



GREENPLY INDUSTRIES LIMITED
Annual Report 2018-19

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Forward-looking statement

In this annual report we are presenting some 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. Wherever possible, we have tried to identify such statements by using words such as 'anticipates', 'estimates', '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 realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, 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.

Some questions

Why does a home maker, when shown a variety of plywood brands, usually interrupt with 'Yeh sub nahin....mujhe Greenply dikhaiyye.'

Why does an interior designer, with access to cheaper brands, usually scribble 'Greenply' when recommending a safe and enduring solution?

Why does the usual consumer, when asked to name two of the most recalled interior infrastructure brands, usually start with 'Greenply'.

The brand reflects Quality & Service.

Strengthening the Greenply Brand



The recalls of Brand Greenply

'Jab bhi maango milega
– always available.'

'Bharose wala brand
– always trusted.'

'Superior price-value
proposition.'

'Provides a peace of
mind.
Lagao aur bhool jao.'

'Jahaan dekho wahaan
Greenply ke dealer ki
dukaan hai
– always accessible.'

'Whenever something
new is introduced in
the business, it usually
comes from Greenply.'

'Good trustable people
to work with across the
long-term.'



IN THE BUSINESS OF BRANDED INTERIOR INFRASTRUCTURE PRODUCTS, THE BIGGEST SUCCESS DRIVER IS VISIBILITY. THE MORE VISIBLE A BRAND IS, THE STRONGER THE RECALL AT THE TIME OF PURCHASE AND THE GREATER THE LIKELIHOOD OF INTENT TRANSLATING INTO CONSUMPTION.

AT GREENPLY, WE HAVE CONSISTENTLY INVESTED IN ENHANCING OUR 360° VISIBILITY. THESE INITIATIVES HAVE COMPRISED EXERCISES COVERING CONVENTIONAL MARKETING CHANNELS AS WELL AS EMERGING PLATFORMS (DIGITAL MEDIA, AMONG OTHERS). THESE HAVE HELPED ENHANCE THE 'JAHAA DEKHO WAHAA GREENPLY' APPRECIATION, TRANSLATING INTO PREFERRED OFFTAKE.

Locations and formats where we have enhanced Greenply's visibility

■ **Last mile marketing:** Greenply has enhanced retail visibility and penetration coupled with promotional exercises inside retail stores (using vinyl and One Way Vision formats, among others).

The brand was also promoted at strategic locations like street hoardings and street light glow signage's across Kolkata cities.

We also promoted the brand at Kolkata airport through signage's with the objective of enhancing recall across affluent prospective customers.

■ **Brand management:** The overall brand imagery was driven through digital campaign distributed throughout the year. Some of the notable digital & social media promotions were as below.

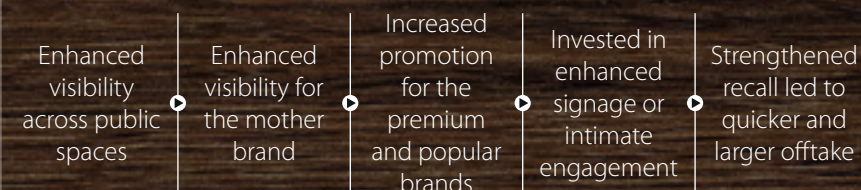
■ **Social and electronic media:** In 2018-19 we created multiple social campaigns with a focus on community benefit. on the eve of Independence Day, we paid tribute to the farmer community through the #AsliAzadi initiative with the commitment to provide them support socio-economically. During Durga Puja, we came up with the idea of a simple ramp made of plywood that will make the puja pandals a more accessible, for handicapped to view the pujas and making pandals wheelchair friendly. On Women's Day, with the larger goal of ensuring inclusion of women workforce

in carpentry, Greenply identified the first team of women carpenters in India. In an endeavour to encourage carpentry work among women in a domain which is dominated by male artisans, we collaborated with Archana Women's Centre - an NGO based in Kerala that empowers women through training and employment in various fields, carpentry being one among them.

■ **Events:** Greenply became the Official Partner of Kolkata Knight Riders during the 2019 IPL, enhancing visibility across millions. On social media, we saw a sharp rise in engagement and impressions with a growth rate of more than 100%.

Asia Cup 2018 was one of the most watched cricket tournaments in the recent past and Greenply's presence via the in-stadium branding was highly noteworthy.

How we enhanced customer value



Recall "I was pleasantly surprised to see the Greenply vinyl display at the Kolkata airport. The promotion centred around women carpenters. I did a double-take. Women carpenters? Do they really exist? In just three seconds, Greenply created a recall that has endured over months."

- Avinash Saxena, Business traveller



IN THE BUSINESS OF INTERIOR INFRASTRUCTURE PRODUCTS, ONE OF THE MOST EFFECTIVE SUCCESS DRIVERS IS PRODUCT AVAILABILITY. WHEN A CUSTOMER FINDS A PRODUCT NOT AVAILABLE, SHE IS LIKELY TO SEEK ALTERNATIVE BRANDS RATHER THAN VISIT THE SHOP LATER.

ACROSS THE YEARS, GREENPLY BUILT ITS BUSINESS AROUND THE CONCEPT OF 'SPOIL FOR CHOICE' THROUGH A WIDENING DISTRIBUTION NETWORK ON THE ONE HAND AND ENHANCED PRODUCT AVAILABILITY ON THE OTHER.

How we ensured an anytime product availability

- Greenply established a marketing network across 25 States comprising 25 branch offices and more than 7800 (distributors, dealers and retailers), which virtually covered the entire Indian geographic footprint.
- The Company made forward-looking investments in strategically located manufacturing plants – one each in Eastern India, Northeastern India and

Western India – making it possible to reach products and replenish sales with speed, enhancing product availability and working capital efficiency (of trade partners).

- The Company invested in an extensive network of 1870 dealers and 6000 retail points covering 300 cities and towns, strengthening the confidence that the Company's products are available virtually anywhere in the country.

How we enhanced customer value



Recall “We generally advise our clients to wait as much as possible before buying the plywood and other interior products needed when refurbishing homes. This saves space and money. The confidence to wait right to the end comes from the assurance that Greenply's products will always be available whenever we want. It is something that one has now begun to take for granted.” – Aditi Raje, Interior designer

availability



IN THE BUSINESS OF INTERIOR INFRASTRUCTURE PRODUCTS, WHERE A SIZABLE INVESTMENT NEEDS TO BE MADE IN PRODUCTS WHOSE EFFICACY WILL ONLY BE VALIDATED ACROSS THE FORESEEABLE FUTURE, THERE IS A PREMIUM ON TRUST. THE BUYER MUST BE ABSOLUTELY SURE THAT THE PRODUCTS INTENDED FOR PURCHASE WILL BE UNQUESTIONABLY RIGHT; THE BRAND MUST EVOKE THE TRUST THAT THE PRODUCT WILL EXCEED EXPECTATIONS.

OVER THE DECADES, GREENPLY HAS BECOME SYNONYMOUS WITH PLYWOOD IN INDIA. THIS GENERIC NAME STATUS HAS BEEN ACHIEVED ON ACCOUNT OF GREENPLY'S CONSISTENT TRANSACTION EASE, SUPERIOR PRODUCT QUALITY AND AFTER-SALES RESPONSIVENESS WHENEVER THE CUSTOMER NEEDS SUPPORT.

THIS UNQUESTIONED TRUST IN GREENPLY'S PRODUCTS HAS BEEN DERIVED FROM A CONSISTENT COMMITMENT TO RIGOROUS QUALITY CONTROL ACROSS THE ENTIRE PRE-SALE PRODUCT LIFECYCLE.

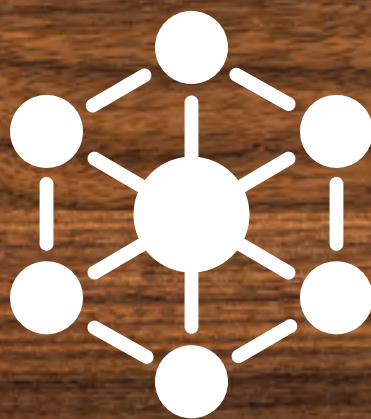
How we enhanced trust

- Greenply sources veneer from Gabon in Africa, reputed for the abundant availability of Okoume trees that produce among the best timber varieties for the manufacture of quality plywood.
- The Company focuses on sustainable forestry, enhancing quality raw material availability (through quality seeds) on the one hand and providing farmers with sustainable livelihoods on the other.

- The Company deploys Quality Assurance teams at outsourcing locations, helping monitor the quality of inputs and finished products.
- The Company invested in cutting-edge manufacturing technologies marked by a high degree of automation leading to a consistent product quality.

Recall "There is a temptation when a multi-brand retailer presents a range of plywood varieties to select from – 'Aap yeh bhi dekhiye, sasta hain'. However, my experience has taught me that when you are building a home or an office you need to think for the next 20 years. When you apply this rationale you realise that the premium that you pay for buying a superior quality product is effectively a 'discount' when you factor the number of years the product will endure." - Meenakshi Pandit, Consumer

trustee



IN THE BUSINESS OF INTERIOR INFRASTRUCTURE PRODUCTS, THERE IS AN OVER-RIDING NEED TO PROVIDE A SUPERIOR PRICE-VALUE PROPOSITION OVER COMPETING PRODUCTS.

AT GREENPLY, WE HAVE CONSISTENTLY FOCUSED ON INCREASING THE PRICE-VALUE PROPOSITION, ENHANCING A RESPECT FOR THE FACT THAT WHEN APPRAISED HOLISTICALLY, GREENPLY PROVIDES THE BEST VALUE.

How we enhanced the value proposition

- ▣ Over the years, the Company provided a complement of superior product quality, product range, accessibility and warranty, enhancing the overall value proposition.
- ▣ The Company capitalised on GST implementation, which narrowed a longstanding gap of manufacturing costs between organised (completely compliant with statutory obligations)

and unorganised sectors (not compliant with tax payments), strengthening the price-value proposition in favour of organised players like Greenply.

- ▣ The Company widened its presence across product categories (value-added to value-for-money), strengthening the offtake of complementary products

- ▣ The Company introduced products at different price points, creating an aspiration-driven consumption journey

Recall “Years ago, when we had first invested in building our office furniture with Greenply, our senior executive had asked why he had not selected cheaper alternatives. We had justified this on the grounds that a premium paid at the outset would gradually result in cost-effectiveness. The second time we embarked on office refurbishment we stayed with Greenply, this time graduating our purchase to a superior plywood variety.” – Anil Mirchandani, Proprietor



IN THE BUSINESS OF INTERIOR INFRASTRUCTURE PRODUCTS, SUCCESS IS DERIVED FROM AGGREGATING, SHARING AND LEVERAGING KNOWLEDGE TO MAKE INFORMED DECISIONS.

AT GREENPLY, WE HAVE AGGREGATED AND ENRICHED OUR KNOWLEDGE CAPITAL TO DRIVE BUSINESS SUSTAINABILITY. THE COMPANY CONSCIOUSLY INVESTED IN CREATING AN INVIGORATING WORKPLACE THAT ATTRACTED PROFESSIONALS AND ENHANCED THEIR RETENTION.

Strengthening our people practices

- The Company positioned itself as a fair, equal-opportunity and merit-driven employer
- The Company strengthened hands-on and behavioural training, enhancing individual productivity

- The Company strengthened team working, making it possible to aggregate competencies
- The Company recruited professionals with diverse capabilities, strengthening the overall competence matrix
- The Company aligned individual aspirations with organisational goals, strengthening people retention

Our employee engagement initiatives

Festival celebrations: We organised employee parties and celebration during festivals.

Green glory league: Annual Employee Meet hosted in Kolkata for all our middle & senior level employees with Games, Entertainment, Rewards & Learning.

Women's Day: We thanked all our Women Employees for their continuous support and contribution.

Family Day: 'SWAJAN – A Celebration of Togetherness' was celebrated as Family Day

We provided our team members games and refreshments.

IPL: We invited KKR Team players to spend time with our Channel Partners in Delhi on 31st March 2019 at Hotel Taj Mahal.

PBD box office: We reserved entire theatre for all our Kolkata employees along with their families for the movie, THUGS OF HINDOSTAN with refreshments.

Blood donation camp: We partnered with Project Life Force and conducted camps with their help in Pune & Delhi inviting our Channel partners, Architects & Contractors.

Diwali sweepstake: In continuation to our custom, we arranged Lottery for employees along with gifts & refreshments.

The result

Our initiatives in engaging with our employees helped us to create an energised team resulting in higher productivity and organisational solidarity.

Recall "Greenply enhances value to an employee's career and resume. The Company provides an invigorating workplace marked by challenge, empowerment and learning, which enhances our personal credential and organisational effectiveness." – N. K. Puhon, Senior Executive

Knowledge



IN THE BUSINESS OF INTERIOR INFRASTRUCTURE PRODUCTS, THE TWO WORDS THAT DRIVE THE BUSINESS ARE 'WHAT'S NEW?'

AT GREENPLY, WE HAVE POSITIONED OURSELVES AS A COMPANY THAT PERIODICALLY INTRODUCES NEW PRODUCTS THAT ENHANCE QUALITY AND CONVENIENCE. THESE PRODUCTS HAVE STRENGTHENED CONSUMER WALK-IN AND OFFTAKE, ENHANCING OUR RESPECT AMONG BUYERS AND OPINION-INFLUENCERS.

How we enhanced our innovation capability

- The Company engaged some of the best research professionals to focus on product and process innovation
- The Company benchmarks products around evolving preferences.

Recall "As Greenply's trade partner, our biggest objective is to explore ways of increasing sales throughput. These days, selling the usual products in the usual ways do not work. New products help grow the market. In this respect, Greenply is leagues ahead of the rest, helping grow the market on the one hand and carving out a disproportionate share of that growth on the other." - Anurag Panchal, Dealer, Gujarat

innovate



GREENPLY'S BUSINESS MODEL IS DRIVEN BY A NEED TO GENERATE SUPERIOR OUTCOMES.

THESE OUTCOMES ARE MARKED BY A CONSISTENT FEATURE – THE CAPACITY TO ENHANCE VALUE ACROSS EVERY RELATIONSHIP, THE ABILITY TO TOUCH AND LEAVE EVERY STAKEHOLDER FOR THE BETTER AND THE ABILITY TO STAND FOR A POSITIVE GOOD FOR THE WORLD AT LARGE.

Enhancing stakeholder value

■ Greenply has strengthened its share of the organised market (currently estimated at about 26%)

■ The Company finished 2018-19 with a gearing of just 0.43; net worth was ₹331.34 cr as on 31 March 2019

■ Nearly 45% of the Company's revenues were derived from an asset-light model, leveraging third party agencies for product manufacture in 2018-19 (likely to increase to 55% by 2022)

Recall "I have been an investor in Greenply for years. The reason why I have stayed invested is that in a world being driven increasingly by brands, Greenply represents insurance: the Company should remain a preferred brand, should protect or enhance market share and should enhance long-term shareholder value." – *Rajesh Shah, Ahmedabad*