



Can you see



what we can see

Greenply Industries Limited is India's largest interior infrastructure company engaged in the manufacture of various types of plywood, flush doors, block boards, laminates, decorative veneers and pre-laminated particle boards.

### Where we are located

■ Greenply's plywood units are located in Tizit (Nagaland), proximate to abundant raw material resources, and in Kripampur (West Bengal), close to the Kolkata port facilitating easy timber imports; its laminate unit is located in Behror (Rajasthan) close to the fast-growing markets of the National Capital Region and others.

■ The company's new plywood and particle board manufacturing facility is located in Pant Nagar, (Uttaranchal), proximate to rich raw material resources on the one hand and the fast-

growing markets of Northern India on the other.

■ Corporate office in Kolkata.

■ Branch offices in Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Nagpur, Patna, Pune, Raipur and Ranchi.

■ Listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

### How we are placed

■ Greenply's established brands cater to different market segments.

Segment	Brands
Plywood	<ul style="list-style-type: none"> <li>■ Greenply</li> <li>■ Green Club (India's first brand which comes with a lifetime guarantee)</li> <li>■ Green Decowood (decorative veneers)</li> </ul>
Laminates	<ul style="list-style-type: none"> <li>■ Greenlam</li> <li>■ Green Gloss</li> <li>■ Green Touch</li> <li>■ Greenlam Supertuf</li> <li>■ Green Lamiboard</li> </ul>

■ Leading marketshare of 25 per cent in India's organised plywood industry and 14 per cent in India's organised laminates market.

### How our products are sold

- 20 marketing offices.
- 33 resident representatives.
- 1,300 authorised distributors and retailers.
- 2,400 authorised dealers, sub-dealers and retailers.
- Over 250 members in the marketing team.
- Export of products to 18 countries through prominent international distributors and dealers.

### What we are proud of

- ISO-9001: Strong quality management systems for our laminate unit in Behror, Rajasthan.
- ISO-14001: Robust environment management practices for our laminate unit in Behror, Rajasthan.
- OHSAS-18001: Strong occupational health

and safety management practices at our laminate unit in Behror, Rajasthan.

- Two-star export house.
- Construction World Award for emerging as India's largest interior infrastructure company.
- Uninterrupted profit making and dividend-paying record for 12 years.

### How we performed in 2005-6

- Highest-ever turnover of Rs 308.22 cr, a 15 per cent growth over the previous year.
- EBIDTA growth of 30 per cent to Rs 30.52 cr.
- Post-tax profit growth of 104 per cent to Rs 14.09 cr.
- Market capitalisation of Rs 162.77 cr on the NSE (Rs 25.69 cr as on 31 March 2005 on the NSE) as on 31 March 2006.

## Forward-looking statement

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

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could

vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Greenply Industries Limited consolidated its business with effect from 1 April 2005 on account of amalgamation of Worthy Plywoods Limited with Greenply Industries Limited. So the performance of the company reflects the benefit of the consolidation from 2005-6. Greenply's financial performance as reflected in its balance sheet, profit and loss account and other statutory sections indicates consolidated numbers for 2005-6. To provide readers with a credible basis of financial comparison in the non-statutory portions of the annual report, the company's management has consolidated all the numbers pertaining to the previous years and made them comparable with the consolidated performance for 2005-6.

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## What this annual report contains

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Greenply:  
India's largest  
interior  
infrastructure  
company



Chairman's statement

In a business where scale and scope are the two most crucial success determinants, Greenply emerged as the largest and most successful interior infrastructure company in India.

*Dear fellow Stakeholders,*

What gave us considerable pride in 2005-6 were the following features:

- 48 per cent increase in our topline (after the elimination of the sale of low-margin products) even as the industry grew by around 15 – 20 per cent.
- 196 basis point increase in our EBITDA margin to 10.92 per cent even as there was a rise in the cost of our principal raw material.
- 104 per cent rise in our post-tax profit to Rs 14.09 cr in 2005-6 even as there was an increase in competition.

Complacency would be an easy response at this juncture; on the contrary, we are working harder than ever before to capitalize on the great Indian economic boom.

I am highly optimistic about the business that we are in for an important reason: every rupee invested in housing adds 78 paise to the country's GDP; so at Greenply we are convinced that any increase in India's GDP beyond 10.0 per cent will need to involve the housing sector in a bigger and continuous way, strengthening the case for interior infrastructure solution providers like us.

There is a positive undercurrent that makes India's residential sector an attractive proxy for sustainable growth:

- The demand for houses could increase to 22.50 million dwelling units by the end of the 10th Plan (source Assocham).
- India's urban population will increase from around 28 per cent to nearly 40 per cent; India's annual real estate development of USD 15 billion will grow at about 30 per cent a year.
- The median age for home buyers has declined from 38 years in the early 1990s to about 28 years today; evidently, India's population of young earning individuals is increasing and pre-poning their residential purchases.
- Incomes have risen faster than property prices; the cost of a house is around 3 – 4 times an

individual's annual income compared to 15 – 20 times a decade ago.

- Over half of India's population is 'young' and under the age of 25 and this trend will sustain.

Interestingly, this does not factor into account the growing demand for new commercial spaces at all. It is estimated that demand for office space in India grew from 3.90 million sq ft in 1988 to around 16 million sq. ft. in 2004-5 and demand in 2005-2008 will be in excess of 85 million sq. ft., driven by a boom in the country's IT and ITeS industries.

Correspondingly, there will be a boom in experiential shopping; from 25 operational malls in 2003, India is likely to be shopping in no less than 220 malls by end-2006 and 600 malls by 2010 (over a 100 million sq ft of retail space).

The projected numbers are mind boggling and doesn't require sophisticated analysis to conclude that we – as a nation, company and people – are sitting at the edge of an unprecedented opportunity.

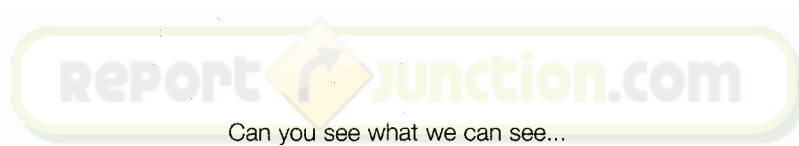
As a company we have responded proactively to this impending transformation: we amalgamated Worthy Plywoods Limited into the company with effect from 1 April 2005 and embarked on a greenfield expansion in Uttaranchal that will be commissioned in 2006-7.

I am optimistic that these two initiatives will provide our company with a critical mass in topline and profits that makes our growth profitable and sustainable in an attractive way over the coming years.

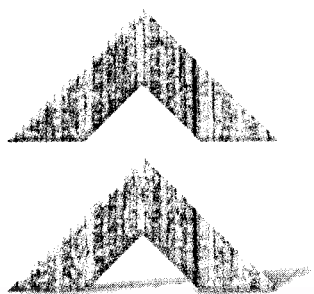
Considering this, I am convinced that though we have emerged as the largest interior infrastructure company in India, we will grow even larger and faster over the coming years.


Sincerely,

S. P. Mittal  
Chairman



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...a robust boom building up