

# 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](http://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**

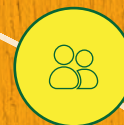
Interior infrastructure brands in India



## Our Mission



Ensure on-time delivery of high quality products



Create a cordial atmosphere within the organisation



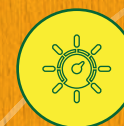
Implement environmentally and socially considerate decisions for ourselves and the community

## 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



1

International manufacturing facility at Gabon, Africa

56

Branch offices

Cities covered

200+

Urban

5

Domestic manufacturing facilities

900+

Rural and semi-urban



## REFLECTING ON SUSTAINABLE GROWTH

- 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

- 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

1980s

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

1990s

- Acquisition of Galaxy Decor and Platinum Veneers, granting access to a plywood manufacturing facility in Gujarat

2000s

- Launch of the Optima brand
- Introduction of Green Club Plus, a low-emission plywood
- Introduction of the Ecotec brand

2010s

- Commencement of commercial production at the Decorative Veneers unit in Gujarat

2020s

- 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



// **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. //**

as a "Great Place to Work" for the third consecutive time exemplifies our commitment to fostering a progressive and fulfilling work environment.

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,

## Q 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.

## Q 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.

## Q 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.

## Q 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.

## Q 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)



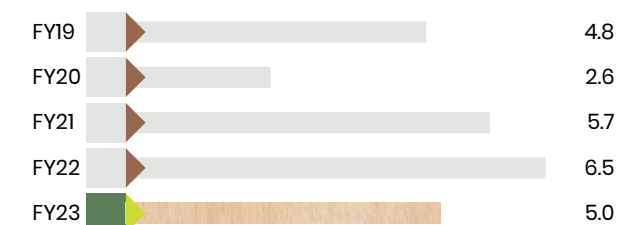
## Profit After Tax (PAT) (INR Crore)



## EBITDA Margin (%)



## PAT Margin (%)



## EBITDA (INR Crore)



## Average Realisation per sq metre (INR)



## Earnings per Share (INR)



## Cash profit (INR Crore)



## ROCE (%)





# 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 Flexply now offers Zero Emission and Virashield 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 programme 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 a durable product with a prolonged lifespan.

