Mr. Vinod Kumar Kothari, Independent Director

iii) Mr. Upendra Nath Challu, Independent Director

iv) Ms. Sonali Bhagwati Dalal, Independent Director

v) Ms. Vinita Bajoria, Independent Director (w.e.f 15th September 2021)

(iii) Relatives of Key Management Personnel (KMP)

i) Mrs. Karuna Mittal (Wife of Mr. Rajesh Mittal)

ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)

(iv) Enterprises controlled by Key Management Personnel or their relatives

i) RS Homcon Limited

ii) Karuna Investment Pvt Ltd

iii) Greenlam Industries Limited

iv) Greenpanel Industries Limited

v) Vinod Kothari & Company

vi) Greenply Foundation

vii) RKS Family Foundation

(V) Key Management Personnel (KMP) of subsidiaries

(i) Mr. Sudeep Jain

(ii) Mr. Mohit Verma

(iii) Mr. Indraneel Bhan

(iv) Mr. Raj Prakash Verma

(v) Mr. Rohit Kumar

(vi) Ms. Priyanka Kunal Mahtre





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**c) Related party transactions**

| Name of the related party | Nature of transaction | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| Greenply Alkemal (Singapore) Pte. Limited | Purchase of products | 647.03 | 424.06 |
| | Commission on guarantee | 24.43 | 22.28 |
| | Other advance | 12.33 | 7.58 |
| Greenpanel Industries Limited | Purchase of products | 5.78 | - |
| | Rent paid | 0.60 | - |
| Greenlam Industries Limited | Purchase of products | 9.07 | 50.10 |
| Greenply Foundation | Contribution towards corporate social responsibility | 188.00 | 150.00 |
| RKS Family Foundation | Sale of products | 6.61 | - |
| | Sales return of products | - | 6.39 |
| Mr. Rajesh Mittal | Remuneration | 605.84 | 596.32 |
| | Rent paid | 5.79 | 5.54 |
| Mr. Sanidhya Mittal | Remuneration | 315.83 | 237.90 |
| | Rent paid | 5.79 | 5.54 |
| Mr. Manoj Tulsian | Remuneration | 674.01 | 520.25 |
| | Share application money received | 220.00 | - |
| Mr. Kaushal Kumar Agarwal | Remuneration | 61.55 | 54.81 |
| | Share application money received | 0.55 | - |
| Mr. Mukesh Agarwal | Remuneration | - | 62.53 |
| Mr. Nitin Kalani | Remuneration | 105.83 | - |
| Ms. Vinita Bajoria | Remuneration | 26.50 | - |
| Mr. Susil Kumar Pal | Commission and sitting fees | 31.25 | 31.95 |
| Mr. Upendra Nath Challu | Commission and sitting fees | 31.25 | 32.45 |
| Mr. Vinod Kumar Kothari | Commission and sitting fees | 24.75 | 31.45 |
| Ms. Sonali Bhagwati Dalal | Commission and sitting fees | 21.00 | 20.20 |
| Mr. Sudeep Jain | Remuneration | 210.82 | 164.66 |
| Mr. Mohit Verma | Remuneration | 48.29 | 48.66 |
| Mr. Indraneel Bhan | Remuneration | 21.83 | 18.67 |
| Mrs. Surbhi Poddar | Remuneration | 32.85 | 28.30 |
| Mr. Raj Prakash Verma | Remuneration | 7.60 | - |
| Mr.Rohit Kumar | Remuneration | 2.44 | - |
| Ms. Priyanka Kunal Mahtre | Remuneration | 1.15 | - |
| Mrs. Karuna Mittal | Rent paid | 26.43 | 13.48 |
| Vinod Kothari & Company | Professional fees paid | 7.70 | 0.70 |
| RS Homcon Limited | Rent paid | 11.77 | 11.88 |
| Karuna Investment Pvt Ltd | Rent received | 0.72 | - |
| Mastermind Shoppers Private Limited | Rent paid | - | 10.07 |

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**d) Outstanding balances**

| Name of the related party | Nature of transaction | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| Greenply Alkemal (Singapore) Pte. Limited | Trade payables | 201.10 | 261.22 |
| | Guarantee given | 2,465.18 | 2,273.40 |
| | Commission on guarantee receivable | 6.07 | 5.60 |
| | Other advance | 152.31 | 129.10 |
| Greenlam Industries Limited | Trade payables | 2.80 | 3.91 |
| Greenpanel Industries Limited | Trade payables | 6.81 | - |
| Mr. Rajesh Mittal | Remuneration | 198.00 | 184.00 |
| | Security deposit | 2.50 | 2.50 |
| Mr. Manoj Tulsian | Remuneration | 132.00 | 123.00 |
| Mr. Sanidhya Mittal | Remuneration | 175.00 | 90.00 |
| Ms. Vinita Bajoria | Remuneration | 13.50 | 7.32 |
| Mr. Susil Kumar Pal | Remuneration | 13.50 | 13.50 |
| Mr. Upendra Nath Challu | Remuneration | 13.50 | 13.50 |
| Mr. Vinod Kumar Kothari | Remuneration | 13.50 | 13.50 |
| Ms. Sonali Bhagwati Dalal | Remuneration | 13.50 | 13.50 |
| Mr. Mohit Verma | Remuneration | 13.43 | - |
| RS Homcon Limited | Security deposit | 2.07 | 2.07 |
| Mrs. Karuna Mittal | Security deposit | 3.36 | - |

**e) Key Management Personnel compensation**

Key management personnels compensation comprised of the following:

| Nature of transaction | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Short-term employee benefits | 1,720.30 | 1,391.02 |
| Other long-term benefits | 42.76 | 96.56 |
| **Total compensation key management personnel** | **1,763.06** | **1,487.58** |

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Holding Company as a whole, the amount pertaining to each key management personnel is not separately ascertainable and, therefore, not included above. Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Holding Company, in accordance with shareholders' approval, wherever necessary.

**f) Terms and conditions of transactions with related parties**

Purchase and sales from/to related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

The guarantees given to related party are on terms at arm's length price. The commission on such guarantees have been recovered at arm length price as per safe harbour rules of Income Tax Act,1961.

## 42. Accounting classifications and fair values

See accounting policy in note 3(c) and 3(w)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet are as follows:

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| **Financial assets at amortised cost** | **Carrying Value** | **Fair Value** | **Carrying Value** | **Fair Value** |
| Loans | 210.10 | 210.10 | 118.69 | 118.69 |
| Other financial assets | 1,544.63 | 1,544.63 | 1,682.56 | 1,682.56 |
| Trade receivables | 22,872.32 | 22,872.32 | 18,643.46 | 18,643.46 |
| Cash and cash equivalents | 3,106.58 | 3,106.58 | 6,295.93 | 6,295.93 |
| Bank balances other than cash and cash equivalents | 35.38 | 35.38 | 961.96 | 961.96 |
| | **27,769.01** | **27,769.01** | **27,702.60** | **27,702.60** |
| **Financial assets at fair value through profit and loss** | | | | |
| Level 1 | | | | |
| Investments | 0.76 | 0.76 | 0.62 | 0.62 |
| Level 2 | | | | |
| Derivatives | - | - | - | - |
| Level 3 | | | | |
| Investments | 513.32 | 513.32 | 381.22 | 381.22 |
| | **514.08** | **514.08** | **381.84** | **381.84** |
| **Total Financial Assets** | **28,283.09** | **28283.09** | **28,084.44** | **28,084.44** |
| **Financial liabilities at amortised cost** | | | | |
| Borrowings | 66,341.68 | 66,341.68 | 29,186.49 | 29,186.49 |
| Lease liabilites | 3,281.38 | 3,281.38 | 1,761.51 | 1,761.51 |
| Other financial liabilities | 6,382.24 | 6,382.24 | 4,368.84 | 4,368.84 |
| Trade payables | 24,268.67 | 24,268.67 | 21,637.84 | 21,637.84 |
| | **1,00,273.97** | **1,00,273.97** | **56,954.68** | **56,954.68** |
| **Financial liabilities at fair value through profit and loss** | | | | |
| Level 2 | | | | |
| Derivatives | 11.78 | 11.78 | 13.64 | 13.64 |
| **Total financial liabilities** | **1,00,285.75** | **1,00,285.75** | **56,968.32** | **56,968.32** |

## 43. Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

Level 1: The hierarchy uses quoted prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements are as follows:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Financial assets - Level 1** | | |
| Investments | 0.76 | 0.62 |
| **Financial assets - Level 2** | | |
| Derivatives | - | - |
| **Financial assets - Level 3** | | |
| Investments | 513.32 | 381.22 |
| **Financial liabilities - Level 2** | | |
| Derivatives | 11.78 | 13.64 |

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits, borrowings and other financial assets and liabilities approximate their carrying amounts largely due to the current maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of derevatives (forward foreign exchange contracts,etc) is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies based on report obtained from banking partners.

(c) The fair value of unquoted investments included in level 3 is determined using discounted cash flows, net asset value approach. Significant unobservable inputs comprise long term growth rates, market conditions of the specific industry etc. However, the changes in the fair values due to changes in unobservable inputs will not be material to the financial statements.

There were no tranfer of financial assets or liabilities measuredat fair value between level 1 and level 3, or tranfer into or out of level 3 during the year ended 31 March 2023 and 31 March 2022.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Level 3 Fair Values**

**Movement in the value of unquoted equity instruments through FVTPL**

Reconciliation from the Opening balances to the Closing Balance

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Opening | 381.22 | 313.38 |
| Additions | 76.00 | 16.00 |
| Gain on fair valuation of investments at fair value through profit and loss | 56.10 | 51.84 |
| **Closing** | **513.32** | **381.22** |

## 43. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

**Risk management framework**

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance.

The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

The sources of risks which the Group is exposed to and their management is given below:

| Risk | Exposure Arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Trade receivables, Investments, Derivative financial instruments, Loans | Ageing analysis, Credit rating | Diversification of Credit limit and credit worthiness monitoring, credit based approval process. |
| Liquidity risk | Borrowings, lease liabilities and Other liabilities | Rolling cash flow forecasts | Adequate unused credit lines and borrowing facilities. |
| "Market risk Foreign exchange risk" | Committed commercial transaction, Financial asset and liabilities not denominated in INR | Sensitivity analysis | Forward foreign exchange contracts. |
| Interest rate | Non current borrowings at variable rates | Sensitivity analysis Interest rate movements | The Group has held policies and guidelines to minimise impact of interest rate risk. |

**(i) Credit risk**

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables from customers and loans. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, foreign exchange transactions and financial guarantees. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

**Trade receivable**

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

**Exposure to credit risks**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Revenue from top customer | 2.57% | 2.90% |
| Revenue from top five customers | 7.27% | 7.64% |

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments amd makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The movement of expected credit loss provision is as follows:





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balance at the beginning | 654.50 | 441.48 |
| Movement in loss allowance | (92.16) | 212.05 |
| Exchange differences on translation of foreign operations | 4.07 | 0.97 |
| **Balance at the end** | **566.41** | **654.50** |

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

**Exposure to liquidity risk**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| 31 March 2023 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 19,926.80 | 43,773.17 | 21,134.24 | 84,834.21 |
| Trade payables | 24,268.67 | - | - | 24,268.67 |
| Lease liabilities* | 911.62 | 2,801.27 | 349.16 | 4,062.05 |
| Other financial liabilities | 5,919.26 | 30.00 | - | 5,949.26 |
| Derivatives | 11.78 | - | - | 11.78 |
| | **51,038.13** | **46,604.44** | **21,483.40** | **1,19,125.97** |

| 31 March 2022 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 16,168.25 | 16,286.88 | - | 32,455.13 |
| Trade payables | 21,637.84 | - | - | 21,637.84 |
| Lease liabilities* | 456.22 | 1,430.28 | 350.59 | 2,237.09 |
| Other financial liabilities | 4,313.44 | 9.00 | - | 4,322.44 |
| Derivatives | 13.64 | - | - | 13.64 |
| | **42,589.39** | **17,726.16** | **350.59** | **60,666.14** |

* including estimated interest

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**(iii) Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

**(a) Currency risk**

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

**Exposure to currency risk**

The Group's exposure to foreign currency at the end of the reporting period are as follows:

| Particulars | Currency | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|
| | | Amount in F.currency (Lakhs) | ₹ in Lakhs | Amount in F.currency (Lakhs) | ₹ in Lakhs |
| - Hedged exposures * | | | | | |
| Trade payables | EURO | 1.85 | 164.84 | 1.31 | 109.84 |
| | USD | 14.59 | 1,198.81 | 41.92 | 3,176.70 |
| | | | **1,363.65** | | **3,286.54** |
| - Unhedged exposures | | | | | |
| Borrowings | EURO | 124.39 | 11,072.11 | - | - |
| | | | **11,072.11** | | **-** |
| Trade payables | EURO | 16.47 | 1,465.86 | 0.56 | 46.77 |
| | USD | 11.64 | 956.09 | 16.88 | 1,279.08 |
| | CNY | 0.18 | 2.09 | - | - |
| | | | **2,424.05** | | **1,325.85** |
| Cash and cash equivalents | EURO | 3.59 | 319.50 | - | - |
| | | | **319.50** | | **-** |
| Trade receivables | EURO | 15.46 | 1,375.99 | 10.27 | 861.17 |
| | USD | 0.61 | 50.22 | 2.57 | 194.88 |
| | | | **1,426.21** | | **1,056.05** |

* These foreign exchange liabilities are covered with forward contract having a maturity of less than one year.





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the USD and EURO against Indian Rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | Effect | Nature | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| USD (1% Movement) | Strengthening | Decrease in Profit | (9.06) | (10.84) |
| USD (1% Movement) | Weakening | Increase in Profit | 9.06 | 10.84 |
| USD (1% Movement) | Strengthening | Decrese in Equity, net of tax | (5.16) | (8.56) |
| USD (1% Movement) | Weakening | Increase in Equity, net of tax | 5.16 | 8.56 |
| | | | | |
| EUR (1% Movement) | Strengthening | Increase in Profit | 2.30 | 8.14 |
| EUR (1% Movement) | Weakening | Decrease in Profit | (2.30) | (8.14) |
| EUR (1% Movement) | Strengthening | Increase in Equity, net of tax | 1.63 | 8.26 |
| EUR (1% Movement) | Weakening | Decrese in Equity, net of tax | (1.63) | (8.26) |

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's current borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**Exposure to interest rate risk**

The interest rate profile of the Group 's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial liabilities | (15,983.05) | (9,753.07) |
| | **(15,983.05)** | **(9,753.07)** |
| | | |
| **Variable rate instruments** | | |
| Financial liabilities | (49,786.13) | (18,860.92) |
| | **(49,786.13)** | **(18,860.92)** |

**Sensitivity analysis**

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| Particulars | Effect | Nature | 31 March 2023 | 31 March 2022 |
|---|---|---|---|---|
| Variable rate instruments | Strengthening | Decrease in Profit | (497.86) | (188.61) |
| | Weakening | Increase in Profit | 497.86 | 188.61 |
| | Strengthening | Decrease in Equity, net of tax | (419.32) | (169.73) |
| | Weakening | Increase in Equity, net of tax | 419.32 | 169.73 |
| | | | | |
| Cash flow sensitivity (net) | Strengthening | Decrease in Profit | (497.86) | (188.61) |
| | Weakening | Increase in Profit | 497.86 | 188.61 |
| | Strengthening | Decrease in Equity, net of tax | (419.32) | (169.73) |
| | Weakening | Increase in Equity, net of tax | 419.32 | 169.73 |

## 45. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Borrowings (refer note 21) | 66,341.68 | 29,186.49 |
| Less: Cash and cash equivalents (refer note 14) | 3,106.58 | 6,295.93 |
| **Adjusted net debt** | **63,235.10** | **22,890.56** |
| Equity (refer note 19 and 20) | 64,381.77 | 53,816.50 |
| **Debt to Equity (net)** | **0.98** | **0.43** |

In addition, the Group has financial covenants relating to the banking facilities that it has taken from all the lenders like interest service coverage ratio, Debt to EBITDA, current ratio etc. which is maintained by the Group.

## 46. Operating segments

### A. Basis of segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group' s other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's strategic business units. These business units are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| Reportable segment | Operations |
|---|---|
| Plywood and allied products | Manufacturing and trading |
| Medium Density Fibre Boards and allied products | Manufacturing |

### B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Chief operating decision maker (CODM). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

| Particulars | Year ended 31 March 2023 | | | Year ended 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | Plywood and allied products | Medium Density Fibre Boards and allied products | Total | Plywood and allied products | Medium Density Fibre Boards and allied products | Total |
| Segment revenue: | | | | | | |
| - External revenues | 1,84,562.99 | - | 1,84,562.99 | 1,56,280.38 | - | 1,56,280.38 |
| - Inter-segment revenue | - | - | - | - | - | - |
| **Total revenue** | **1,84,562.99** | **-** | **1,84,562.99** | **1,56,280.38** | **-** | **1,56,280.38** |
| Segment result | 14,275.63 | (122.24) | 14,153.39 | 13,525.57 | (167.16) | 13,358.41 |
| Reconciliation to profit before tax | | | | | | |
| Finance costs | | | 2,624.71 | | | 1,193.15 |
| Other unallocated expenditure (net of unallocated income) | | | 467.37 | | | (333.63) |
| Profit before tax | | | 11,061.31 | | | 12,498.89 |
| Taxes | | | 1,918.13 | | | 3,026.32 |
| **Profit for the year** | | | **9,143.18** | | | **9,472.57** |
| | | | | | | |
| Segment depreciation and amortisation* | 3,603.10 | 42.98 | 3,646.08 | 2,563.85 | 20.75 | 2,584.60 |
| Capital expenditure | 6,459.06 | 35,073.12 | 41,532.18 | 10,052.23 | 13,147.00 | 23,199.23 |
| Share of profit/(loss) of a joint venture | (2,075.21) | - | (2,075.21) | 260.27 | - | 260.27 |
| | | | | | | |
| Segment assets | 1,05,494.41 | 61,555.13 | 167,049.54 | 92,935.53 | 17,334.62 | 110,270.15 |
| Investments accounted for using the equity method | 123.07 | - | 123.07 | 2,198.28 | - | 2,198.28 |
| Unallocated assets | | | 930.39 | | | 3,410.70 |
| Total assets | | | 168,103.00 | | | 115,879.13 |
| | | | | | | |
| Segment liabilities | 62,810.71 | 40,805.04 | 103,615.75 | 59,280.37 | 2,775.88 | 62,056.25 |
| Unallocated liabilities | | | 105.48 | | | 6.38 |
| Total liabilities | | | 103,721.23 | | | 62,062.63 |

*There are no material non cash expesnes other than depreciation and amortisation.

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

Property, plant and equipment are allocated based on location of the assets.

The Group's revenue from external customers by location of operations and information abount its non- current assets by location of assets are detailed below:-

**Geographical information**

| Particulars | Within India | | Outside India | | Total | |
|---|---|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| External revenue by location of customers | 1,67,470.80 | 1,39,802.16 | 16,656.36 | 15,934.59 | 1,84,127.16 | 1,55,736.75 |
| Non current assets other than finacial assets and deferred tax assets. | 89,722.22 | 48,820.10 | 11,275.66 | 10,221.62 | 1,00,997.88 | 59,041.72 |

**Major customer**

The Group does not receive 10% or more of its revenues from transactions with any single external customer.

**47. Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013.**

| | Net assets (total assets minus total liabilities) | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of consolidated net assets | ₹ in Lakhs | As % of consolidated profit or loss | ₹ in Lakhs |
| **Holding Company** | | | | |
| Greenply Industries Limited | 97.77% | 62,948.22 | 119.59% | 10,934.52 |
| **Subsidiaries:** | | | | |
| **Indian** | | | | |
| Greenply Sandila Private Limited | 0.74% | 477.36 | 5.54% | 506.23 |
| Greenply Speciality Panels Private Limited | -0.91% | (588.01) | -4.67% | (426.72) |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | -2.58% | (1,660.96) | -0.10% | (8.76) |
| Greenply Middle East Limited ^ | 3.66% | 2,355.27 | -15.93% | (1,457.60) |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | -0.99% | (640.07) | -22.70% | (2,075.21) |
| Non-controlling interests in all subsidiaries | 0.00% | - | 0.00% | - |
| Adjustment arising out of consolidation | 2.31% | 1,489.96 | 18.27% | 1,670.72 |
| **At 31 March 2023** | **100.00%** | **64,381.77** | **100.00%** | **9,143.18** |





# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

| | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|
| | As % of consolidated other comprehensive income | ₹ in Lakhs | As % of consolidated total comprehensive income | ₹ in Lakhs |
| **Holding Company** | | | | |
| Greenply Industries Limited | 15.14% | 38.03 | 116.80% | 10,972.55 |
| **Subsidiaries:** | | | | |
| **Indian** | | | | |
| Greenply Sandila Private Limited | 0.00% | (0.17) | 5.53% | 506.06 |
| Greenply Speciality Panels Private Limited | 0.00% | 0.38 | -4.66% | (426.34) |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | -0.48% | (1.21) | -0.11% | (9.97) |
| Greenply Middle East Limited ^ | 85.34% | 214.21 | -13.25% | (1,243.39) |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | 0.00% | - | -22.09% | (2,075.21) |
| Non-controlling interests in all subsidiaries | 0.00% | - | 0.00% | - |
| Adjustment arising out of consolidation | 0.00% | - | 17.78% | 1,670.72 |
| **At 31 March 2023** | **100.00%** | **251.24** | **100.00%** | **9,394.42** |

^ includes a wholly owned step down subsidiary Company - Greenply Gabon SA

**48.** The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Holding Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

**49.** Government grant (Ind AS 20): Other operating revenue includes incentives against scheme of budgetary support under Goods and Services Tax Regime for the units set-up in Tizit, Nagaland of ₹ 425.28 lakhs (31 March 2022 ₹ 541.08 lakhs).

# Notes to the Consolidated financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs, unless stated otherwise)

### 50. Distribution made and proposed dividend

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Cash dividend on equity shares declared and paid** | | |
| Final dividend for the year ended on 31 March 2022: | 614.32 | 490.51 |
| ₹ 0.50 per share (31 March 2021: ₹ 0.40 per share) | | |
| **Total dividend paid** | **614.32** | **490.51** |
| | | |
| **Proposed dividend on equity shares** | | |
| Final dividend for the year ended on 31 March 2023: | 614.38 | 613.14 |
| ₹ 0.50 per share (31 March 2022: ₹ 0.50 per share) | | |
| **Total dividend proposed** | **614.38** | **613.14** |

Proposed dividends on equity shares are subject to approval by the shareholders at the ensuing annual general meeting and are not recognised as a liability as at 31 March 2023.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration number: 101248W/W-100022

**Seema Mohnot**
Partner
Membership No: 060715

Place : Kolkata
Dated : 30th May 2023

For and on behalf of Board of Directors of
**Greenply Industries Limited**
CIN: L20211AS1990PLC003484

**Rajesh Mittal**
Chairman cum Managing Director
DIN : 00240900

**Manoj Tulsian**
Joint Managing Director & CEO
DIN : 05117060

**Nitin Kalani**
Chief Financial Officer

**Kaushal Kumar Agarwal**
Company Secretary & Sr. VP-Legal

Place : Kolkata
Dated : 30th May 2023



# Notes

# Notes

## Corporate Information

### Board of Directors

Mr. Rajesh Mittal, Chairman cum Managing Director
Mr. Manoj Tulsian, Joint Managing Director & CEO
Mr. Sanidhya Mittal, Joint Managing Director
Mr. Susil Kumar Pal
Mr. Vinod Kumar Kothari
Mr. Upendra Nath Challu
Ms. Sonali Bhagwati Dalal
Ms. Vinita Bajoria

### *Audit Committee*

Mr. Sushil Kumar Pal, Chairman
Mr. Vinod Kumar Kothari
Mr. Upendra Nath Challu
Mr. Rajesh Mittal

### *Stakeholders Relationship Committee*

Mr. Sushil Kumar Pal, Chairman
Mr. Rajesh Mittal
Mr. Sanidhya Mittal

### *Nomination & Remuneration Committee*

Mr. Susil Kumar Pal, Chairman
Mr. Upendra Nath Challu
Mr. Vinod Kumar Kothari
Mr. Rajesh Mittal
Ms. Vinita Bajoria

### *Corporate Social Responsibility Committee*

Mr. Vinod Kumar Kothari
Mr. Upendra Nath Challu
Mr. Rajesh Mittal
Mr. Sanidhya Mittal
Ms. Vinita Bajoria

### *Operational Committee*

Mr. Rajesh Mittal
Mr. Sanidhya Mittal
Mr. Susil Kumar Pal
Mr. Vinod Kumar Kothari

### *Risk Management Committee*

Mr. Manoj Tulsian, Chairman
Mr. Sanidhya Mittal
Mr. Susil Kumar Pal
Mr. Upendra Nath Challu
Mr. Nitin Kalani, (CFO)

### Chief Financial Officer

Mr. Nitinkumar Dagdulal Kalani

### *Chief Investor Relations Officer*

Mr. Gautam Jain

### *Company Secretary & Vice President-Legal*

Mr. Kaushal Kumar Agarwal

### *Bankers/financial institutions*

Axis Bank Ltd.
Citi Bank, N.A.
DBS Bank India Ltd.
HDFC Bank Ltd.
State Bank of India
Yes Bank Ltd.

### *Statutory Auditors*

M/s. B S R & Co. LLP
Godrej Waterside, Unit No. 603
6th Floor, Tower - 1
Plot No.5, Block - DP, Sector -V
Salt Lake, Kolkata 700 091, India

### *Registrar & Share Transfer Agent*

M/s. S. K. Infosolutions Pvt. Ltd.
D/42, Katju Nagar Colony, Ground Floor,
Near South City Mall, PO & PS - Jadavpur
Kolkata, West Bengal-700032
Phone: (033) 2412-0027/0029
Fax: (033) 2412-0027

### *Registered Office:*

Makum Road, P.O. Tinsukia,
Assam - 786 125
**CIN:** L20211AS1990PLC003484

### *Corporate Office:*

**"Madgul Lounge"**

5th & 6th Floor, 23 Chetla Central Road
Kolkata - 700 027, India
Phone: (033)-3051-5000
Fax: (033)-3051-5010
Email: investors@greenply.com
Website: www.greenply.com

## Units

**Plywood and allied Products**

- Tizit, Nagaland
- Kriparampur, West Bengal
- Bamanbore, Gujarat
- Sandila, Uttar Pradesh (WOS)

**MDF and allied products**

- Sherpura, Vododara, Gujarat (WOS)

Greenply
Industries Limited

www.greenply.com