

QUEST FOR THE NEXT



CONTENT

01

Corporate Overview

- 2 GIL- As It Looks Now
- 4 GIL - Built for the 'Next'
- 8 From the Chairman's Desk
- 10 Jt. MD & CEO Review
- 12 Our Financial Performance in FY2022
- 14 Expanding Capacities to Prepare for the 'Next'
- 16 On the Digitalisation Trajectory towards the 'Next'
- 17 Quest For a Sustainable Future
- 20 Partnered by our People in our Quest for the 'Next'
- 22 Connectivity to the New-Age Customer



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Forward-looking statements

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.

25

Statutory Reports

- 25 Management Discussion and Analysis
- 41 Directors' Report
- 80 Business Responsibility Report
- 89 Corporate Governance Report

122

Financial Statements

- 122 Standalone Financial Statements
- 195 Consolidated Financial Statements

GREENPLY INDUSTRIES LIMITED (GIL) IS IN THE MIDST OF A NEW SURGE OF OPTIMISM. THE TRANSFORMATIONAL ROADMAP ON WHICH WE HAD EMBARKED A FEW YEARS AGO HAS REINFORCED OUR FOUNDATIONS. IT IS POWERING OUR QUEST FOR THE NEXT LEVEL OF GROWTH AND EXPANSION.

As we move onwards on this crusade, we do so with a sense of confidence in our intrinsic strengths, which equip us to move proactively forward to create an enabling environment for greater stakeholder value creation.

The roadmap we have created for steering our journey towards the next phase of our progression is a well-formulated strategy. It is driven by our targeted initiatives and interventions, such as:

- Introduction of innovative and futuristic products designed to meet transforming aspirations of the millennials
- Foray into the high-potential MDF Board segment
- Expansion of our plywood manufacturing capacities to cater to the market growth across diversified locations
- Nurturing and building the talent pipeline to steer the next level of progression
- Strengthening our systems and processes through sustained digitalisation and automation
- Augmentation of our sustainability-led ESG ethos to deliver futuristic offerings and solutions
- Enhancement of our brand reach and expand our presence into new markets, with deeper penetration into the rural markets
- Deepening engagement with employees to keep them aligned and integrated with the Company's vision and mission



This roadmap is to steer our quest to evolve into a Next-ready organisation, equipped to seize the burgeoning prospects across our existing and new business segments, and thus emerge bigger, better and bolder.



The Greenply India Story featured in History TV 18. Stand witness to #HistoryInTheMaking as we take you through our trailblazing journey. Please Scan the QR code for further details.

GIL - AS IT LOOKS NOW



35+

Years of experience
in delivering quality
plywood products



1,100+

Cities, towns & villages of
distribution network



₹1,573 Cr

Total Income



6.1%

PAT Margin



27 & 6

States & UTs of presence respectively



2,300+

Network of channel partners



₹160 Cr

EBITDA



₹235

Av. Realisation per Sq. Metre



48.4

Million sq. mtrs. p.a.
Plywood capacity*



2,450+

Total no. of employees



₹95 Cr

PAT



₹7.72

Earnings Per Share



10.2%

EBITDA Margin

(as on March 31, 2022)

*(as on June 30, 2022)

(during FY2022 on consolidated basis)

GIL - BUILT FOR THE 'NEXT'

Greenply Industries Limited ("GIL" / the Company) is an organisation built on the foundations of a deep-rooted culture of value creation for all stakeholders. A market leader in plywood industry, GIL is one of India's largest interior infrastructure brands. Having embarked on a quest to deliver the future needs, GIL is ready to move into the next phase of its growth trajectory.

Listed

On NSE & BSE

E-0

India's first Zero Emission plywood brand

Rated AA (-)

Long-Term Debt

Rated A1 +

Short-Term Facilities (CARE & India Ratings)

Great Place to Work

Three times in a row (2020, 2021 & 2022)



Rated

■ **Most Trusted Brands of India,** Commerzify, 2022



■ **Best Green Manufacturing Company,** ET Now, 2022



■ **Pride of India Brand,** e4m, 2022



■ **Dream Company to Work for,** Asian HR Leadership Awards, July 2021



Visitor's lounge at Rajkot Facility, Gujarat

RECENT FORAY INTO THE MDF BOARDS BUSINESS ALLOWS US TO DIVERSIFY OUR PORTFOLIO.

Qualities that equips us to scale the Next

Our deep understanding of consumer needs, insights into the evolving market and industry landscape, as well as our vision for the future have empowered us to move proactively forward in our quest to scale the next level of growth and expansion. Our ethos of innovation, sustainability and inclusive long-term growth are other key drivers of our future growth proposition, which is driven by the expertise and bandwidth of our management. Cumulatively, these strengths have given GIL a strong competitive edge, making it capable of realising its vision to "Transform every house into a home" and enabling it to drive sustainable growth for all stakeholders.

OUR VALUE DRIVERS

- 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

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 Core Strengths



Brand reputation & expanding brand reach

We remain concertedly focused on building our brand reputation, which differentiates our value proposition in a market that is witnessing an increasing shift from unbranded to branded products. We remain focused on enhancing our brand visibility and customer engagement through last-mile connectivity.



Digitization & automation enabled growth

Our thrust on growing our Digitization and Automation capabilities enables us to ensure the highest levels of quality for our products and seamless logistics to enable timely delivery.



Innovation-led product portfolio

Our portfolio of high-quality innovative products is designed to cater to the emerging demands and aspirations of customers across diversified customer segments. In line with our sustainability focus, our efforts are centred around the development of environment-friendly and health-conscious products.



Enhancing capacities

We are continuously augmenting our production capacities by setting up new plants and expanding the existing capacities.



Nurturing sustainability

Our investments in plantations are helping us nurture the sustainability-led growth model. The model is built on our long-term perspective of uninterrupted raw material supply for our products, and steer all-encompassing development of our farmer community. Our investment in plantations is helping us nurture the sustainability-led growth model.



Management bandwidth and people capabilities

We continue to invest in strengthening our management diversity and building on our people capabilities to make the organisation future-ready.



Strategic locations

Our state-of-the-art manufacturing facilities are located strategically to ensure seamless raw material supply while conserving the natural resources. Strong logistics support ensures timely and hassle-free delivery supplies.

Our Product Suite

Plywood & Block Board

BRANDS

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

Decorative Veneers

BRANDS

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

Doors

BRANDS

- Green
- Optima G
- Ecotec

PVC Products

BRANDS

- Green Ndure

PRODUCTS

- Boards
- Doors
- Plastic Section

Specialty Plywood

BRANDS

- Green Compressed Wood Plate
- Cali-Form Plywood

Upcoming Products Medium Density Fibre (MDF) Boards

PRODUCTS

- Exterior
- Interior
- High Density High Moisture Resistance (HDHMR)
- Boiled Water Resistance (BWR)
- Other Value-Added Products

Our Presence in India

56

Branch Offices

19

Hubs & Godowns

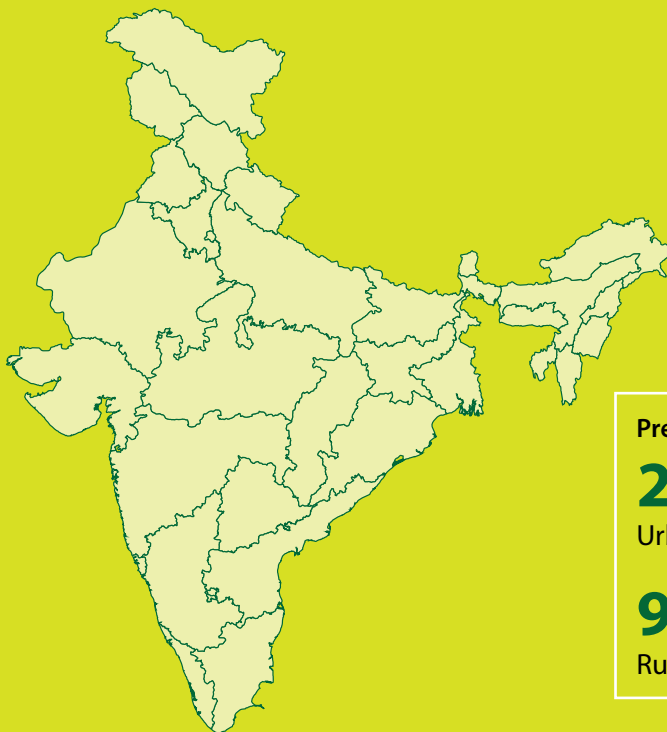
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Existing Manufacturing Facilities*

1

Upcoming Manufacturing Facility at Vadodara

*as on June 30, 2022 - including Sandila, Uttar Pradesh Facility



Presence in Cities

200+
Urban

900+
Rural & Semi-Urban

Map not to scale. For illustrative purposes only

FROM THE CHAIRMAN'S DESK



We continued to invest in building on our manufacturing capacities, backed by enhanced focus on empowering our people, sustainability and product innovation, supported by our growing digital outreach.



Dear Shareholders

We stand today at the cusp of a new beginning. Having built a strong base in our plywood and veneers business, we are starting the next level of growth, with our entry into the closely allied MDF space. The consumer aspirations for having better furniture and better homes has catalysed growth prospects for the sector and we are well positioned to leverage this trend on the back of our core strengths. The sector is seeing growth after consistent slowdowns over the past decade, which we believe is a positive sign for the entire wood panel industry, and particularly the organised sector. We are now ready to embark on this journey of expansion.

We, at Greenply, are well on track to deliver on our plans. While there are cost and geo-political challenges prevailing, our relentless focus on building a stronger and future-ready organisation is intact. Our focused efforts towards enhancing capacities and building capabilities have empowered us to effectively seize the emerging growth opportunities.

Performing well in challenging environment

FY2022 began on a dampening note for the Indian economy as well as our business, with the pandemic effects still impacting

the day-to-day life. As the situation eased after the second and more severe COVID Delta virus wave, we moved ahead with agility and improved our performance. I am happy to share that in spite of inflationary environment and supply chain issues constraining our growth trajectory, we reported a strong financial performance, driven by improving demand scenario. Our consolidated total income was up by 34% to ₹ 1,573 crore for the year, while net profit rose 56% to ₹ 95 crore.

Renewed demand for real estate supporting our growth

Our positive performance in a challenging environment has come at the back of renewed demand in both the residential and office segments. Government policies and initiatives, such as promotion of furniture clusters, are further aiding growth, which will stimulate greater potential for the industry's expansion in the future.

We are also optimistic about further scale-up of our Gabon operations which, I am pleased to share, has shown revenue growth of 24% with EBITDA margins of 11.7% during FY2022. Although the material cost volatility and container availability issues still prevail, going forward, we expect them to ease out from the current level. We have a healthy order book and given the improving demand scenario in Europe and Southeast

Asia; the efforts are directed to further scale up the business in the next fiscal.

A year of building on the 'Now'

During FY2022, we strategically moved into new business segments, product lines and geographies, to strengthen the foundations we had earlier built to create a future-ready organisation. At the same time, we continued to invest in building on our manufacturing capacities, backed by enhanced focus on empowering our people, sustainability and product innovation, supported by our growing digital outreach. Our ability to leverage our deep marketing insights and our brand strengths were also central to our growth proposition. Cumulatively, these initiatives and investments enabled us to stay on track with our future plans and projects.

Scaling to be Next-ready

Our foray into the high-potential MDF Boards business under a Wholly Owned Subsidiary (WOS), with the capacity of 800 CBM per day greenfield facility at Vadodara, Gujarat, marked a significant milestone in our journey to become future-ready as we transition to the next level of growth. MDF is a futuristic wood panel product with a wide range of end-use applications. The facility is expected to become operational by the end of FY2023, is strategically located in the Western region market to give us the first mover advantage and help us capitalise on the latent demand.

We have recently scaled up our existing Plywood business with the newly commissioned Sandila plant under a Wholly Owned Subsidiary (WOS) in Lucknow, Uttar Pradesh with the capacity of 13.5 million sq. mtrs. p.a. The unit is strategically located, which gives us clear advantage in terms of raw material availability and penetration in northern markets. Further, our continued focus on our manufacturing partnerships will also further translate into capacity enhancements for leveraging the emerging industry demand and maximise returns.

Strategising for the 'Next'

The industry scenario has been challenging over the past couple of years, with the COVID pandemic hampering business continuity and raw material cost issues further aggravating the crisis. However, the real estate sector is slowly but surely getting back on its feet and showing progressive demand. The market is seeing a clear shift away from the unorganised sector, paving the way for the growth of the organised players. As India's leading organised player in the wood panel industry, GIL is well poised to gain from this trend.

₹1,573 CRORE

TOTAL INCOME (consolidated)

34% Y-o-Y growth in FY2022



CMD sharing business prospects with Channel Partners

Our pioneering E-0 product has received excellent response from the growing population of discerning consumers seeking eco-friendly furniture for their homes and offices. We have the first mover advantage in this segment, which places us in the sweet spot of capitalizing on the thriving industry opportunities.

We are positive that our strong brand presence, expansion plans, well-established dealer network and presence in both the premium and the value segments will continue to push the momentum of our growth.

On this positive note, I would like to take this opportunity to thank all our employees for their hard work and commitment as partners in our journey of transformation, in our quest to scale from 'Now' to 'Next'. I would also like to express my gratitude to all our business partners, vendors, shareholders, bankers, government authorities and others, for their sustained trust in the credentials of GIL.

RAJESH MITTAL

Chairman cum Managing Director

JT. MD & CEO REVIEW

Our manufacturing prowess, extensive and well-built channel partner network, pan-India reach, and continued investments in building our people capabilities will further help us chart the next level of progression.



How has the Company performed over the last year?

Well, it's indeed gratifying that amidst the volatility in macro environment, we reported healthy performance. Notwithstanding the low base in the industry and the continuing challenges within our Gabon operations, we delivered strong consolidated revenue growth in FY2022. Our strategic investments and our transformational efforts over the last few years are aligned to our long-term goals. We are optimistic about the improving market and consumer sentiment to support the growth further.

What are the growth drivers for the industry and how equipped are you to capitalise on them?

The consumer shift towards branded products, increased preference for readymade furniture and environment-friendly products, backed by an improving real estate sector will continue to drive industry growth prospects. GIL, with its strong brand position of eco-friendly and durable products designed to cater to both

premium and value segments, is well positioned to leverage the growth opportunity. Our manufacturing prowess, extensive and well-built channel partner network, pan-India reach, and continued investments in building our people capabilities will further help us chart the next level of progression.

How are you grappling with the issues of increased raw material cost?

We have seen significant inflationary pressure on the prices of our key raw material over the last full year. The market has also seen a steep hike in logistics costs. Timber prices have increased up to 25%, while the cost of some of the critical chemicals rose 2.5 times and still the volatility continues. We have been able to pass on some of these cost increases to the consumers, albeit with a time lag. That said, we believe scenario to improve as input cost pressure eases.

Can you throw some light on the increased branding and promotion activities undertaken during the year?

We believe strong brand visibility to be vital for business growth, especially in an evolving market with shifting consumer preferences. Our association with IPL as associate sponsor of Lucknow Super Giants helped increase our brand visibility. We scaled up our E-0 campaign during the year. We are actively pursuing targeted campaigns both above the line and below the line. Our TVC bursts, especially in the last quarter of the year, resonated well with the transforming consumer sentiment. We also made significant investments in outdoor campaigns, which are helping take our products to some of the most under-penetrated markets.

What is the Company's strategic lookout in near to medium term?

We are quite bullish about the prospects for business growth and value creation for our stakeholders over the next few years. The outlook for the infrastructure sector, along with improving consumer optimism, will support growth.

Automation and digitisation, branding initiatives, focus on sustainability and plantation activities to drive our ESG journey, along with manufacturing excellence and team building are our key areas of investment. We are also working on enhancing our rural & semi-urban reach and increased the penetration to additional 190 cities during the year on the back of strong demand generation.

Overall, we feel we are well placed to leverage on our strengths and exploit the market opportunities to move aggressively towards the next stage.



CEO inaugurating "Samagam"- a platform for dealers interaction

Talking about your focus on ESG, how is the market responding to your E-0 plywood range and how are you promoting it?

We are pioneer in launching E-0 range of plywood products and delighted to say that it is finding great acceptance in the market due to the growing consumer shift towards eco-friendly products. During the year, we took our E-0 campaign to newer heights with greater aggression to tap into the opportunity unleashed by this trend. I am happy to share that the campaign reached one million homes. The 360° campaign comprised a mass media reach via TV, radio, OOH, and the digital network leading to a significant level of engagement across all the platforms.

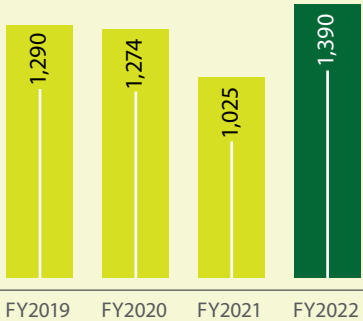
How are you taking the sustainability initiative ahead? What are your plans?

We follow a very futuristic and focused approach on this front. All our existing manufacturing facilities have extensive plantations around them. We are also developing a plantation around our upcoming MDF unit under WOS in Vadodara. So far, we have planted more than 12 million seedlings and covered more than 17,000 acres of area for plantation. This is in line with our strategy to invest in sustainable development in catchment to all our manufacturing facilities. We aim to achieve raw material self-sufficiency while promoting our sustainability and inclusive growth efforts.

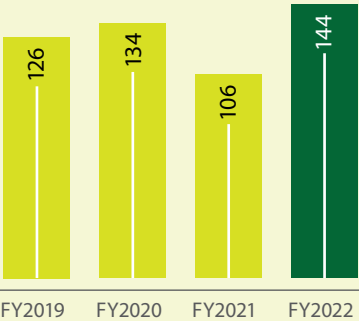
MANOJ TULSIAN
Joint MD & CEO

OUR FINANCIAL PERFORMANCE IN FY2022

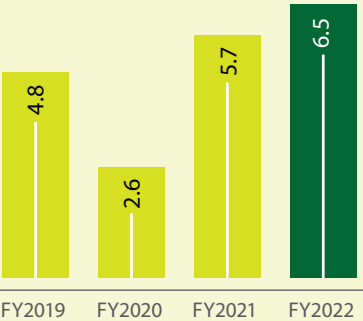
Total Income (₹ Crore)



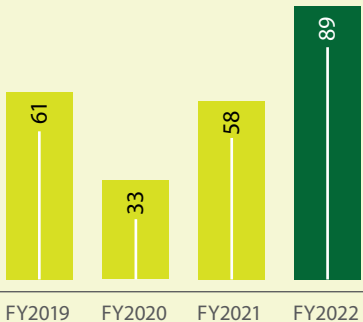
EBITDA (₹ Crore)



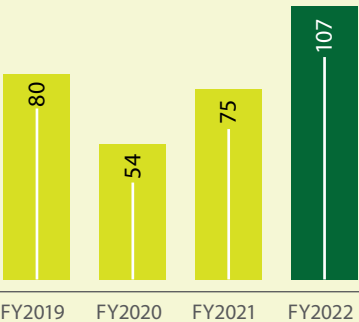
PAT Margin** (%)



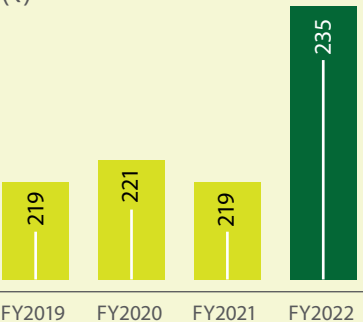
PAT (₹ Crore)



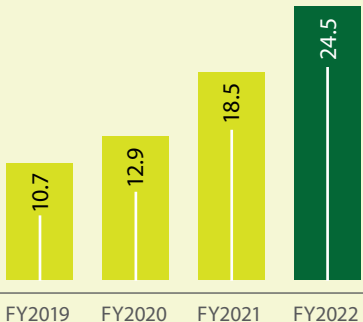
Cash Profits (₹ Crore)



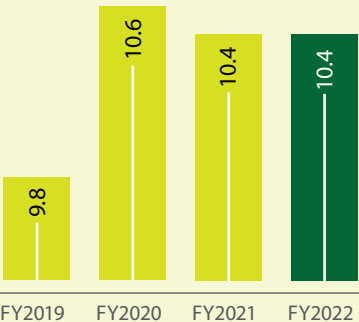
Average Realisation per sq metre (₹)



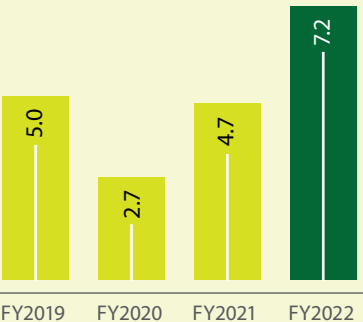
ROCE – Pre-tax* (%)



EBITDA Margin** (%)



Earnings Per Share (₹)



Note:
* ROCE taken on average capital employed
**Margins taken on revenue from operations



EXPANDING CAPACITIES TO PREPARE FOR THE ‘NEXT’

At GIL, we have mapped our strategic growth charter to the emerging opportunity. We have modelled our business approach not just to meet the existing market requirement but also to cater to the expected future demand. Led by this approach, we are striving continuously to succeed in our quest to prepare for the next level of the Company’s growth and development.

Capacity expansion has emerged as a key driver of this strategy, and we continued to invest in further scaling our manufacturing capabilities during FY2022. Our approach encompassed:

- Sustaining and building on our manufacturing excellence
- Expanding our own manufacturing capacities to cater to the premium segment while moving the mid segment from trading model to more of a partnership model

Strong Manufacturing Footprint

As of June 30, 2022, our manufacturing footprint, across product lines, business segments and locations, comprises:

Plywood & Allied Location	Capacity (million sq. mtrs. p.a.)
Bamanbore, Gujarat	15.80
Sandila, Uttar Pradesh	13.50
Kripampur, West Bengal	11.00
Tizit, Nagaland	8.10
Total Plywood & Allied Existing Capacity	48.40

All the manufacturing units are compliant with the highest environmental standards and are equipped with wastewater recycling facilities and ESP to check emissions.



Face Veneer Peeling Location

Gabon, West Africa

96,000 Capacity (CBM/pa)

Plywood & Allied Location (Domestic Partnership)

Bareilly, Uttar Pradesh

~10.00 Capacity (Mn Sq. M pa)

Expanding manufacturing capacities

As an organisation ready to harness the industry growth potential, we moved proactively during the year to invest in the enhancement of our manufacturing capacities.

Plywood capacity expansion - Started commercial production recently

In a significant move to expand our plywood manufacturing capacities, we invested in the establishment of a greenfield plywood manufacturing unit at Sandila under a Wholly Owned Subsidiary near Lucknow, Uttar Pradesh.

Plywood Manufacturing Location

Sandila (Lucknow), Uttar Pradesh (WOS)

13.50 Capacity (Mn Sq. M pa)

MDF segment has seen very strong demand and this trend is expected to continue in near term

We are setting up a greenfield MDF board manufacturing unit under WOS in Vadodara, Gujarat to cater to this demand. The plant, with a capacity of 800 CBM per day, is expected to become operational by the end of FY2023. The plant is strategically located that ensures easy procurement of raw materials & proximity to seaports and highways.



Greenfield MDF board manufacturing unit, Vadodara, Gujarat



Cyclone installation at Greenfield MDF board manufacturing unit, Vadodara, Gujarat



Upcoming MDF Manufacturing Location

Vadodara, Gujarat

800 Capacity (CBM/day)

Leveraging our manufacturing partnerships

During the year, we also signed up another manufacturing partner through investment in equity for manufacturing of plywood and allied products in Hapur, UP. With the capacity of 7.5 million sq. mtrs. p.a., the plant is expected to be operational by the end of FY2023.

We are focussed on asset-light growth model to cater to the growing plywood demand in value segment market. Currently, we have a manufacturing partnership capacity of ~10.0 million sq. mtrs. p.a. at Bareilly, Uttar Pradesh and we are further augmenting our hold in the northern markets with our new manufacturing partner facility. With this alliance, the total partnership capacity will be 17.5 million sq. mtrs. p.a.

ON THE DIGITALISATION TRAJECTORY TOWARDS THE 'NEXT'

At GIL, we believe digitisation and automation to be important pillars of our ability to move actively forward in our quest to push ahead to the next level of growth and value creation. We believe in continuous investments in IT and digitalisation to make the organisation future-ready. We are focused on enhancing our capabilities through technological upgradation of our systems and processes, to create a deeper connect with our customers and ensure customer retention. We remain committed to strengthening our digital framework and augmenting IT security. Enhancement of the end user experience is the key propeller of our digitalisation journey.

Key initiatives during FY2022

■ QR Code implementation

The implementation of QR code in the previous fiscal has made tracking and tracing of all our products easier. It has helped enhance the value proposition of our influencers. This will boost our productivity and efficiency levels, besides improving employee satisfaction. We believe that implementation of our QR code initiative will enhance consumer confidence. This will ensure genuineness by minimising the threat of counterfeiting.

■ Leveraging IT to transform Logistics

The deployment of SaaS platform has catalysed a positive transformation in our Logistics function. The key areas of this transformation include:

- Bidding for transporters
- Turnaround and retention at origin
- Live tracking of the vehicle in transit for all despatches with alerts
- Proof of Delivery (POD) confirmation by transporter/dealers
- Visibility and transparency for Sales, Commercial teams, as well as all our business partners

- Dashboard & MIS for cost optimisation, Turn Around Time (TAT), Transporter performance etc.

We believe this transformation will empower the Company even more strongly towards the next phase of growth.

We have embarked on digitisation of our entire dealer process, from placement of orders to payments and management.



Sandila Facility, Uttar Pradesh

Our vision for the future

Cognisant of the criticality of organisation-wide digitalisation to future growth, we, at GIL, have outlined a clearly defined roadmap for our digital transformation in the areas of sales & distribution, logistics management, manufacturing process, quality management etc.

As a progressive organisation, we are moving fast on data-driven digital intelligence and make the right decision quicker. This will help us achieve our business objective more efficiently with improved sustainability in data trends.

QUEST FOR A SUSTAINABLE FUTURE

As an environment-conscious organisation, we, at GIL, have identified Sustainability as an important strategic priority for building on our growth foundations. Our sustainable growth ethos is powered by our multi-pronged approach, centred around our quest to ride the next phase of our growth trajectory. This approach is focused on:

