



Greenply/2020-21  
September 5, 2020

**The Manager**

BSE Limited  
Department of Corporate Services  
Floor 25, P. J. Towers, Dalal Street  
Mumbai - 400 001  
Security Code: 526797

**The Manager**

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E)  
Mumbai - 400 051  
Symbol - GREENPLY

Dear Sir/Madam

**Sub: Submission of Annual Report for the Financial Year 2019-20**

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 2019-20.

The aforesaid Annual Report has also been placed on the website of the Company viz. [www.greenply.com/investors](http://www.greenply.com/investors).

Thanking you,

Yours faithfully,  
For **Greenply Industries Limited**

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

Encl.: A/a

**Greenply Industries Limited**

'Madgul Lounge', 5th & 6th Floor, 23 Chetla Central Road, Kolkata-700027, West Bengal, India

T : +91 33 30515000 F : +91 33 30515010 | Toll Free : 1800-103-4050 Whatsapp : 9007755000

E : [sales.ply@greenply.com](mailto:sales.ply@greenply.com) Web : [www.greenplyplywood.com](http://www.greenplyplywood.com) | [www.greenply.com](http://www.greenply.com) | [www.askgreenply.com](http://www.askgreenply.com)

Registered Office : Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L20211AS1990PLC003484



# Reinforcing Leadership Through **transformation**

---

Greenply Industries Limited Annual Report 2019-20

# Contents

002

Corporate snapshot

004

Our performance over the years

006

5 big messages and destination for future

008

Greenply possesses a credible track record in proactive transformation and reinforcing its leadership

010

The building blocks of a reinventing Greenply

012

Greenply. Making the world better for all its stakeholders

014

Chairman's overview

016

Joint Managing Director & CEO review

018

Greenply's operating discipline at the heart of its sustainability

020

Greenply's enhanced resource security

022

Greenply's culture of sustained innovation

028

Why Greenply continues to believe in the long-term India story

030

How Greenply has endured across the years

032

5 key trends shaping our sector... and how we are responding to them

034

How we have transformed Greenply over the years

036

Management discussion and analysis

044

Directors' Report

094

Business Responsibility Report

102

Corporate Governance Report

134

Standalone Financial Statements

201

Consolidated Financial Statements

## 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.

# Reinforcing Leadership Through Transformation

Greenply has protected its multi-decade leadership through an over-riding reality.

## Transformation.

The Company has consistently transformed ahead of the curve, enhancing its preparedness to address emerging opportunities.

## In these challenging times, Greenply is transforming again.

By strengthening its people bandwidth.

By deepening its culture of innovation.

By reinforcing its resource security.

By extending its presence across continents.

By embracing cutting-edge technologies.






By widening and deepening its distribution network.

By creating a product portfolio to address every price point.

*The Company is engaged in this sweeping transformation with the objective to reinforce its leadership as the country's most trusted plywood brand.*



# Defining Greenply through five words...

<b>Credible</b>  	<ul style="list-style-type: none"> <li>One of India's largest plywood manufacturing companies</li> <li>More than 30 years of experience in the plywood industry</li> <li>Established in 1990, the Company is led by a team of experienced professionals</li> <li>More than 26% market share in the organised plywood industry</li> </ul>
<b>Leadership</b>  	<ul style="list-style-type: none"> <li>Among India's leading interior infrastructure product manufacturers driven by a culture of product innovation</li> <li>Specialises in the manufacture of quality products for applications in furniture, partitions, paneling, false ceilings and other exterior-and semi-exterior applications</li> <li>Product range includes plywood and blockboard, doors and decorative veneers</li> </ul>
<b>Pervasive</b>  	<ul style="list-style-type: none"> <li>Portfolio comprises products catering to the needs and budgets of all kinds of consumers</li> <li>Supported by manufacturing locations in West Bengal, Nagaland and Gujarat</li> <li>Overseas manufacturing units in Gabon (West Africa) and Myanmar</li> <li>Dealer and retailer network comprising 7,500+ points of sales across India</li> </ul>
<b>Efficient</b>  	<ul style="list-style-type: none"> <li>One of the lowest cost high quality plywood manufacturers in India</li> <li>First from India to commission operations in Gabon to source low-cost high-quality raw material</li> <li>Asset-light model (40% in-house and 60% outsourced by volume including outsourcing of MAT ply) generating higher returns on capital employed</li> </ul>
<b>Differentiated</b>  	<ul style="list-style-type: none"> <li>Prominent brand with high market recall</li> <li>Eco-friendly products</li> <li>Pioneer in introducing environment-friendly and health hazard-free plywood</li> <li>360-degree marketing initiatives, targeted at trade and end consumers through various above-the-line (ATL) and below-the-line (BTL) activities to enhance brand visibility</li> </ul>



## Our vision

Transform every house into a home.



## 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 one's own requirements
- Adopting ground-breaking measures that reshaped the plywood industry



## Manufacturing facilities

<b>6</b>	<b>4.50</b>	<b>14.40</b>	<b>96000</b>
million sq. mtrs.	million sq. mtrs.	million sq. mtrs.	CBM (peeling capacity)

### Kriparampur, West Bengal

- Proximate to Kolkata Port
- Base for Eastern and Southern Indian markets

### Tizit, Nagaland

- Proximate to Nagaland timber belts for convenient raw material sourcing

### Bamanbore, Gujarat

- Proximate to Kandla Port
- Base for servicing the Western and Northern Indian markets

### Gabon, Africa

- Abundance of Okume species
- Port proximity
- Creating global presence

\* The Company's face veneer unit in Gabon, Africa is owned and operated through a subsidiary

**142**

Capacity utilisation (%) in FY2019-20

**2365**

Employee strength as on 31.03.2020

**10.60**

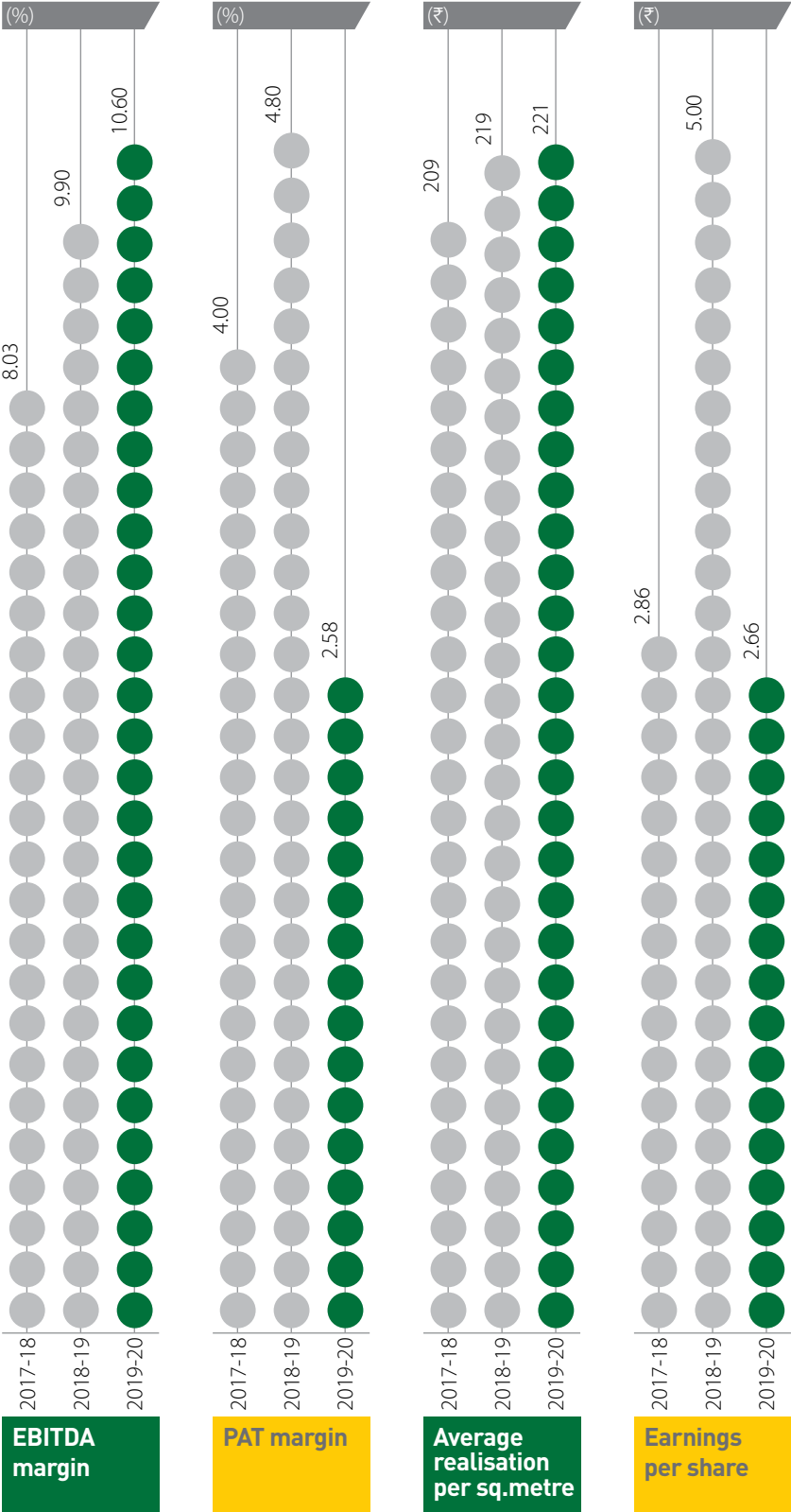
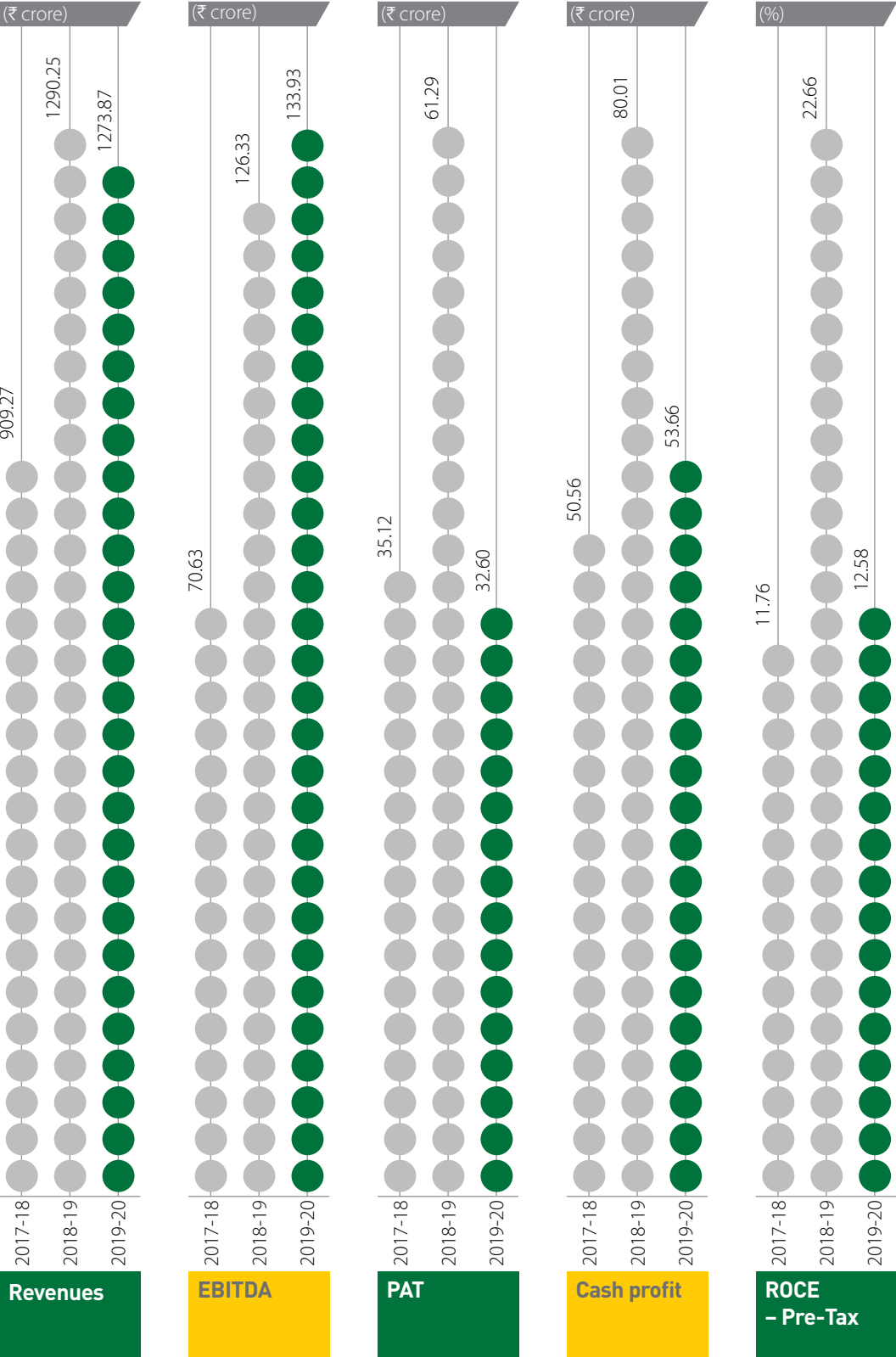
EBITDA margin (%) as on 31.03.2020

**2.58**

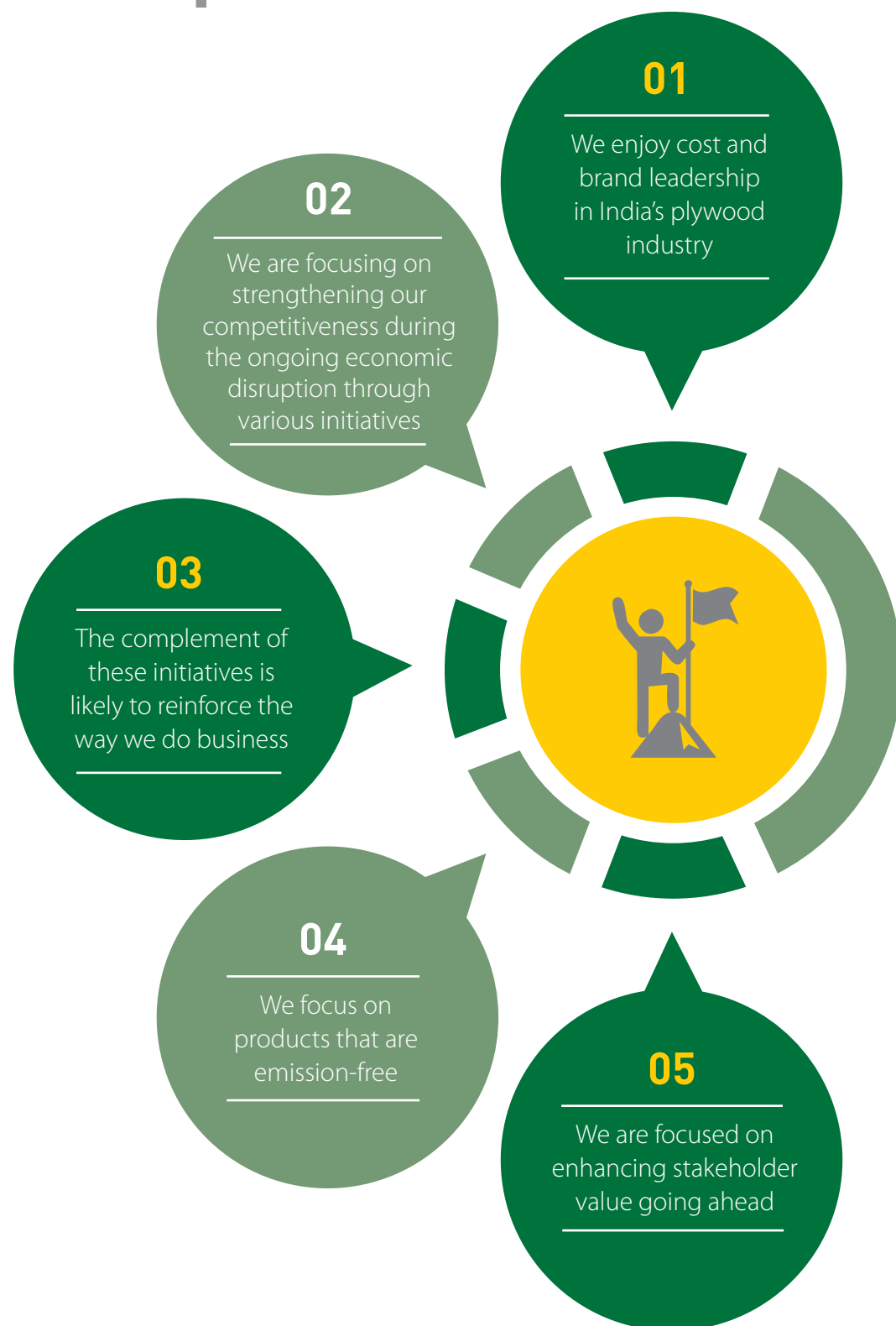
PAT margin (%) as on 31 March 2020



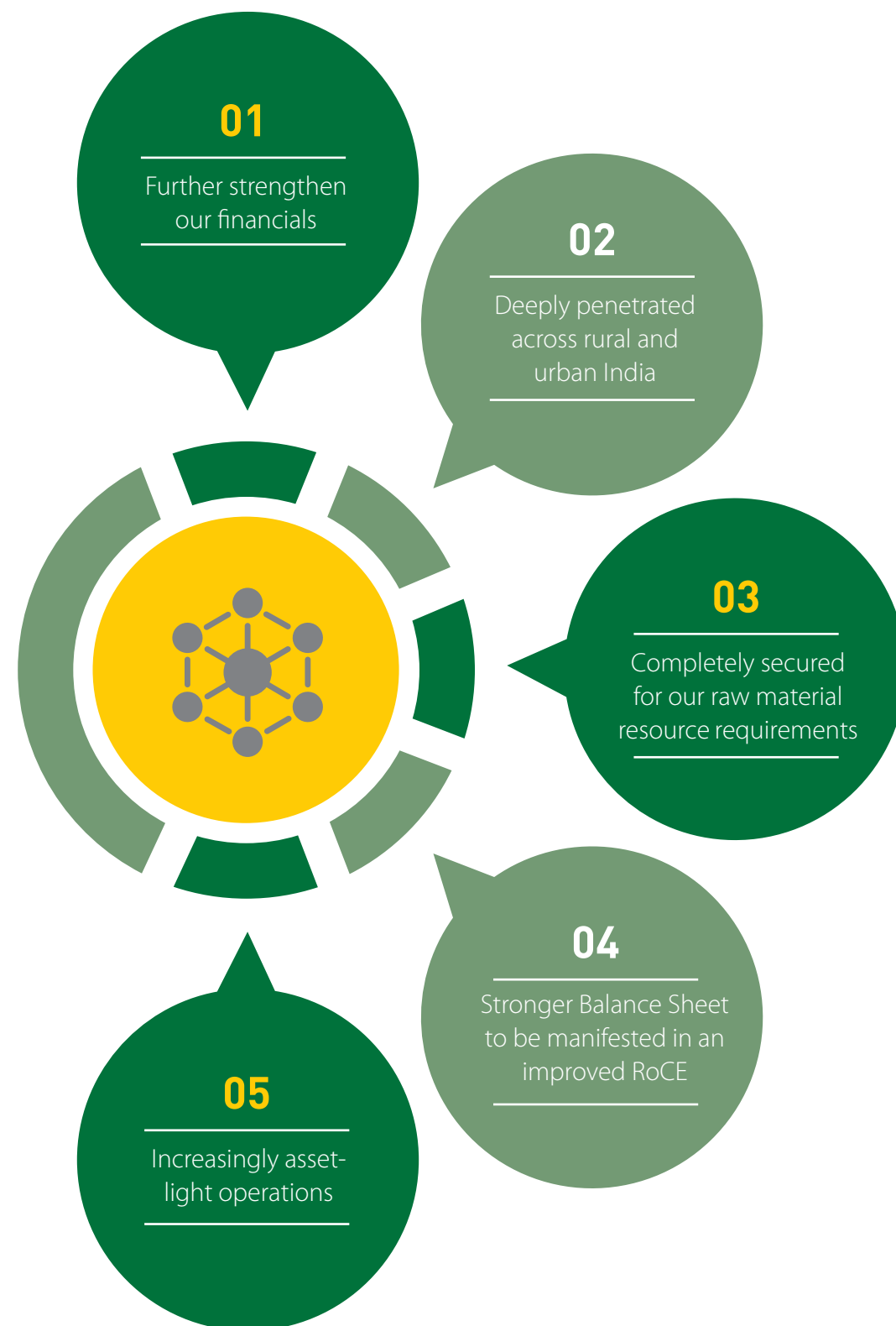
# Our performance over the years



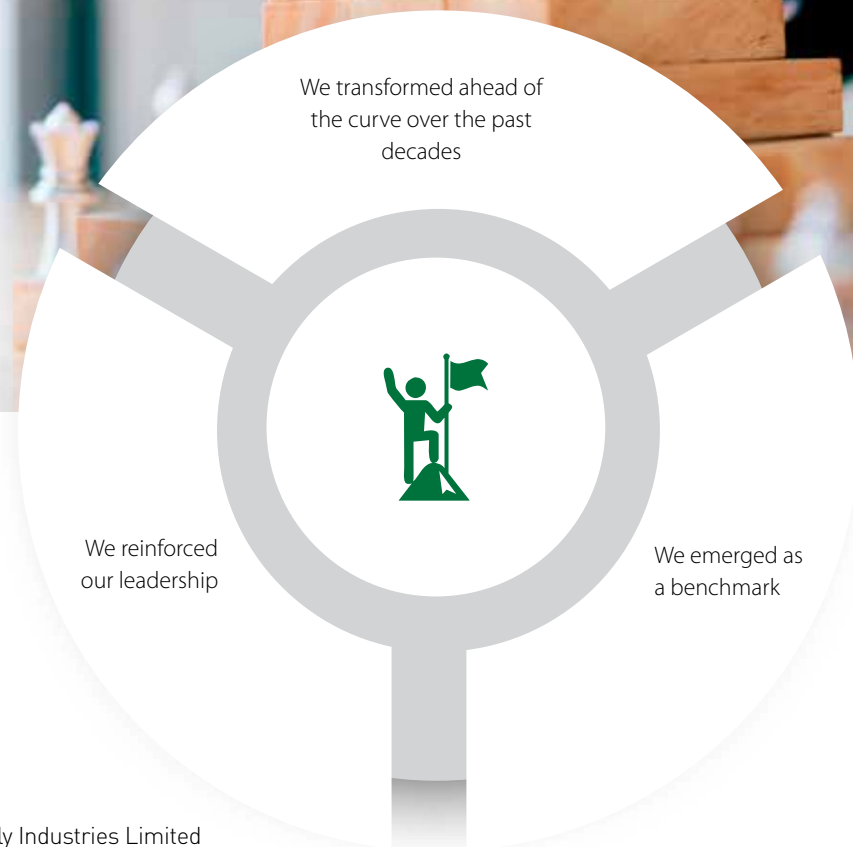
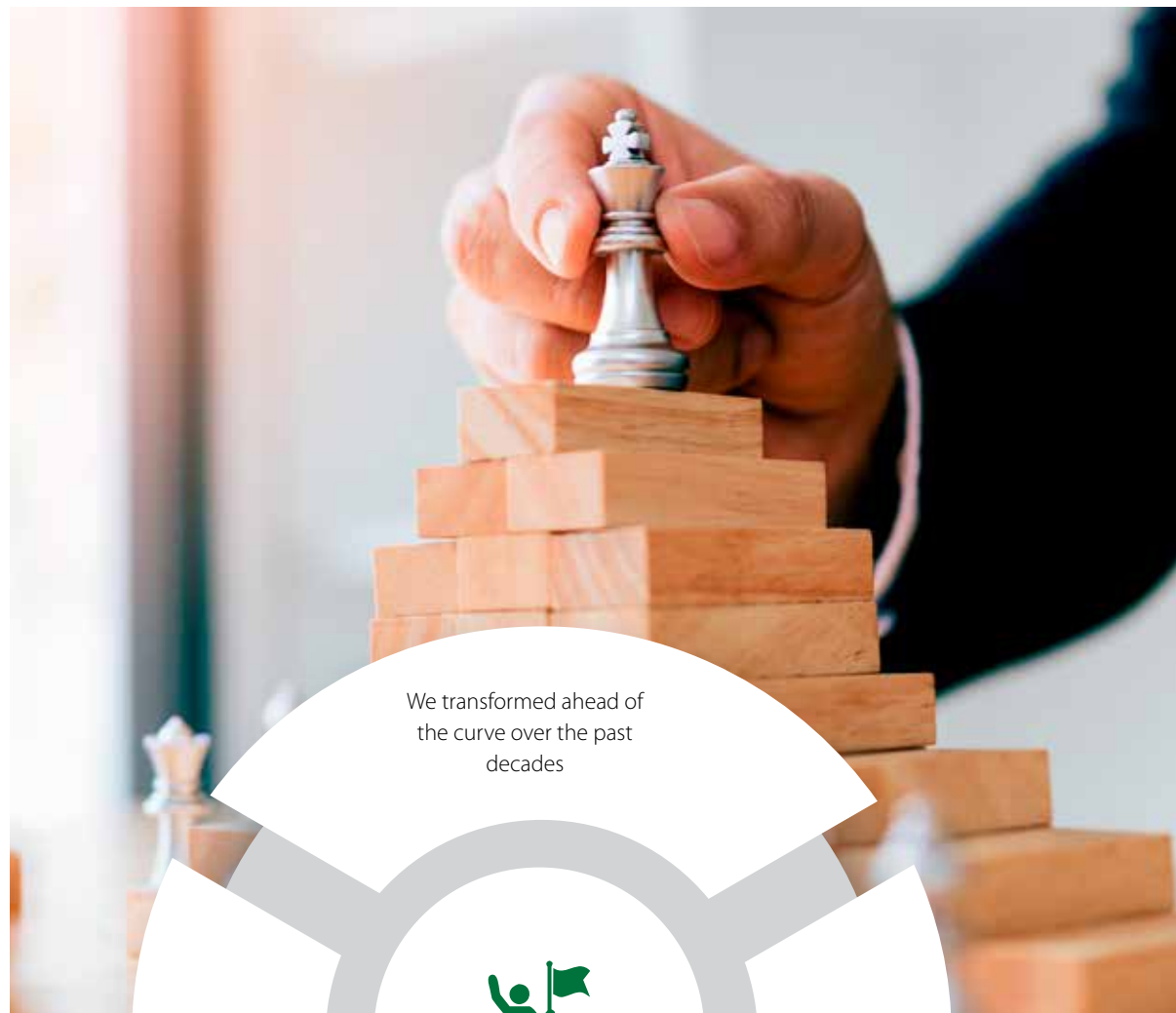
# 5 big messages that we at Greenply wish to convey through this report



# 5 destinations of our business in the foreseeable future



# Greenply possesses a credible track record in proactive transformation reinforcing its leadership



01

## Lifetime 3x warranty

At a time when every single plywood manufacturer assured superior product quality verbally, Greenply took this assurance a decisive step ahead. In 2009, the Company became the first in India's plywood industry to offer a 300% lifetime warranty for plywood. This pro-consumer disruption in warranty cost and tenure transformed the industry's assurance dynamics for good...in more senses than one.

*Inspired by Greenply*

02

## Eco-friendly plywood

At a time when the world is seeking healthier options in virtually every area of product or service consumption, Greenply became the first brand in India to provide emission-zero plywood in FY2019-20. This product derived its credentials from the complete replacement of raw materials that could potentially send out emissions and could prove noxious for users in closed environments. This pioneering product represents a watershed in the Indian plywood sector. In the future, plywood products will be largely appraised around environment-friendliness. *Inspired by Greenply*

03

## Calibrators

In the past, institutional users of plywood encountered a recurring challenge: variation in thickness for every batch of products. In 2015, Greenply addressed this longstanding problem: the Company became the first in India to invest in the Double Press technology and calibrators that helped completely standardise plywood uniformity. The country's furniture sector has grown remarkably since. *Inspired by Greenply*

04

## Right-sizing

As Greenply grew its products portfolio, one of the biggest challenges it faced was the need to deepen focus across each business segment. After the overall business had achieved a sizable critical mass, the Company engaged in two demergers – first into a focused laminate Company and thereafter into a focused MDF Company. The shareholders of Greenply received shares in each of these companies. The spinoff of one large Company into three mid-sized companies re-ignited entrepreneurial spirit and enhanced value for the shareholders of each – an effective instance of rightsizing enhancing value. *Inspired by Greenply*

05

## Resource security

The biggest challenge across the last decade has been enhancing resource security. After a number of timber-rich countries banned the export of felled timber, there was a scramble to access this rich resource for the onward manufacture of plywood. In 2016, Greenply became the first Indian plywood Company to commission a timber peeling unit in Gabon (West Africa) with the objective to source the special Okume tree resource. This decision has helped the Company widen its resource de-risking on the one hand and access quality hardwood on the other. Besides, it has helped graduate and internationalise India's plywood sector. *Inspired by Greenply*



# The building blocks of a reinventing **Greenply**

<p>When companies are shrinking on account of demand destruction there is a greater premium on growth at any cost ...</p>	<p>We are focusing on becoming the best instead</p>
---	---

<p>When most feel that focus on a specific grade would work best ...</p>	<p>We have selected to provide the complete customer solution instead</p>
--	---

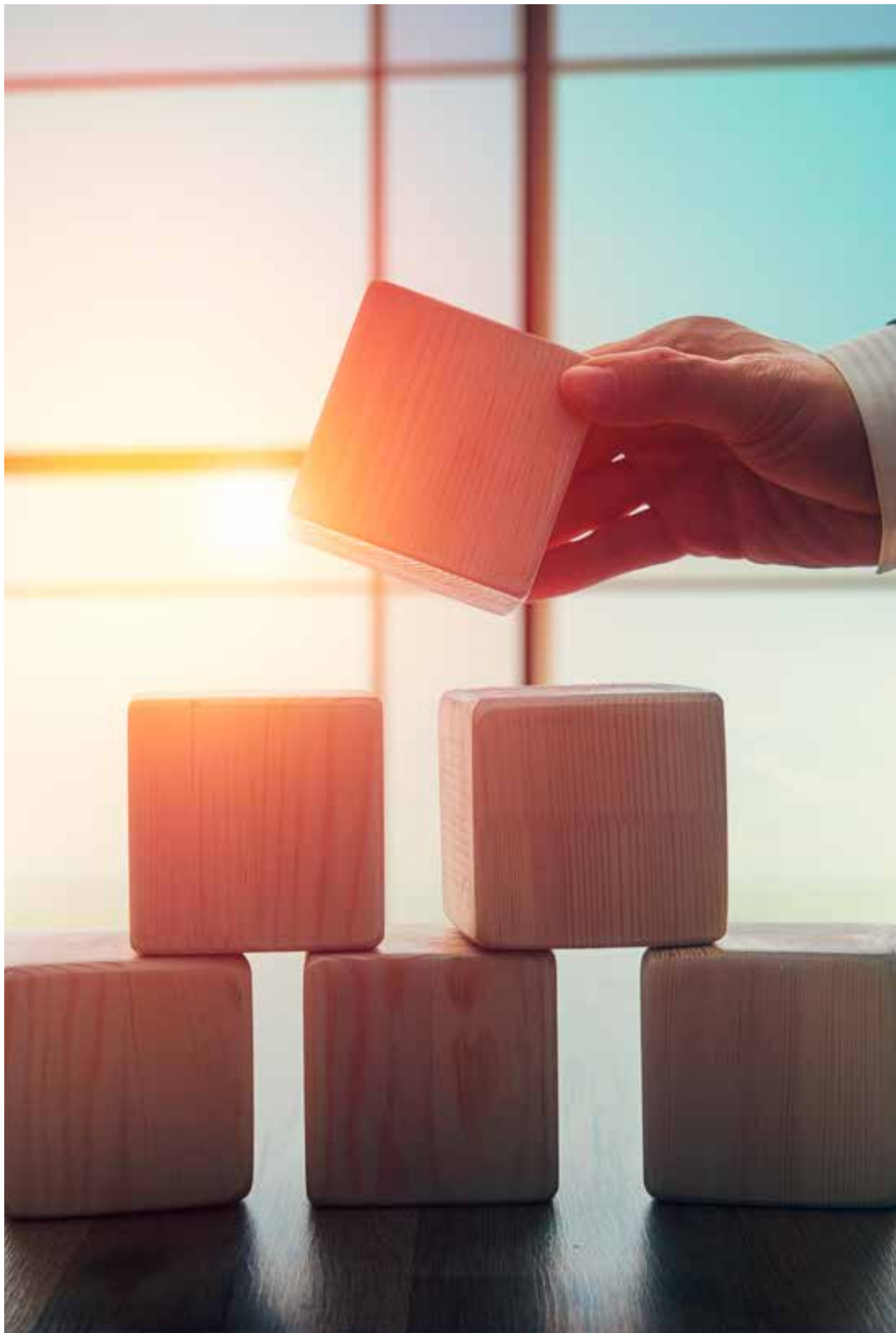
<p>When most advise patience and wait for the slowdown to blow over...</p>	<p>We are reinventing our business in a proactive way</p>
--	---

<p>When a number of people have advised us to stick to the knitting ...</p>	<p>We have extended laterally to the marketing of complementary non-plywood products as well</p>
---	--

<p>When everybody cites this slowdown and advises caution...</p>	<p>What we hear is 'opportunity'</p>
--	--------------------------------------



# Greenply. Making the world better for all its stakeholders



Customers

Nitya Singh in Chandigarh sleeps well at night. She is secure in the knowledge that her Greenply plywood variety does not release any toxic emissions

For every pocket

Sunita Ekka in Chattisgarh was building a home for the first time. She was pleasantly surprised to find that she could buy into the Greenply brand without having to pay a fortune

Plantation success

James Kom in Nagaland is one of hundreds of farmers, whose incomes have trebled in the last few years, following their turning to commercial wood plantation with a ready buyer in Greenply.

Architects

Prakash Bhalla in the National Capital Region does not seek to expose his clients to unforeseen shocks. The plywood brand that is at the head of his recommended list for interior fit-outs is inevitably Greenply

Carpenters

Anjali Behera is a carpenter in Odisha and proud of it. She entered a male bastion, was encouraged to grow in her profession and celebrated for her success by Greenply

Community

A patient's wing for cancer patients at the Tata Memorial Centre in Kolkata has been funded by Greenply Foundation. Extending the benefit of corporate success to the marginalised

Shareholders

Pravin Patel has been holding Greenply shares for more than a decade. Following each demerger he received spinoff shares in addition to participating in the growth of the parent company. Greenply has done wonders for his portfolio

Employees

Sujan Chakraborty has been working with Greenply for more than two decades. He is one of 11.4% of 2,365 workers to have spent more than 20 years with the Company

Consumers

Sujatha Shanmugham is a furniture manufacturer in Coimbatore. Her stress disappeared after she commenced purchases of completely calibrated plywood from Greenply

## Chairman's overview



**At Greenply, we believe that our managerial breadth and depth will translate into a larger and longer staying capacity during the prevailing slowdown**

### Overview

The world is passing through its most uncertain phase in decades. The Indian economic slowdown of 2019 was complemented by the outbreak of the Covid-19 pandemic, the effects of the latter becoming visible from January 2020 and deepening as

subsequent months passed. During the last week of the financial year under review, a national lockdown was imposed to stagger the spread of the Covid-19 pandemic. This is affecting consumer demand, discretionary spending and

capital expenditure. The result is that India might be staring at an economic de-growth during the current financial year, the first such phenomenon in living memory for most.

### Impact of Covid-19 pandemic

The spread of the pandemic in 2020-21 represents a seminal moment in our lives.

The pandemic is not just affecting the way companies conduct business but also how humankind will live. This will affect every part of our lives, including decisions related to spending on interiors, influencing prospects for companies like ours.

The response of the market will be largely dependent on the discovery of the vaccine

and the success of humankind in addressing the pandemic. The outlook is uncertain and there is an advantage in the ability of companies like ours to manage their way through the downturn while protecting their fundamentals.

An unpredictable environment as the one that we are passing through puts a benefit on strategic transformation and reinforcing our leadership.

At Greenply, we believe that

companies in existence to address a specific purpose – in our case, plywood manufacture and marketing – could find it relatively easier to protect their brand during this challenging period.

Besides, companies like ours that have extended beyond a generic positioning and address focused market segments – like Greenply is positioned – stand a better chance of competitiveness across market cycles.

## Greenply's response

At Greenply, we believe that a usual response to the prevailing circumstances will not work. The Company will need to address this unprecedented reality with a complete reinvention, no less.

The time is right to question every paradigm we held dear in a normalised business environment; the time is right to initiate proactive change rather than wait for the market to revive; the time is right to see opportunities in this crisis; the time is right to strengthen our business model.

At Greenply, we have charted broad initiatives to enhance our opportunity-preparedness.

A reinventing Greenply will reinforce its established culture for innovation. As an industry leader, the Company made a decisive portfolio extension when it introduced zero-emission plywood during the year under review, reinforcing its commitment towards the health of its consumers. The Company did not just launch a new product; it pioneered the category through proprietary technology that will help in providing a new direction towards healthier interiors in India.

A reinventing Greenply is being built around an even stronger governance foundation. We are investing deeper in the elements of good governance with the objective of enhancing business sustainability. The governance momentum was established some years ago when the Company demerged its laminates and MDF businesses

into separate companies under completely different ownership and management teams with the objective to enhance focus, accountability and value. During the year under review, the management took this momentum a decisive step ahead when it appointed a professional Chief Executive Officer to manage operations within just eight months of the demerger. This is not one of routine initiatives; it represents a decisive watershed in our existence from a family-driven Company towards a more professionalised management. We believe that a professional CEO will enable the management to see business realities not just with a new pair of glasses but with completely different eyes.

A reinventing Greenply will be built around tighter financial discipline that comprises the use of moderated working capital, shrinking the receivables cycle and plugging systemic financial leaks. The objective will be to moderate the cost structure to a point that makes us competitive across market cycles.

A reinventing Greenply will penetrate its markets deeper. Even though we are one of the most extensively distributed plywood brands in India, we see considerable rural headroom.

A reinventing Greenply will increasingly graduate from the sale of products to the delivery of solutions. The objective will not be as much 'This is what I have to sell to you' as much as 'What

do you need that I could possibly develop for you?' This customer-first approach is expected to help seed new opportunities better, widen our portfolio, spread our risks across a larger number of products and strengthen our recall as a trusted one-stop shop for everything plywood.

A reinventing Greenply will enhance brand visibility through the use of diverse media. It will enhance its appeal across younger consumers; it will position itself around a consumer's peace of mind; it will reinforce its recall around solutions; it will deepen its brand around a wide product portfolio addressing every consumer's needs; it will reach its message across a wider share of the country's population.

A reinventing Greenply will protect its knowledge capital. The Company will strengthen its culture of delegation and accountability. The Company will enhance ownership not just in an emotional way but also through ESOPs, strengthening its rewards and recognition framework.

**A reinventing Greenply will protect its knowledge capital. The Company will strengthen its culture of delegation and accountability.**

### Outlook

At Greenply, we believe that our managerial breadth and depth will translate into a larger and longer staying capacity during the prevailing slowdown.

By the virtue of reinventing our organisation top-down,

we believe we are entering an exciting phase where we expect to increase our outperformance of the markets and our retrospective growth average.

Through enhanced resilience and agility, we are confident of being

among the last players standing through this crisis and among the first to rebound when the market normalises.

**Rajesh Mittal,**  
Chairman cum Managing Director



**Principally, Greenply is engaged in the process of reinventing itself. The Company is questioning every paradigm that it held dear across the years**

#### Overview

Greenply ended FY2019-20 with 1.27% de-growth in revenues, 6% increase in EBITDA and 46.8% decline in profit after tax owing to write off for an exceptional item of ₹ 49.97 crore in FY2019-20. .

These numbers were creditable given the slowdown in the Indian economy, resistance by home and office owners to engage in fresh capital expenditure and a general

tendency to downtrade.

The outbreak of the Covid-19 pandemic towards the later part of the last quarter of FY2019-20 resulted in a shutdown of the Indian economy; the most productive phase of the last quarter coincided with a time when the Company reported virtually no offtake.

#### At Greenply, we perceive the unfolding reality as an opportunity for some good reasons.

**One**, the slowdown has provided an otherwise growth-driven Company like ours the opportunity to re-orient strategically for the medium-term as opposed to chasing numbers for the next quarter.

**Two**, we believe that the lockdown-induced slowdown will translate into a sectorial shakeout

and industry consolidation where there is a possibility of the established brands getting larger.

**Three**, with restrictions on social engagement the offtake of plywood for home or office construction could be replaced by branded furniture, widening the role of the organised plywood sector.

**Four**, consumers may spend less during the course of the slowdown but when they eventually do there is every possibility that they will trust credible organised brands like Greenply.

**Five**, large and liquid plywood companies like Greenply possess the resources to invest

**At Greenply, focus on the word 'profit' is being progressively replaced by 'cash flow', emphasising that liquidity will be our biggest buffer during the slowdown and after**

continuously in the business, deepening their consumer engagement and strengthening their brand even as consumer sentiment remains depressed; when spending power returns, brands like Greenply could carve

away a disproportionately larger market share.

**Six**, the unorganised sector has suffered in the last few months with low access to organised bank capital in the absence of credible

documentation; these companies have also suffered labour attrition, which presents organised brands like Greenply with the opportunity to capitalise through adequate liquidity and automation.

#### Looking within

However, even as a Company like Greenply is attractively placed to capitalise on the slowdown, it will need to look within, raise its game and emerge stronger.

Principally, Greenply is engaged in the process of reinventing itself. The Company is questioning every paradigm that it held dear across the years. This is translating into a deeper cost scrutiny, process audit and investment appraisal.

At Greenply, there was always a fine understanding of time and resource spending effectiveness; this payback understanding has been sharpened in the last few months. The understanding of costs from a conventional financial perspective has been extended

to additional parameters like 'time taken' and 'missed opportunity'.

At Greenply, there is now a deeper focus on Return on Capital Employed not just at the corporate level but across every function, which is making us leaner and more productive.

At Greenply, focus on the word 'profit' is being progressively replaced by 'cash flow', emphasising that liquidity will be our biggest buffer during the slowdown and after.

At Greenply, there is a deeper focus on extending the efficiency frontier across all interventions, strengthening our organisational outperformance.

At Greenply, there is a greater focus on digitalisation that does not just enhance operational seamlessness but also the consumer experience.

At Greenply, we will move increasingly towards an asset-light approach where we outsource the manufacture of select plywood varieties and focus deeper on marketing and branding instead.

We believe that the complement of these initiatives will deepen our trust across our stakeholder ecosystem, strengthening business sustainability.

**Manoj Tulsian**  
Joint Managing Director and CEO



# Greenply's operating discipline at the heart of its sustainability



## Overview

At Greenply, we have run our business with a consistent discipline. This has enhanced organisational predictability. This predictability has strengthened our business sustainability.

## Attributes

### Trust

At Greenply, we may be engaged in the manufacture of plywood but are essentially engaged in the business of trust building. We recognise that 95% consumers will furnish their homes in the long-term; when they buy building materials they will need to be completely sure; within non-discretionary items like plywood they will buy the most trusted brands secured by quality and warranty. This aspiration remains Greenply's ideal.

### Best over biggest

At Greenply, we believe that success is derived from being the best at what we can do. A focus on our competence enhances asset utilisation, revenues and profitability. This validates that passion generates scale.

### No speculative positions

At Greenply, we see our role as an efficient convertor of natural wood resource into finished plywood. This has strengthened the Company's de-risking marked by non-speculative positions, focus on sales velocity and adequate liquidity.

### Upstream security

At Greenply, we successfully invested in a commercial plantation programme. Though the initiative is owned by farmers, we provide clonal saplings and technical advice, as a result of which farmers get a fair market rate for their produce and we are secured for our raw material requirements.

### One-stop shop

At Greenply, we possess the capabilities to produce a range of plywood varieties addressing all budgets and preferences. The result is that we have a brand catering to different price points and can graduate a consumer from one product to another on a value-adding consumer journey across the years, accounting for a larger share of the consumer's mind-space, lifecycle engagement and repeat engagement.

### Moderated capex

At Greenply, we have taken a conscious decision to rationalise large capital expenditure. Instead, the Company is likely to engage in selective outsourcing without compromising product quality and prudent capacity debottlenecking. This will strengthen our asset-light sustainability and profitability.

### Environment responsibility

At Greenply, we believe there is a growing premium on the need to be environmentally responsible beyond what has been statutorily specified. We believe that environment responsibility enhances consumer health, employee morale, community respect, lender confidence and shareholder assurance.

### Niche

At Greenply, even as the plywood space has been generalised, there is an emphasis on value-added niches. The result is that 15-20% of the Company's revenues are derived from value-added plywood variants.

### Integrity

At Greenply, we resolved that when stakeholders referred to us, they would do so with a sense of respect. We run our business around integrity, helping attract a credible eco-system of loyal and like-minded customers, employees and investors.

### Disciplined growth

At Greenply, sustainability is best derived from disciplined growth as opposed to disproportionate investments. The Company has consciously allocated accruals into business growth without stretching the Balance Sheet. The result is that we have progressively moderated our net debt position and improved the efficiency of capital employed.

### Process-driven

At Greenply, growth can be best derived when the senior management charts out a strategic direction, remains engaged in the business and delegates day-to-day management to professionals. The Company deepened its investment in processes and systems. This framework – processes as well as IT foundation – represents a scalable foundation that will enable the Company to grow efficiently and profitably.

### Audit and compliance-driven

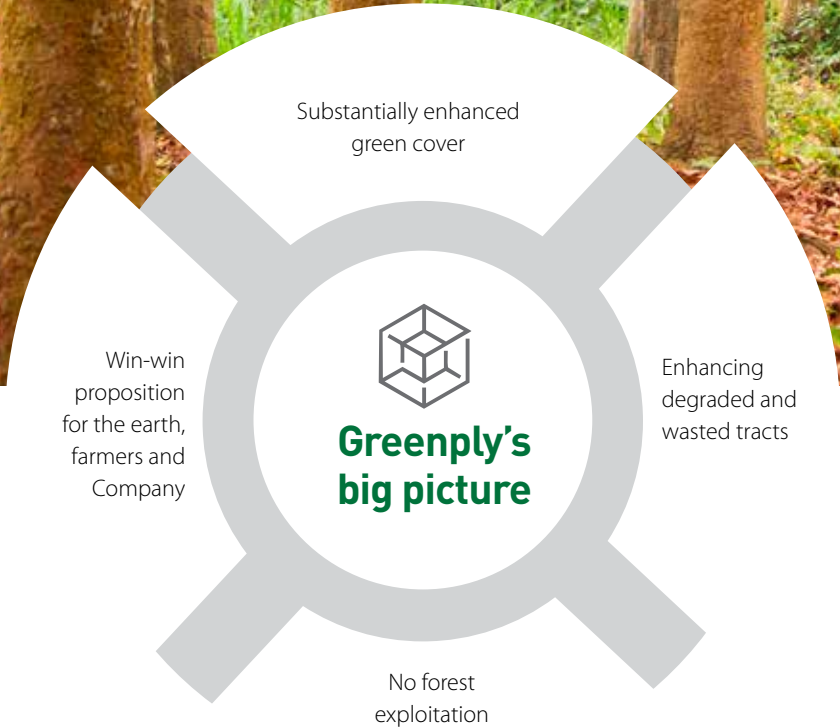
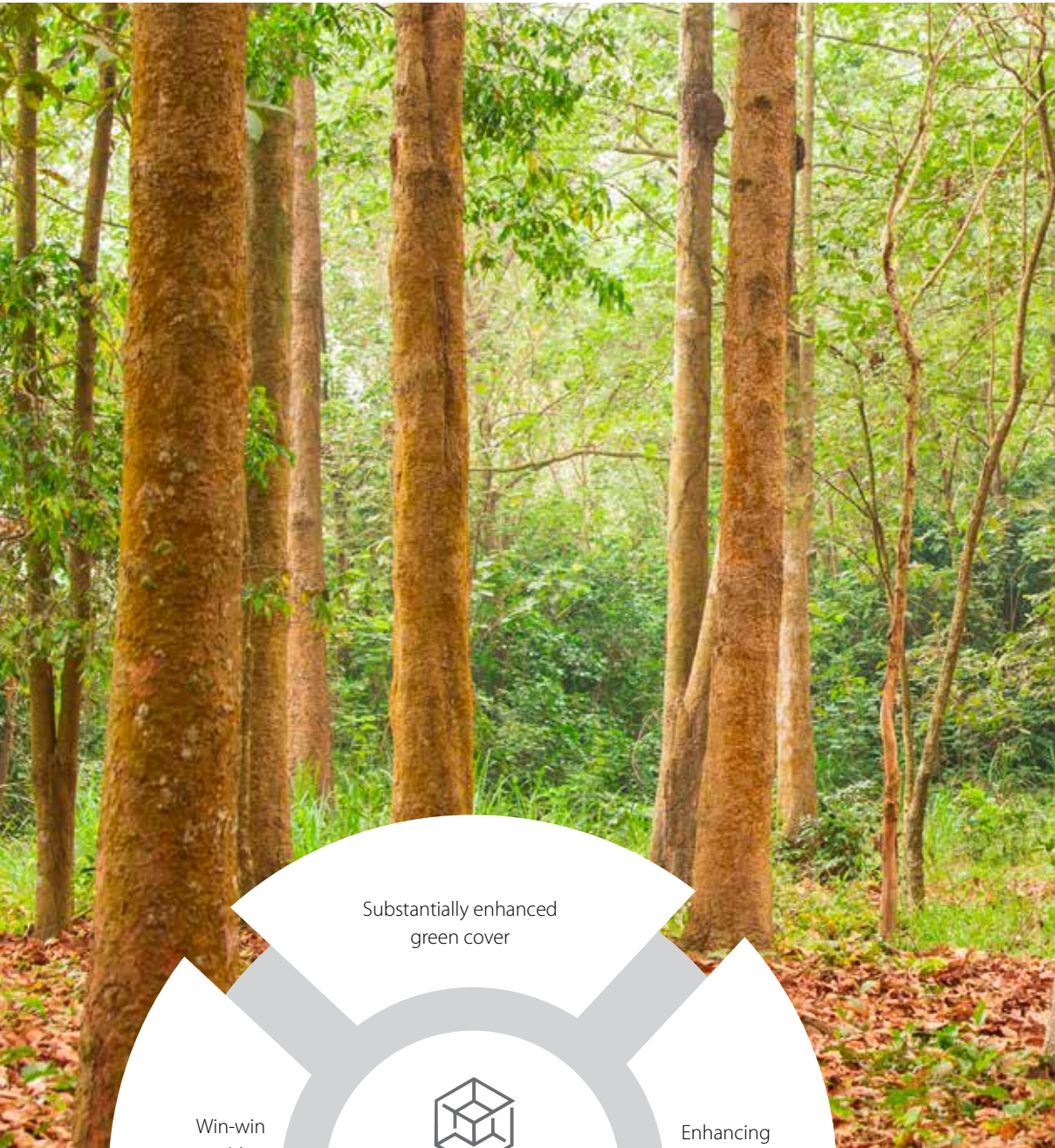
At Greenply, business predictability is derived from a strong review system. We strengthened an audit-driven and compliance-driven approach, enhancing the credibility.

### Stakeholder value

At Greenply, we exist for the benefit of all stakeholders: the customer must experience enhanced competitiveness arising out of our business solution; the employee must derive pride, remuneration, career advancement and engagement stability; the investor must generate a superior return on employed capital over competing investment opportunities; the community must benefit from our presence; the government must benefit through taxes and livelihood creation; the vendor must benefit through the outsourcing of products and services.



# Greenply's enhanced resource security



## Overview

In the business of plywood manufacture that depends extensively on wood resource, there is a premium on the ability to procure the largest volume of the highest quality at the most affordable cost from within the shortest procurement distance.

In a world where the availability of wood resources is being increasingly affected by a perspective that this is environment unfriendly, there is a need for a business model that reconcile the interests of the farmer, user and environment.

When Greenply embarked on an ambitious programme to encourage farmers in growing plantation wood some years ago, the challenges were considerable: the spaces on which this was proposed were wasteland and degraded, raising doubts about the success of this proposed programme. The Company made this commitment: it demonstrated proof of concept, scaled and transformed the growth of plantation wood into a sustainable activity.

The success of this programme has conclusively countered the myth that the organised plywood sector is depleting green cover. The Company drew wood duly allocated from government forests including drawals from sustainable commercial agro-forestry programmes. The Company addressed degraded terrain; it increased saplings disbursal and encouraged the use of lops and tops generated from responsible tree exploitation in firewood by local villagers that moderated reckless forest exploitation.

Over the years, success in enhancing plantation wood throughput has initiated a positive transformation especially in pockets of the Company's presence: freedom to farmers to market their produce anywhere, enhanced annual procurement, stronger farmer livelihoods, increased prosperity, secured precious raw material availability from within 100 kms of the Company's manufacturing facilities, moderated cost of delivered wood resource, enhanced wood quality and strengthened plywood output.

This extensive value chain – farmer engagement leading to superior realisations – has reinforced business sustainability and regional prosperity.

## Strengths

- Self-sufficiency**

Nearly 95% of the Company's resource appetite is now addressed by these proximate commercial plantations, strengthening resource security.
- Lower distance**

The Company has moderated the average distance covered in the procurement of wood resource, reducing delivery time, distance and carbon footprint.
- Stability of engagement**

The Company entered into stable engagements with a growing number of farmers, representing a dependable procurement backbone.
- Holistic role**

The Company has graduated from just a buyer to a friend-philosopher-guide, helping farmers with the subsidised delivery of clonal saplings on the one hand and helping generate superior yields / advising on re-investments on the other.
- Increased availability**

The Company has enhanced the coverage of plantation wood in its hinterland.
- Varietal mix**

The Company has been able to encourage the commercial cultivation of around five species, suitable and customised for plywood manufacture.
- Clonal**

The Company reinforced its wood plantation programme through the availability of high yielding clonal saplings, increasing tonnage 1.5x per acre. Besides, reduction in the gestation period to grow the clonal saplings (from around 10 years to 6 years) into full-fledged trees has proved win-win: quicker incomes for farmers, greater inducement to grow trees and secured resource availability for the Company.
- Support**

The Company deepened its farmer engagement through free technical support, guidance and the payment of fair wood rates; the Company's Nagaland and Bamanbore units are located in pockets where no other organised industry players operate, making it a preferred customer.



# Greenply's culture of sustained innovation



## Overview

Over the years, Greenply has reinforced its position as one of the most innovative and environment-friendly plywood manufacturing companies in India. The Company made forward-looking investments in people, practices, facilities and equipment with the objective to reinforce its differentiation.

## Team

Greenply invested in a five-member research and development team. This team has been invested with select competencies (PhDs, chemists and graduates) trained from Indian Plywood Industries Research & Training Institute, specialising in plywood innovation. The Company's competent R&D team is responsible for process innovation and new product introduction. Over the years, the Company introduced process-strengthening measures that enhanced automation, productivity and product dependability.

## Key Greenply innovations

<b>Plywood durability</b> Greenply was one of the first companies to offer a seven-year warranty across its products. The R&D team developed adhesives and chemicals that made it possible for its plywood varieties to endure extreme climate changes without impairment.	<b>Double pressing</b> Greenply developed the double-pressing process, which helped bond veneers better and marginally reduce veneer thickness. This made it possible to produce more from less, reduce plywood warpage and enhance profitability.	<b>Calibrator</b> Greenply was the first in its sector to install a calibrator across its manufacturing units, delivering uniform plywood thickness.
<b>Fire retardant</b> Greenply was the first to introduce fire-retardant plywood. The product, when exposed to 50 minutes of fire, reported only two layers of burns, compared to the specified norm of being able to withstand 45 minutes of fire.	<b>Emission Zero plywood</b> Plywood adhesives consume phenol and formaldehyde that generate mild emissions detrimental to long-term health. Greenply developed an adhesive variety around a special formulation that moderated emissions. The product was certified by California Air Resource Board, indicating extensive formaldehyde emission control. Greenply pioneered the launch of Emission Zero plywood, reinforcing its commitment towards environment safety.	

# Greenply. The furniture maker's best friend



**Radhika Bhalla** is a furniture designer and manufacturer.

Some years ago, she entered the business of factory-made furniture at a time when much of the furniture was hand-crafted by labourers.

She was advised against it for various reasons.

She would always be under-cut by *mistries*. There was no appetite for factory-made furniture in India. And most importantly, her professionalism would be compromised by variations in plywood quality.

Then came Greenply's significant

investment in plywood calibration. Plywood thickness uniformity became standardised. Her products began to be trusted. Her business grew. The scale helped her cut costs. The business grew further.

**'The biggest turnaround,' she says, 'happened because of Greenply's assurance of calibrated plywood. That proved to be the game changer. Today, the use of factory-made furniture is a no-brainer but in those days...'**

# Greenply. The home-maker's trusted brand



**The Indian** home-maker's 'domain' is the kitchen.

That is where the home-maker spends most of her time.

When it comes to supports and conveniences, the home-maker seeks to invest in only the most trusted materials in the kitchen.

For a good reason.

Each time any kitchen fixture or cabinet needs to be changed, the result is a 'food factory' downtime that affects the family.

The result is that she trusts only dependable kitchen cabinets and modular furniture manufacturers. In turn, these furniture providers trust only select plywood brands that assure absolutely no thickness variation – like the dependable Green Absolute.

Since the launch of this customised and focused product, kitchen cabinet makers have stepped up their warranties and assurances without the slightest worry.

**Because they know that Greenply is protecting them.**



# Greenply. Infrastructure for infrastructure



**A number** of years ago when Indian Railways set out to make modifications in the materials being used in passenger coaches, the unlikely suggestion for flooring was... plywood.

That's right, plywood.

Because plywood possessed the right material density to shoulder high material weight. Because the high-end plywood variety would be equipped to resist high traffic footfalls.

Because plywood would possess the optimal strength: weight ratio to protect fuel efficiency.

Greenply customised products around the demanding needs of Indian Railways. Passed the demanding product quality standard. Demonstrated effectiveness through simulated product abuse.

**The result is that millions of people potentially walk on Greenply's plywood each time they board a passenger train anywhere in India - without even realising it.**

# The Greenply brand



**Big number**  
**26%**

Greenply's share of India's organised plywood market

## Overview

Greenply is one of the most credible plywood brands in India.

If there is one word that would be synonymous with the Greenply brand, it would be 'trust'.

The brand – now in its fourth decade of existence – generates among the highest recalls for any consumer seeking to set up or renovate their homes or even among those seeking to influence those doing seeking to set up homes, which includes an eco-system of architects, interiors, carpenters, contractors and consumers.

## Demand drivers

There are a number of reasons why Greenply is preferred.

**One**, the Company addressed the needs (quality, terms of trade, accounts reconciliation,

handling product returns if any) of its primary customers – channel and trade partners.

**Two**, the brand provides products across all price points, addressing the requirements across all sections of consumers and society.

**Three**, the brand is visible, with outdoors advertising reinforcing recall.

**Four**, the Company's products are available across retail outlets pan-India.

**Five**, the brand has periodically churned its products portfolio, making it possible to excite consumers with new products.

**Six**, the brand has consistently pushed the innovation frontier – through the creation of complete categories (like India's first zero emission plywood, products with anti-bacterial properties, 500% lifetime warranty and certification by California Air Resources Board).



# Why Greenply continues to believe

The cause	The effect	The numbers	How the Company will benefit
Urbanisation	India is expected to lead the world urban population surge Rising migration from rural India into the urban areas in search of jobs and higher quality of life Urbanisation will help transition India into an educated modern society	India's urban population is likely to grow from 483 million in 2020 to 814 million by 2050 By the year 2030, 40% of the Indian population is expected to live in cities from ~35% currently	Rising urbanisation will expand the market for the Company's products and increase penetration of its varied portfolio of products Urbanisation could accelerate the consumption of value-added plywood varieties
Rising per capita income	Higher per capita income leads to a rise in the standard of living A rising per capita income increases the savings rate of the population	Per capita income in FY2019-20 was estimated at ₹1,35,048 Current growth rate in per capita income of India was more than 10% (Source: India Today)	The Company will benefit from the rise in per capita income leading to higher discretionary spending, home pride and superior interior infrastructure products
Changing lifestyles	Increase in disposable incomes is leading to improved lifestyles and higher discretionary spending There is a growing consciousness for buying into brands over anonymous unorganised products Increased prosperity will lead to a shift from a production-oriented economy to a consumer-driven society	India witnessed a rise in annual disposable income in real terms by 29% between 2007 and 2014 Average age of home buyers has dropped to 30 from 50	The Company is uniquely positioned to capitalise, shifting consumption from conventional to customised and branded interior infrastructure products
Trending towards nuclear families	An increasingly mobile working population and financial independence are accelerating the trend towards nuclear families	Close to 61% of households in urban India comprising four or less members are increasing investment in homes	The Company will benefit from the sustained increase in the number of nuclear families, widening the market for interior infrastructure products

# in the long-term India story

The cause	The effect	The numbers	How the Company will benefit
Demographic dividend and growing middle class	An aggregate population of 1.37 billion people in 2019 India has the world's largest youth population Demographic dividend of this magnitude has the potential to lift millions out of poverty Huge expansion in the Indian middle-class population; middle-class households expected to more than double to 113.8 million households by 2025-26	314.8 million people in the 10-24 years age bracket, even more than China's 269 million Young people comprise 38.6% of the Indian population (Source: censusindia.gov.in) 50% of the country's population of 1.37 billion people are below 25 years of age India's median age of 29 years compares well with a median age of 37 years in China (Source: the Hindu)	The Company will capitalise on the demographic dividend through a larger offtake and quicker brand acceptance There could be increased offtake in the Company's mass and popular brands, strengthening economies
Brand consciousness	A study by Nielsen found that India is the third most brand conscious country Studies show that rising income leads to increased brand consciousness and up-trading towards premium products	74% Indian adults admitted that brand names influence their purchasing decisions 9 out of 10 adults in India say they believe brand names provide better value in terms of quality	The Company enjoys a premium brand recall in the market for its products and is an attractive proxy for rising brand consciousness in India
e-commerce	India has the fastest growing online retail market among top global economies India was ranked 28th out of 73 countries in 2018 in the adoption of e-payments by the government, according to a survey by The Economist Intelligence Unit.	The country's e-commerce market is expected to grow to US\$ 84 billion in 2021 from US\$ 24 billion in 2017. The 'Digital India' initiative boosted e-payments in the country. Banks achieved more than 4,500 crore digital transactions in FY2019-20.	With the e-commerce market growing exponentially, the Company has increased its digital visibility

# How Greenply has endured across the years

## Asset-light business model

### Impact

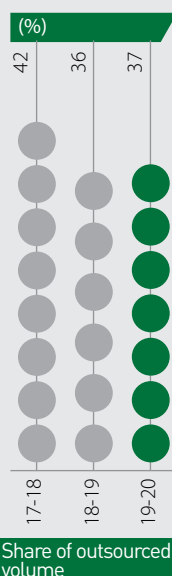
RoCE-accretive growth

### Strategy

Greenply is outsourcing the manufacturing of its mid and mass range products to third party units with stringent quality control.

### Result

The Company is expected to grow without stressing the Balance Sheet.



## Financial liquidity

### Impact

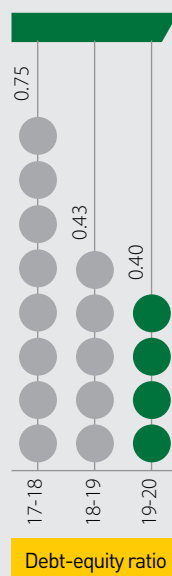
Ability to invest across market cycles (especially downturns)

### Strategy

The Company selected to grow to the extent its Balance Sheet permitted. The Company focuses on enhancing Balance Sheet liquidity.

### Result

Stronger Balance Sheet; increasing room to borrow at lower rates should the need arise.



## Solution provider

### Impact

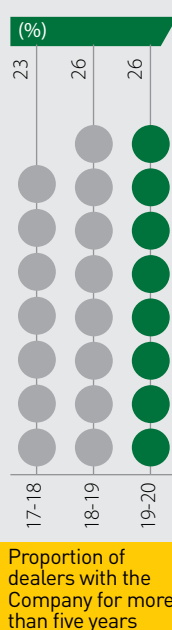
Ability to provide the customer a complete procurement peace of mind

### Strategy

Widened the product range and depth with a promise to provide eco-friendly products.

### Result

Graduated beyond a commodity trap; evolved into consultant, collaborator and producer



## Superior innovation capabilities

### Impact

Staying ahead of the curve

### Strategy

The Company invested in a strong research and innovation team focusing on the introduction of innovative products on the one hand and enhancing process efficiency on the other.

### Result

The Company introduced various new products in three years.

## Opportunity-readiness

### Impact

Ability to sustain business growth

### Strategy

The Company introduced mass segment plywood to carve market share away from low-cost unorganised players.

### Result

The Company reported a revenue of ₹ 27.29 crore from this segment within three years of relevant product launches.



## Domain knowledge

### Impact

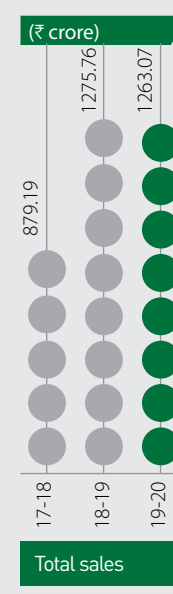
Sectorial outperformance

### Strategy

Greenply leveraged its decades-old experience in the plywood sector to introduce superior products across price points and categories.

### Result

Growth consistently faster and higher than the sectoral average.



## Responsible

### Impact

Manufacturing eco-friendly products through environment-friendly processes

### Strategy

Focused on creating products that are environmentally responsible, produce more from less and use plantation and agro-forestry wood to manufacture products.

### Result

The Company was the first in India to introduce Zero Emission plywood.

## Technology contemporariness

### Impact

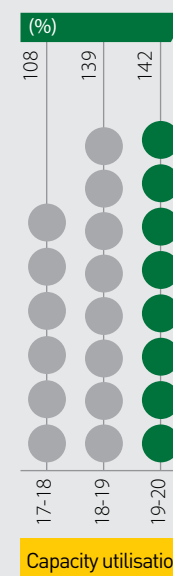
Enhanced operating efficiency and superior product attributes

### Strategy

Consistent investments in cutting-edge technologies to improve productivity and automation and reduce cost of operations

### Result

The Company cumulatively invested around ₹ 25 crore in cutting-edge technologies.



## Financing mix

### Impact

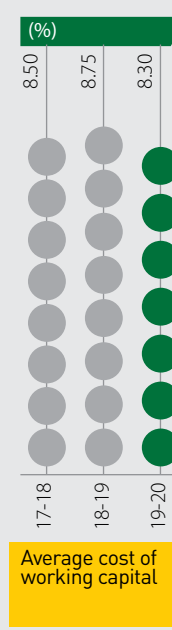
Widened financing flexibility; lowered costs.

### Strategy

The Company increasingly utilised accruals in asset building, helping moderate gearing. The Company replaced high-cost working capital loans with lower cost alternatives.

### Result

Long-term borrowings declined 24% from FY2018-19; total interest outflow remained at ₹ 16.85 cr



## Cost leadership

### Impact

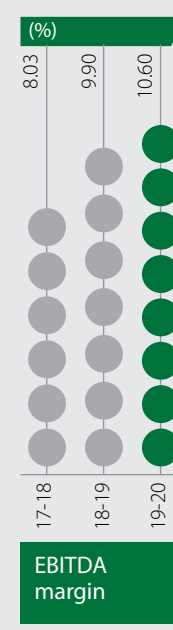
Empowered the Company to moderate operating costs

### Strategy

The Company moderated operating costs through process optimisation and prudent vendor negotiation.

### Result

The Company's margins remained one of the highest among national peers.



# 5 key trends shaping our sector... and how we are responding to them

01

## Emerging Bharat story

### Where we see opportunity

Growing offtake from non-metro locations (Tier 2 and 3 Indian urban clusters).

### What we are doing about it

Widening our distribution presence in non-metro locations

02

## Greater preference for branded plywood

### Where we see opportunity

Increasingly vacant space created by declining price advantage (post-GST implementation) enjoyed for long by unorganised players

### What we are doing about it

Introducing mass market products with the assurance of Greenply quality, enabling the Company to widen its market presence and share

03

## Increased home and interiors pride

### Where we see opportunity

Increasing plywood offtake; India's plywood consumption is lower compared with a global average.

### What we are doing about it

Widening our product portfolio; increasing production capacity

04

## Preference for safe and hygienic plywood

### Where we see opportunity

Greater receptivity for environment-friendly products.

### What we are doing about it

We produce few plywood brands (Club 500, Club Plus 700, Gold Platinum, Defender, Gold Green 710, Optima G, Ecotec Platinum, Optima Club 500, Optima Defend & Absolute) in the mid segment & premium ranges. Out of these brands, we introduced E-0 resin in three brands (Club Plus 700, Club 500 & Gold Platinum). The result is that 27.2% of our brands in the mid and premium segments conform to the E-0 category (zero formaldehyde emission).

05

## Preference for buying ready-made furniture

### Where we see opportunity

Increasing trend of consumers leaning towards ready-made furniture

### What we are doing about it

Introducing completely calibrated plywood products targeted at the machine-made furniture segment



# How we have transformed **Greenply** over the years

## How we moderated debt through Balance Sheet resizing

Greenply had long-term debt of ₹49.35 crore as on 31 March 2019

- In FY2019-20, the Company retired ₹11.70 crore of long-term debt
- Debt-equity ratio transformed from 0.75 in FY2017-18 to 0.40 in FY2019-20
- The Company intends to retire all long-term debt by 2024

## How we broad-based our portfolio risk

Greenply was positioned as a premium plywood Company

- The Company entered the mass segment with the launch of Jansathi and Bharosa Ply
- The Company provides products across price points and industrial plywood (for use in transformer insulations and railway sleepers)
- The mid-range and mass segments accounted for 28% of the Company's revenues in FY2019-20

## How we secured our resource availability

The Company was using face veneer from Gurjan timber earlier and gradually shifted to Okume face veneer in the last 2-3 years

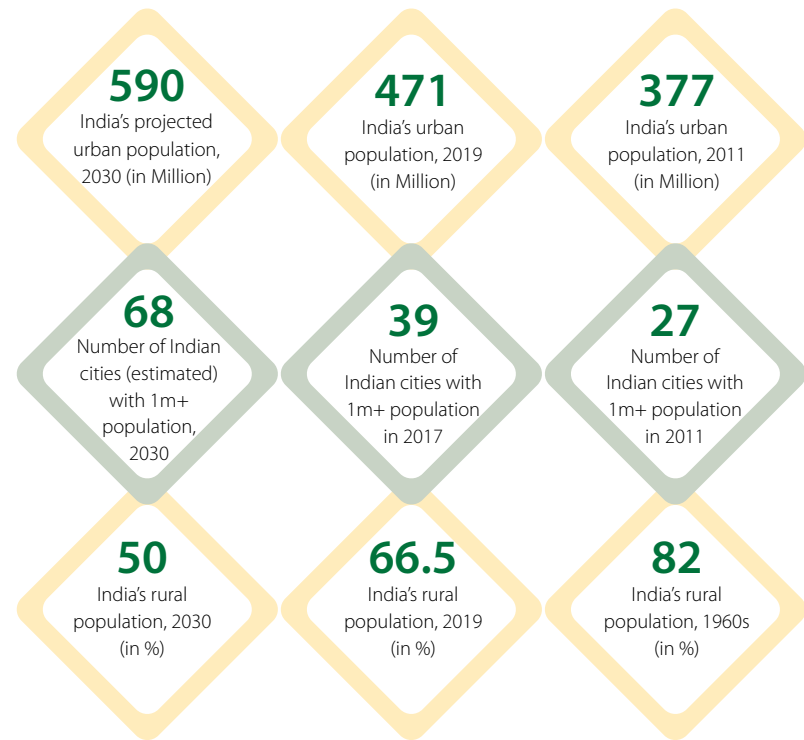
- More than 95% of timber used is sourced from proximate plantations (rest FSC-certified)
- The Company provides farmers subsidised clonal saplings and support
- The Company commissioned a unit in Gabon to source Okume wood species (6% of the Company's raw material appetite)

## How we introduced pioneering products

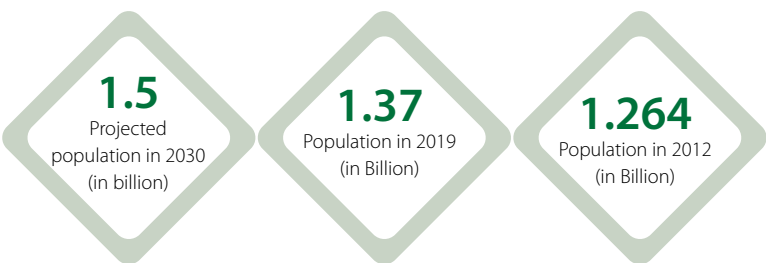
At Greenply, we needed to maximise resource utilisation

- We introduced process automation for better quality at a lower manufacturing cost
- We introduced double-pressing which, increased quality while reducing process time

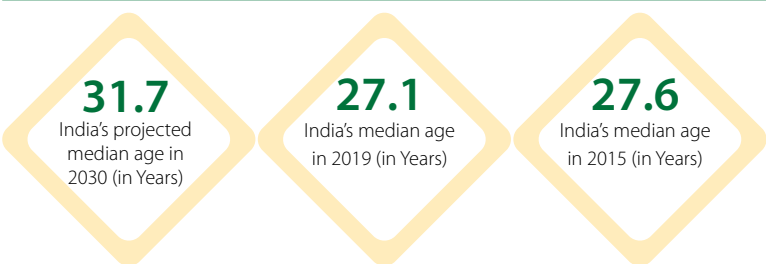
# Why **Greenply** addresses a growing Indian market



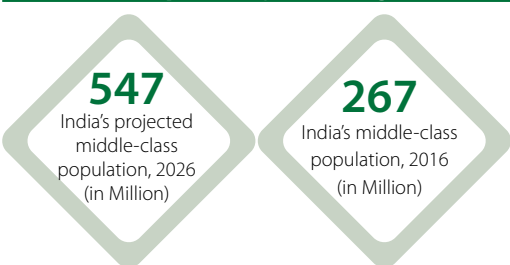
## India is the fastest growing country by population



## India is possibly the youngest major country, a robust consumption driver



## India's has possibly the largest middle-class population in the world





# Management discussion and analysis

## Global economy

The global economy faced a rough patch during the first three quarters from January-September 2019, leaving several market experts concerned. The signing of a trade agreement between the US and China was seen to be distinct progress; however signs that the UK would leave the European Union led many to believe at that time that we could be entering another recession. Ultimately, Brexit did take place in January 2020.

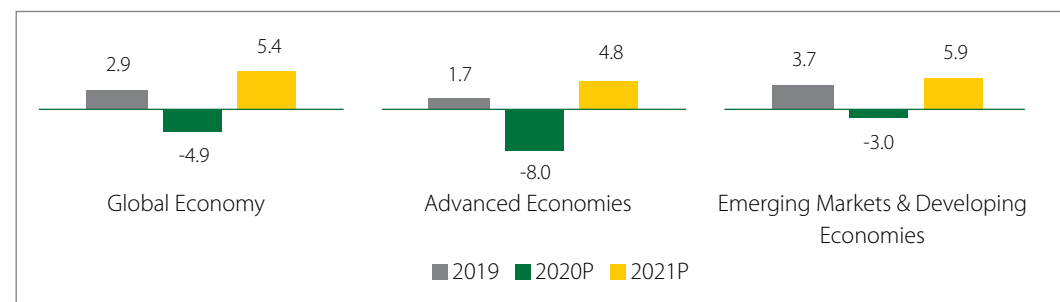
The year overall was challenging for the economy. The world output was estimated to grow at its slowest pace overall at 2.9%, lower compared to the crisis of 2009, declining from a subdued 3.6% in 2018 and 3.8% in 2017.

Uncertainties, although declining, were still elevated due to the protectionist tendencies of China and USA

and rising USA-Iran geo-political tensions. Towards the end of the year in December, 2019, the world was faced with a great misfortune. After a century, we encountered with what we today call the COVID-19 pandemic, 100 years after the Spanish Flu that killed millions between 1918 and 1920. The world continues to strive in search of a vaccine to protect and save lives from complete country lockdowns faced the world over.

At this point though we are witnessing slow recovery and opening up of economies worldwide in a phased manner. Although the year 2019 was not impacted by this pandemic, the real macro and economic effect is to be seen in 2020. Below are global GDP growth projections from the IMF that aid us in understanding the expected trends up to 2021.

## Global GDP growth projection, %



Source: IMF's World Economic Outlook Update, June 2020

## Indian Economy

Sources: <https://timesofindia.indiatimes.com/business/international-business/is-world-economy-sliding-into-first-recession-since-2009-heres-what-experts-sense/articleshow/71581590.cms>

<https://taxguru.in/finance/state-indian-global-economy-2019-20.html>

Source: IMF's World Economic Outlook Update, April 2020

## Indian economic overview

Overall, the Indian economy slowed down to a 11-year low of 4.2% in FY2019-20, compared to 6.1% in FY2018-19. Retail inflation climbed to a six-year high of 7.59% in January 2020, breaching the Reserve Bank of India's (RBI) upper band of 6% and then settled at 5.91% in March 2020. The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety. Accordingly, the baseline assumes an average of INR 75 per US dollar.

The combined expenditure of Central and State Governments exceeded revenues, translating into a greater level of public Debt-to-Gross Domestic Product (GDP) ratio. At around 69% of GDP for the Financial Year 2019-20, India's public debt was relatively large in comparison with other major emerging market economies. [Source: [https://www.business-standard.com/article/economy-policy/india-s-fiscal-gap-one-of-the-highest-in-emerging-markets-report-120020801150\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-fiscal-gap-one-of-the-highest-in-emerging-markets-report-120020801150_1.html)]

The Monetary Policy Committee under RBI reduced the policy repo rate to 4.40% from 6.25% in FY2018-19 to mitigate the risks arising amidst the deteriorating economic conditions. Crude oil prices softened to reach US\$51 per barrel in March while the price of Brent crude crashed to US\$23 per barrel in late March 2020.

With food inflation hitting 14% in December 2019, rural India was among the worst hit by the current economic slowdown. Growth in nominal rural wages, both for agricultural and non-agricultural labourers, remained subdued averaging around 3.4% and 3.3%, respectively, during financial year 2019-20 (up to January 2020) mainly reflecting a continued slowdown in the construction sector. The nominal per capita net national income was estimated at ₹135,050 in financial year 2019-20, up 6.8% from ₹126,406 in financial year 2018-19. The Government's fiscal deficit widened to 4.6% against the revised target of 3.8% because of low GST and custom collection along with declining revenues caused by a cut in corporate tax rates. [Source: <https://economictimes.indiatimes.com/news/economy/indicators/fiscal-deficit-widens-to-4-6-of-gdp-in-2019-20/articleshow/76093931.cms>]

On the positive side, India emerged as the fifth-largest world economy in 2019, overtaking the UK and France, with a GDP of US\$2.94 trillion.

The outbreak of COVID-19 and the subsequent lockdown are expected to moderate aggregate demand and create economic challenges. Along with some major economies around the world, India will be impacted by this pandemic. India's estimated gross domestic product (GDP) for the fourth quarter of FY2019-20 declined to 3.1%, reflecting a part of the impact of COVID-19 on the economy. To mitigate the reality, the Government announced the Prime Minister Gareeb Kalyan scheme worth ₹1.7 trillion, providing relief to the poor and migrant workers through measures like direct cash transfer to farmers, increased wages under MGNREGA scheme and the utilisation of welfare funds for construction workers.

The intensification of social distancing measures is expected to lead to supply side as well as demand side shocks. Fiscal and monetary stimulus measures undertaken by the Government and Central Bank are expected to provide reasonable support to the economy. Benign inflation that allows room for monetary easing and comfortable forex reserves levels could add to the economy's resilience.

## Growth of India's GDP in FY2019-20

	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton)

## Key government initiatives

**National infrastructure pipeline:** To achieve a GDP of US\$5 trillion by 2025, the Government announced National Infrastructure Policy with an investment plan worth ₹102 trillion in five years. *[Source: <https://www.livemint.com/news/india/nirmala-sitharaman-press-conference-live-updates-11577776670321.html>]*

**Corporate tax relief:** Indian companies were unable to compete globally, with the cost of capital and corporate income tax (CIT) being significantly higher than overseas competitors. In view of this, the Government moderated corporate tax to 22% from 30% to promote investment, subject to a condition they do not avail any incentive or exemptions. Further, in order to boost the Make-in-India initiative, a new tax rate of 15% was introduced for new domestic manufacturing companies. The new effective CIT was 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the worldwide average statutory CIT of 23.03%. *[Source: <https://economictimes.indiatimes.com/news/economy/sitharamans-tax-cut-move-why-it-matters-so-much-for-india-inc-economy-and-modi-govt/articleshow/71228078.cms#:~:text=Finance%20minister%20Nirmala%20Sitharaman%2C%20aiming,for%20new%20investment%20in%20manufacturing.>]*

**Economy relief package:** To counter the challenges arising owing to the COVID-19 outbreak, the Government of India announced a relief package worth ₹ 20 lakh crore (a post-Balance Sheet development).

## Outlook of the Indian economy

Although the Government responded with an accommodative fiscal and monetary policy, the lockdown halted economic activities in the first quarter of FY21. Further, cases continue to rise in several places across the country necessitating a resumption of the lockdown. The Indian economy is expected to contract by 4-5% in FY21.

## Indian furniture segment overview

The Indian furniture market was estimated to cross US\$32 billion in 2019 compared to US\$21 billion in 2018, on the back of growing real estate and hospitality industries. The wooden furniture sector was dominant in the furniture segment.

On the supply front, India's furniture market is categorised into domestic and imported segments. In both cases, the unorganised segment dominates the

Indian furniture market, owing to cheaper products in comparison to the ones available through the organised channel. The Indian furniture market is also further segmented into the residential and commercial segments.

The demand for furniture was concentrated in the northern and southern zones of the country. The Southern region continued to be the leading generator of revenue as the distribution network of furniture manufacturers continuously expanded. Kerala was among the major suppliers of wood which was widely used as raw material in the country's furniture market.

The global lockdown had a major effect on virtually all business sectors, including the furniture sector and related sectors like real estate, retail market, e-commerce etc. Production shutdown, raw material supply obstructions, supply chain disruption, interruption in labour flows and a complete shift in consumer sentiment were manifest; furniture sales took a backseat. In view of this, growth estimates for foreseeable future are impossible to make. *(Source: TechSci Research, Economic Times, Ciston, KPMG)*

## Plywood sector overview

Plywood is available in four types (structural plywood, external plywood, internal plywood and marine plywood). Plywood possesses structural strength coupled with flexibility; it provides resistance against chemicals and fire; it provides insulation against sound-vibrations and excessive heating. Due to these properties plywood is preferred in the manufacture of doors, stairs, external cladding, flooring, framing, interior rails and balustrades, internal panelling and timber joinery products. Special grades of treated plywood are used in the marine industry, designed to withstand occasional exposure to seawater without decaying or deteriorating.

## Plywood industry: Raw material procurement overview

**Phenol price volatility:** The plywood and PVC board segments are passing through uncertainty pertaining to raw materials. A stability in raw material prices offers some comfort for manufacturers. In 2020, increased phenol prices could emerge as the biggest disruptor, impacting the plywood industry.

**Timber price volatility:** Further, a stay order on new wood-based industries in Uttar Pradesh affected timber prices at the end of the year. The addition of new facilities manufacturing MDF, particle boards and modern plywood could strengthen timber prices.

**Forest cover growth:** India is one of the few countries with a consistently increasing forest cover. The existing total forest and tree cover of the country was estimated at 80.73 million hectares, accounting for 24.56% of the geographical area of the country. Further, there has been an increase of 5,188 sq. km in the total forest and tree cover of the country in 2018 over 2017. Of this, the increase in forest cover was estimated at 3,976 sq. km. and that of tree cover at 1,212 sq. km. This resulted in an increase in the range of forest cover in open forest followed by very dense forest and moderately dense forest. The top three states showcasing increase in forest cover were Karnataka (1,025 sq. km) followed by Andhra Pradesh (990 sq km) and Kerala (823 sq km). *(Source: Ply Reporter, Televisory)*

## Growth drivers

**Rapid urbanisation:** Rapid urbanisation in India and a burgeoning demand for modular and compact furniture catalysed the growth of the furniture market. Growing urbanisation in Indian states like Gujarat, Maharashtra, Tamil Nadu and others widened the construction of housing societies. India's urbanisation of 34% is expected to grow, strengthening growth of the furniture market.

**Growth of the real estate sector:** The growth in the services sector, which now constitutes >50% of the GDP, led to the development of the realty sector. The office furniture segment catered to the commercial and office space. The thrust on real estate and office construction is expected to sustain, indicating continued growth for the furniture industry. The contract segment caters primarily to hotels and its growth is consequently linked to growth in tourism and development of new hotels.

**Growth of the premium furniture market:** High-end furniture is considered to be a 'status symbol' or an item which has 'flaunt value' for the premium and ultra-premium consumer. Consumers are also opting for premium furniture while decorating their home offices. The demand for luxury home decor is growing gradually in the country and is expected to drive the demand of organised furniture sector.

**Rise of the e-retail sector:** Rising investment in the retail sector by various national and international entities is likely to foster the growth of furniture market in India. Moreover, the availability of high speed internet networks and smart gadgets are boosting the e-retail sector in India. These advancements provide ease to customers to buy

furniture through online channels. In addition, the rising number of smartphone users across the country and the traction received by online shopping is further encouraging the furniture industry players to introduce their products through online mediums.

## Global exposure and influencer-based market:

The decision-making process in buying home furniture is largely influenced by the owner or the members of the family at large. For commercial establishments, consultations are done with interior designers and architects frequently, for selecting all aspects related to interiors, including furniture. Upwardly mobile Indians are increasingly buying foreign furniture with modern designs and are employing interior designers, to suggest/choose the right furniture. A major factor that has given a push to the growth of the imported furniture market is the increasing exposure of Indians to global trends and lifestyles. Such exposure, coupled with increased disposable incomes, has caused a growing number of urban middle class consumers to hire the services of interior decorators, for modelling their houses.

**Rising incomes:** The nominal per-capita net national income in FY2019-20 was estimated at ₹1,35,050, a rise of 6.8% compared to ₹ 1,26,406 during FY2018-19, driving consumption.

**Working population:** India's urban middle-class workforce stands at 27 million or 2% of its population, indicating large headroom of growth. This growth is likely to be catalysed by an increase in the number of working women and youth, strengthening consumer durable offtake growth.

**Rural market:** The rural population, accounting for 66% of India's population in FY2019-20, represents a large and relatively under-penetrated market, offering the potential of sustained consumption growth by kindling the aspiration and awareness of the mass through marketing tools like advertising and also broad-basing the distribution network.

**Demographic mix:** India is a young country with a median age of ~28 years recorded in FY2019-20 compared to the global average of 30 years. Almost half the country's population is under the age of 25 and two-thirds less than 35. India is expected to possess the world's largest workforce by 2027, with 64.9% of population in the economically productive ages of 15 to 64, strengthening consumption.

*(Source: IBEF, Business Line, Market Watch, Hindu Business Line, Country Meters Info, Financial Express, Goldman Sachs, Ply Reporter, IMF)*



Favourable government policies

100% FDI policy for townships and settlements development project is attracting more foreign investors in the real estate sector which increase the quality of residential apartments.

The Department of Commerce under The Ministry of Commerce and Industry, Govt. of India, issued a notification to investigate the initiation of an anti-dumping duty on the imports of ‘Veneered Engineered Wooden Flooring’ originating in or exported from China, Malaysia, Indonesia and the European Union. Accordingly the authority initiated an investigation into the alleged dumping and consequent injury to the domestic industry.

Company overview

Greenply Industries Limited is amongst the leading plywood manufacturers in India with a 26% share of the organised market. Greenply offers a wide range of panel products including plywood, block boards, decorative veneers, doors and film-faced plywood, among others.

The plywood segment

Quality management and presenting the consumers with niche products has been the prerogative of Greenply. Its plywood uses plantation timber and goes through a stringent five-step preservative treatment, which makes it termite-free and borer-resistant. Its high dimensional stability makes it warp-free. Greenply is also particular about considerably lessening its carbon footprint as a result of which its products are eco-friendly and emissions-free, validating lower emissions of formaldehyde as per E1 formaldehyde emission levels. Greenply plywood products are fire-retardant and treated with fire-retardant chemicals.

Greenply was the pioneer manufacturer to cater to the high-end consumer market with premium brands like Green Club Plus Seven Hundred and Green Club 5 Hundred, among others. The Company’s Fire

Retardant Plywood ‘Green Defender’ was certified by the Central Building Research Institute. Greenply is among the most widely-available plywood brands with a presence in 300 cities on the back of 1870 dealers/distributors and 50 physical and virtual branch offices across the country.

Performance highlights, FY2019-20

Net sales were ₹1263.07 crore (₹1275.76 crore during FY2018-19) and EBITDA ₹133.93 crore (₹126.33 crore during FY2018-19), PAT was Rs.32.60 crore (Rs 61.29 crore during FY 2018-19).

Outlook

Riding on the back of growing disposable incomes coupled with increasing nuclearisation of families, the housing sector is expected to grow in the foreseeable future, in turn, driving the organised furniture and plywood market. Growth in commercial spaces has also translated into a growth driver for the furniture sector. Plywood, one of the most preferred materials for interior infrastructure, is expected to post strong growth across the foreseeable future.

PVC foam boards and sheets

Greenply markets PVC foam boards and sheets under the Green Ndure brand. Since its launch in FY2017-18, the brand has emerged as one of the preferred plastic panel products. The products are preferred owing to their sturdiness and mechanical strength, which increases with molecular weight on one hand and decreases with rising temperatures on the other. PVC boards are gaining popularity as they are lighter, cheaper and offer a host of performance advantages. PVC panels are easy-to-install, water-proof, and maintenance-free. Besides, they are available in a variety of textures, patterns and designs.

Outlook

With residential construction growing, especially in the affordable segment, the demand for PVC Foam Boards and Sheets over the long term are expected to grow attractively.

Performance highlights, FY2019-20 vis-a-vis FY2018-19

Parameters	FY2018-19	FY2019-20
Annual capacity (million square metres)	24.9	24.9
Production (million square metres)	34.69	35.31
Sales volume (million square metres)	57.13	56.41
Capacity utilisation (%)	139	142
Average realisations (₹ per square metre)	219	221

Greenply’s face veneer facility in Gabon

Greenply invested in a face veneer manufacturing unit in Gabon through a wholly-owned step-down subsidiary (Greenply Gabon, SA). The Company became operational from July 2017 producing face veneers from locally sourced timber. The Company has a log peeling capacity of 96000 CBM per annum

- The Company strengthened capacity by 60,000 CBM during the year under review to take the total peeling capacity to 96,000 CBM per annum.

The Gabon forests are operated under a sustainable forest management system, making it possible to draw out

a stable 25-year management plan. Each tree permitted for felling is marked; only 4% of the total concession is permitted for felling in a year

The Company engaged with professional loggers who supply logs to existing peeling plants (existing and expanded

capacity)

The plant is located inside a special economic zone, proximate to the port, equipped with integrated services,sustained through attractive tax incentives and enjoying easy access to the natural resources of Gabon

Financial analysis

The financial statements of the Company were 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 and other relevant provisions of the Companies Act, 2013.

Balance Sheet

- Net worth increased to ₹356.96 crore as on 31st March 2020 compared to ₹331.34 crore as on 31st March 2019.

Total Borrowings stood at ₹143.09 crore compared as on 31st March 2020 against ₹143.64 crore as on 31st March 2019.

Total Fixed Assets (WDV) as on 31st March 2020 stood at ₹203.92 crore compared to ₹174.30 crore as on 31st March 2019.

Working capital management

- Current assets as on 31st March 2020 stood at ₹494.99 crore compared to ₹470.45 crore as on 31st March 2019.

Inventories increased marginally from ₹141.61 crore as on 31st March 2019 to ₹143.80 crore as on 31st March 2020.

Short-term loans and advances grew to ₹3.32 crore in FY2019-20 compared to ₹0.45 crore in FY2019-20

Current liabilities (excluding borrowings) stood at ₹279.05 crore as on 31st March 2020 compared to ₹284.16 crore as on 31st March 2019.

Profit and loss statement

- Net Sales decreased marginally by 1.00% from ₹1275.76 crore in FY2018-19 to ₹1263.07 crore in FY2019-20, largely owing to the loss of sales in March 2020 due to the onset of COVID 19.

EBITDA increased to ₹133.93 crore in FY2019-20 compared to ₹126.33 crore in FY2018-19

Profit after tax declined from ₹61.29 crore in FY2018-19 to ₹32.60 crore in FY2019-20 owing to the write off for an exceptional item of ₹49.97 crore in FY2019-20.

EBITDA margin increased by 70 bps from 9.90% in FY2018-19 to 10.60% in FY2019-20.

Total expenses for FY2019-20 stood at ₹1177.85 crore compared to ₹1197.44 crore in FY2018-19.

Depreciation and amortisation stood at ₹21.07 crore in FY2019-20 compared to ₹18.72 crore in FY2018-19.

Cash and bank balances

- Bank balances, other than cash and cash equivalents, increased from ₹0.26 crore as on 31st March 2019 to ₹0.31 crore as on 31st March 2020.

Cash and cash equivalents declined from ₹17.84 crore as on 31st March 2019 to ₹9.35 crore as on 31st March 2020

## Key numbers

Particulars	FY2019-20	FY2018-19
EBITDA/Turnover (%)	10.60%	9.9%
EBITDA/Net interest	7.95	8.53
Debt-equity ratio	0.40	0.43
Return on equity (%)	9.13%	18.50%
Book value per share (₹)	29.11	27.02
Inventory turnover (days)	42	41
Receivables cycle (days)	89	81
Earnings per share (₹)	2.66	5.00

## Risk management

The Company is subject to many risks and uncertainties that may affect its financial performance. The business, results of operations or financial conditions of the Company could be adversely affected by the risks described below. These are not the only risks the Company faces. Additional risks and uncertainties not presently known to the Company or considered immaterial may also impair its business and operations.

### Economic risk

A slowdown in the economy could reduce infrastructure investments, decelerating growth for the Company

#### Mitigation

Indian economy's growth slowed to 4.2% in FY2019-20. The number of measures taken by the government for economic revival and cyclical upturn could ensure sectoral robustness and consequent growth.

### Debt risk

Inability to secure capex funding at competitive rates could jeopardise the Company's growth plans.

#### Mitigation

The Company reduced its long-term debt by ₹11.70 crore during the financial year and improved its debt-equity ratio from 0.43 in FY2018-19 to 0.40 in FY2019-20. This not only enhanced the Company's credit rating but also allowed it to access loans at cheaper rates.

### Raw material risk

Significant increase in the cost or shortage of raw materials could affect operations

#### Mitigation strategy

Over the years, Greenply has established a reputation of being a cost-competitive player. Its plants are located within a ~100-kilometre radius of timber plantations, providing the Company with an uninterrupted supply of raw materials and lowering freight costs. The Company also engages on a regular basis with plantation workers and farmers, offering necessary subsidies, training and other benefits.

### Concentration risk

Concentration of operations in a particular location could lead to price under-cutting

#### Mitigation

Greenply has evolved into a pan-India-focused company. The Company's extensive distribution network is spread across 25 states in India, comprising > 1,870 dealers and 6,000-plus retailers, ensuring last-mile access.

## Health, Safety and Environment (HSE)

Greenply believes health, safety and environment (HSE) management goes a long way in maintaining an organisation's sustainability. The Company, thus, demonstrates environmental

and social responsibility at every step. It has a commitment to benefit communities – workforce, public, and environment. Its HSE objectives include complying with all applicable laws relevant

to the industry. The management believes in sharing responsibility with the employees at every level in conforming to existing laws.

## Health, safety and environment objectives

■ Complying with all applicable laws and relevant industry standards of practice

■ Elevating the health, safety and environmental aspects of equipment and services

■ Making everyone responsible and accountable to HSE, right from entry-level employees to the management team

## Health and safety measures

■ The health and safety of each individual working within the plant area is a prime concern of the management. Therefore, appropriate precautions are taken in the area in accordance with safety norms.

■ The entire electrical panel's operation area is provided with rubber mats. This provides safety against electrical shock during operation and maintenance efforts

■ The rotating equipment is provided with safety fence and motor guards for human safety. All the hot surface pipes and equipment are provided with appropriate insulation for safety to the human body

■ Appropriate work platforms and ladders are provided for operation and maintenance of the components located at heights

■ Precautionary signboards are

displayed at specific locations for awareness of the operation staff. Earplugs, safety goggles, shoes, helmets, gloves, masks and safety gadgets (PPE), among others, are provided to the staff

■ First-aid boxes are made available across the plant for treatment of minor injuries. An ambulance is also available round-the-clock within the plant for the transfer of an injured worker in case of an emergency.

## Human resources

Greenply's prudent human resource practices helped reinforce its sectoral leadership. The Company invested in formal and informal training coupled with on-the-job training. Greenply reinforced its employee

engagement by providing an amicable workplace, offering challenging responsibilities and maintaining an ongoing dialogue. The Company enjoyed one of the highest employee retention rates in the industry and continues to

work on leadership development to drive organisational growth. As on 31st March 2020, the Company's employee base stood at 2,365.

## Internal control systems and their adequacy

The Company has in place strong internal control procedures commensurate with its size and operations. The Company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardising operational processes. The internal

control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and Group and

involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.



# Directors' Report

To  
**The Members,**

Your Directors have pleasure in presenting their 30th 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, 2020.

## Financial highlights

The financial performance of your Company, for the year ended March 31, 2020 is summarized below:

(Rs. in lacs)

Particulars	2019-20		2018-19	
	Standalone	Consolidated	Standalone	Consolidated
Turnover	1,26,307.08	1,41,581.91	1,27,575.60	1,40,412.94
Profit before Exceptional items, Finance charges, Tax, Depreciation/ Amortization (PBITDA)	13,393.01	15,767.15	12,633.36	14,731.21
Less: Finance Charges	1,685.19	2,079.39	1,480.59	1,863.48
Profit before Exceptional items, Depreciation/Amortization (PBTDA)	11,707.82	13,687.76	11,152.77	12,867.73
Less: Depreciation	2,106.60	2,571.91	1,871.73	2,243.11
Net Profit before Exceptional items & Taxation (PBT)	9,601.22	11,115.85	9,281.04	10,624.62
Exceptional items	(4,997.05)	(4,997.05)	-	-
Net Profit before Taxation (PBT)	4,604.17	6,118.80	9,281.04	10,624.62
Provision for taxation	1,344.47	1,344.47	3,151.82	3,151.82
Profit/(Loss) after Taxation (PAT)	3,259.70	4,774.33	6,129.22	7,472.80
Share of profit/(loss) of Joint Venture	N.A.	(49.26)	N.A.	494.36
Profit/(Loss) after Taxation and share of profit/(loss) of Joint Venture	3,259.70	4,725.07	6,129.22	7,967.16
Profit/(Loss) after Taxation for the year	3,259.70	4,725.07	6,129.22	7,967.16

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

During the year under review, your Company posted a stable performance with revenue of Rs. 126307.08 lacs as against Rs. 127575.60 lacs in the previous year. Profit for the year 2019-2020 was Rs. 3259.70 lacs as against Rs. 6129.22 lacs in the previous year.

As per the consolidated financial statements, the revenue and profit for the year 2019-2020 were Rs. 141581.91 lacs and Rs. 4725.07 lacs respectively as against Rs. 140412.94 lacs and Rs. 7967.16 lacs in the previous year.

Your Company is present across different price points

to cater to the needs of all customers across the high-end, mid-market and value-for-money segments. 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 is the preferred partner of choice for a large number of offices and home builders, having a comprehensive product portfolio servicing clients at every point of the price spectrum.

The Hon'ble Supreme Court of India vide its Order dated 22 April 2020 upheld the Special Leave Petition filed by the Union of India & Others in Civil Appeal Nos.2256-2263 of 2020 arising out of S.L.P. (C)

Nos.28194-28201/ 2010 in respect of availing of area based exemption under Central Excise. Your Company is one of the Respondents in the subject matter. The Company may have to refund maximum principal amount upto INR 2709.36 lacs in respect of excess refund received from the Excise Department for the period from 01.04.2008 to 30.06.2017. The Company is not clear on applicability of interest and penalty on this matter. However, the Company has estimated interest amount of INR 2120.31 lacs from the date of various refund till 31.03.2020 at the prescribed rate. As per 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, the above principal amount along with interest, if any, shall be shared by Greenply Industries Limited, Demerged Company and Greenpanel Industries Limited, Resulting Company in the ratio of 60:40. In addition to the above, the Company has reversed income of INR 2099.25 lacs in respect of pending refund receivable from the Excise Department for the period from 01.04.2008 to 16.05.2015. Accordingly, the total impact of the said judgment in the financials for the quarter and year ended 31 March 2020 is INR 4997.05 lacs. Considering the nature and size of transaction, the Company has disclosed the impact of the said judgment as an exceptional item in the financials. The Company is continuing to work under the advice of the Legal Counsel and will take all the necessary steps as may be guided by the Legal Counsel from time to time.

The Cyclone AMPHAN hit the district of South 24 Parganas in West Bengal on 20th May, 2020 causing damages to the factory shed and building, machineries including chimney and some materials at the Company's unit situated at Kriparampur, West Bengal. The unit was expected to start its operations on or about 21st May, 2020 but due to damages caused by said Cyclone the unit started its operations from 8th June, 2020. The plant was adequately covered under insurance and the overall impact was not material.

## Impact of COVID-19 pandemic on the business:

In line with the Covid-19 directives of lockdown by the Government of India, the Company's units were completely shut down in compliance with said directives. Dispatches which could not take place in the month of March and April were deferred to May and offices were also shut down during the lockdown and personnel were working from home. Gabon plant was shut only for a week. Gabon operations resumed with lower capacity utilization and thereafter have been increased in a phased

manner. The Company issued COVID-19 alert as per WHO guidelines and adopted suitable policies to safe guard employees and for smooth functioning of Company's operations. Adequate safety measures, including social distancing, wearing masks within office premises and multiple levels of sanitization have been implemented. With the ever changing nature of the pandemic, it will be difficult to put an estimation of the future impact of COVID-19 on the Company's operations. Where demand for products and services is concerned, there is a reduced demand as there is reliance of this industry on the real estate market which is affected since the onset of COVID-19. There can be an impact on demand as many carpenters have gone back to their home towns and are yet to return.

The Company has taken full care and consideration ever since the pandemic outbreak began. It has taken complete efforts to work closely with dealers to ensure the highest safety standards are maintained. We have also trained our own sales force during the period on how to maintain safety and handle products, maintain social distancing and wear protective Equipment. It has implemented layered protection, right from temperature checks to masks to hand sanitization to gloves, social distancing and constant sanitization of products in show rooms.

As part of its endeavour to combat the challenges of the ongoing pandemic and in line with its overall business strategy, the Company is continuously exploring opportunities to become more efficient and rationalise costs. The Company's business is largely dependent on new constructions in the real estate sector as well as renovations of existing homes. The real estate sector has been facing challenges over the last year and these have only been accentuated post the pandemic. Given the limited clarity as to how long this pandemic is going to continue as we await a vaccine, it is difficult to share any precise outlook for the business.

## Outlook and expansion

The Company's outlook remains favourable on account of its product integration capabilities, increasing brand visibility and the continuous support from its stakeholders. Plywood market is one of the major verticals of the interior infrastructure, comprising materials used in building furniture. Such materials include plywood, boards, decorative veneers, doors. 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 customers. The demand for readymade furniture is growing. Your company also focused on the value added products to improve margin.

Going forward, there is an increasing shift being witnessed towards the organised sector owing to brand and quality awareness. With wider choice, product innovation and warranty, being offered by organised players, customers are shifting more focus on this segment.

The Company's step down wholly owned subsidiary Greenply Gabon SA at Gabon, West Africa completed the expansion of its Veneer manufacturing unit and started production from 1st week of November 2019. The new lines are catering primarily to the European and South East Asian markets. The FSC certification was also completed and FSC certificate was received on 27th November 2019. In spite of Indian market being almost non-existent due to COVID 19 pandemic, the unit was able to continue production with reduced manpower due to social distancing measures and dispatch cargo to European and south east Asian markets.

Considering low capex model business of the Company and future business strategy, the Company decided to sale the land which was acquired to set-up a new unit in Sandila Industrial Area, Sandila, Dist: Hardoi, Uttar Pradesh for manufacturing of Plywood and its Allied Products. Accordingly, there is no need to hold the land to set-up the said unit and the Company may sale the same to any Party or Government Authority at an appropriate price. Accordingly, there is no need to hold forest licenses as purchased earlier to set-up the said proposed unit and the Company may sale the same to any Party at an appropriate price.

In respect of an agreement for investment in the equity share capital of M/s. Nemani Panels Pvt. Ltd., Investee Company, (a company for setting-up a manufacturing unit of Plywood and allied products at Bareilly, U.P.), we would like to inform that the Company has reduced its shareholding below 20% in the equity share capital of the said Investee Company. The shareholding in the said Company is as minority rights only and there is no significant influence in the Investee Company. Further in respect of an agreement for investment in the equity share capital of M/s. Panchjanya Ply & Boards Pvt. Ltd., Investee Company (a company incorporated for setting-up manufacturing unit of Doors and Film Face Plywood and allied products at Bareilly, U.P.), we would like to inform that the Company has reduced its shareholding below 20% in the equity share capital of said Investee Company. The shareholding in the said Company is as minority rights only and there is no significant influence in the Investee Company.

Your Directors are confident of achieving better results in the coming years.

## Corporate Guarantee to Landesbank Baden-Wurttemberg (LBBW)

The Board of Directors of the Company at their meeting held on 11th February, 2020, subject to approval of shareholders by way of Postal Ballot including remote e-voting and other regulatory authorities, approved extension of a corporate guarantee to Landesbank Baden-Wurttemberg (LBBW) for an amount not exceeding EURO 12,500,000 (Maximum Amount), in respect of the loan provided by LBBW to the erstwhile MDF Division of the Company which has now been shifted by way of demerger to Greenpanel Industries Limited vide the Composite Scheme of Arrangement duly approved by the Hon'ble National Company Law Tribunal, Guwahati Bench, vide its order dated June 28, 2019. The Shareholders of the Company approved the same through Postal Ballot including remote e-voting on 26th March, 2020 subject to other regulatory approval(s). Till date the Company has not issued Corporate Guarantee to LBBW.

## 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 Alkema (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.

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 Alkema (Singapore) Pte. Ltd. (a joint venture company of Greenply Industries Limited, India through its wholly owned subsidiary Greenply Holdings Pte. Ltd., Singapore and Alkema 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.

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, Dubai, UAE, wholly owned subsidiaries and Greenply Alkema (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 liability)		Share in profit and loss	
	As % of consolidated net assets	Rs in lakhs	As % of consolidated profit or loss	Rs in lakhs
Holding company				
Greenply Industries Limited	94.46	35,695.93	68.99	3,259.70
Subsidiaries:				
Foreign				
Greenply Holdings Pte Limited	0.01	2.85	(0.20)	(9.41)
Greenply Middle East Limited ^	6.13	2,319.85	32.25	1,524.04
Joint venture:				
Foreign				
Greenply Alkema (Singapore) Pte Limited	(0.60)	(227.29)	(1.04)	(49.26)
Non-controlling interest in all subsidiaries	0.00		0.00	
At 31 March 2020	100.00	37,791.34	100.00	4,725.07

	Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated other comprehensive income	Rs in lakhs	As % of consolidated total comprehensive income	Rs in lakhs
Holding company				
Greenply Industries Limited	(79.02)	(106.85)	64.86	3,152.85
Subsidiaries:				
Foreign				
Greenply Holdings Pte Limited	0.41	0.56	(0.18)	(8.85)
Greenply Middle East Limited ^	178.61	241.51	36.33	1,765.55
Joint venture:				
Foreign				
Greenply Alkema (Singapore) Pte Limited	0.00	-	(1.01)	(49.26)
Non-controlling interest in all subsidiaries	0.00	-	0.00	-
At 31 March 2020	100.00	135.22	100.00	4,860.29

^includes 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 and Greenply Middle East Limited, Dubai (UAE). 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](http://www.greenply.com). 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](http://www.greenply.com).

com. Shareholders interested in obtaining a 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- ; Credit watch with developing implications
CARE	Banking Facilities – Short Term	CARE A1+ ; Credit watch with developing implications
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 40% i.e. Re.0.40 per equity share (compared to previous year of 40% i.e.Re.0.40 per equity share of Re.1/-each) on the Company's 12,26,27,395 equity shares of Re.1/-each for financial year 2019-2020. The final dividend on the equity shares, if approved by the members as above, would involve an outflow of Rs.490.51 lacs towards dividend.

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 08.02.2019. The Dividend Distribution Policy of the Company is annexed to this Report and also 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](https://www.greenply.com/assets/investors/11/original/Dividend_Distribution_Policy.pdf?1564572436)

### Transfer to Reserves

No amount is proposed to be transferred to any Reserves.

### Share Capital

During the year under review, there were no changes in the Share Capital of the Company.

### 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.

Pursuant to the provisions of the Companies Act, 2013 and any other applicable provisions thereof including Articles of Association of the Company, the Board of Directors appointed Mr. Manoj Tulsian (DIN:

05117060) as an additional director of the Company with effect from February 11, 2020. In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company Mr. Manoj Tulsian (DIN: 05117060) was appointed as a Director of the Company, liable to retire by rotation vide postal ballot including e-voting process on 26th March, 2020.

The Board of Directors at their meeting held on 11th February, 2020, subject to approval of Members of the Company has also accorded their approval to appoint Mr. Manoj Tulsian, as a Joint Managing Director & CEO of the Company for a period of 5 years w.e.f. 11.02.2020. The same was recommended to the Board of Directors by the Nomination and Remuneration Committee at its meeting held on 11th February, 2020. The Shareholders of the Company approved the appointment of Mr. Manoj Tulsian as a Joint Managing Director & CEO of the Company for a period of 5 years w.e.f. 11.02.2020 through postal ballot including e-voting process on 26th March, 2020. The detailed terms and conditions including remuneration had already been mentioned in the Postal Ballot Notice dated 11th February, 2020 circulated by the Company. Further, the details of Mr. Manoj Tulsian [DIN: 05117060] as required under Listing Regulations and SS-2 had also been provided in the said notice.

Mr. Anupam Kumar Mukerji (DIN-00396878), Independent Director has resigned from the Board of Directors of the Company with effect from the close of working hours of 31st March, 2020 as he is not been keeping well due to his eye sight issues. The Board of Directors of the Company deeply appreciates his valuable contribution and support during his term as an Independent Director of the Company.

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 16th June, 2020 received from a Practising Company Secretary 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 and 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. Further, in the opinion of the Board of Directors, the Independent Directors of the Company re-appointed during the financial year 2019-20 are persons of integrity and possess relevant expertise and experience.

### Declaration by Independent directors

For the financial year 2019-20, 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

Four (4) Board Meetings were held during the financial year ended 31st March, 2020. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat 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 11th February, 2020 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 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 2019-20;

Name	Designation	Ratio to median remuneration of employees
Mr. Rajesh Mittal	Chairman cum Managing Director	209.24
Mr. Sanidhya Mittal	Joint Managing Director	85.16
Mr. Manoj Tulsian	Joint Managing Director & Chief Executive Officer	16.62
Mr. Susil Kumar Pal	Independent Director	6.13
Mr. Vinod Kumar Kothari	Independent Director	6.13
Mr. Anupam Kumar Mukerji	Independent Director	6.13
Ms. Sonali Bhagwati Dalal	Independent Director	6.13
Mr. Upendra Nath Challu	Independent Director	6.13

- (b) percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20;

Name	Designation	% increase
Mr. Rajesh Mittal	Chairman cum Managing Director	-3%
Mr. Sanidhya Mittal	Joint Managing Director	-22%
Mr. Susil Kumar Pal	Independent Director	10%
Mr. Vinod Kumar Kothari	Independent Director	10%
Mr. Anupam Kumar Mukerji	Independent Director	10%
Ms. Sonali Bhagwati Dalal	Independent Director	10%
Mr. Upendra Nath Challu	Independent Director	10%
Mr. Mukesh Agarwal	Chief Financial Officer	10%
Mr. Kaushal Kumar Agarwal	Company Secretary & Vice President-Legal	10%

- (c) percentage increase in the median remuneration of employees in the financial year 2019-20;  
14.39%

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

- (d) number of permanent employees on the rolls of Company;  
2365

### Statutory Auditors and their report

The Shareholders of the Company at their 27th Annual General Meeting held on 21.08.2017, 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 term of 5 (five) consecutive years i.e. from the conclusion of 27th Annual General Meeting, until the conclusion of the 32nd Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for further clarification. The Auditor's Report for Financial Year ended March 31, 2020 does not have any qualification and adverse remark.

### Cost Auditors

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

- (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;  
13.12% (non-Manual personnel) 7.99% (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.

### Internal Auditor

The Company has in-house Internal Audit team headed by qualified and experienced Executive. 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 Auditor

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/COP No.9590), Kolkata, to conduct Secretarial Audit for the financial year 2019-2020. The Secretarial Audit Report of M/s. Nidhi Bagri & Company, Practising Company Secretary, in Form MR-3, for the financial year ended 31st March, 2020, is annexed to this report.

### Response to Secretarial Auditor's observation

It has been observed by the Secretarial Auditor that during the financial year 2019-2020, though the Company has spent Rs.469.34 lacs towards CSR activities (directly and through Trust- Greenply Foundation) during the year under review but the maximum amount was relating to earlier year(s) lying with the Trust and implementing agency(ies). Accordingly, the amount spent is less than the minimum allocation of CSR being 2% of the average net profit of last 3 financial years amounting to Rs.325.33 lacs in total. In response to the same, our Company would like to submit that the total amount to be spent by the Company for the FY 2019-2020 was Rs.325.33 lacs. During the year under review, the Company has undertaken CSR activities directly and through its Trust namely GREENPLY FOUNDATION. The total amount to be spent by the Company for the FY 2019-2020 was Rs.325.33 lacs. As against that the amount spent by the Company during the FY 2019-2020 either directly or through Greenply Foundation amounted to Rs.469.34 lacs (including brought forward unspent amount from previous years). Accordingly, the Company has exceeded its CSR spending during the FY 2019-2020 against the requirement of Section 135 of the Companies Act, 2013 i.e. 2% of the average net profit of last 3 financial years. The Company had taken the decision to spend the carried over unspent amount of Rs. 205.88 lacs

(net of liabilities of Rs. 0.17 lacs) lying with Trust and Rs. 37.49 lacs lying with Implementing Agencies as on 31.03.2019. Considering the carried over amount, the amount spent during FY 2019-2020 is less than the minimum allocation of CSR being 2% of the average net profit of last 3 financial years amounting to Rs. 325.33 lacs in total. The Trust has also earned Rs.3.04 lacs on temporary investment with Banks/Mutual Funds during FY 2019-2020. The unutilized fund lying with the Trust as on 31.03.2020 amounting to Rs. 87.15 lacs (net of liabilities of Rs. 0.37 lacs) and the amount of Rs. 18.08 lacs lying with Implementing Agencies will be used for CSR activities along with fresh funding, if any, from the Company, during FY 2020-2021. The Company is committed to the underlying intent of CSR and is optimistic of meeting its obligations under section 135 of the Companies Act, 2013 and thereby make a positive impact on the society.

### Disclosure on Employee Stock Option Plan/Scheme

During the year under review, the Company does not have any Employee Stock Option Plan/Scheme.

### Audit Committee

As on 31st March, 2020, 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 Directors 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 before the Board. The terms of reference of the Audit Committee and other details have been provided in the Corporate Governance Report.

### Vigil mechanism

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, erstwhile equity listing agreement and Regulation 22 of the Listing Regulations, 'Whistle Blower Policy' to establish vigil mechanism for directors and employees 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/2/original/Vigil\\_Mechanism\\_Policy\\_1.pdf?1564571968](https://www.greenply.com/assets/investors/2/original/Vigil_Mechanism_Policy_1.pdf?1564571968)

## Nomination and Remuneration Committee

As on 31st March, 2020, the Company's Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors viz. Mr. Susil Kumar Pal, Mr. Vinod Kumar Kothari, Mr. Upendra Nath Challu and one Executive-Promoter Director Mr. Rajesh Mittal. The terms of reference and other details of the Nomination and Remuneration Committee has also been provided in the Corporate Governance Report.

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](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—

- the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- 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;
- 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 assessment for Functional Heads are done on the basis of below parameters by the concerned interview panel of the Company -

- Competencies
- Capabilities
- Compatibility
- Commitment
- Character
- Strong interpersonal skills
- 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 -

- 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;
- 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;
- 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, 2020, the Stakeholders Relationship Committee comprises two executive Promoter Directors viz. Mr. Rajesh Mittal and Mr. Sanidhya Mittal 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.

## Risk Management Policy

The Company has a Risk Management system for identification and mitigation of various risks. 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.

## Extract of the annual return

The extract of Annual Return, as at the Financial Year ended March 31, 2020, as required under section 134(3) (a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9, is annexed to this Report. The same will be available on the website of the Company i.e. <http://www.greenply.com/investors> as a part of the Annual Report.

## Material changes and commitments

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, 2020 till 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:

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

## Public Deposits

During the financial year 2019-2020, the Company did not invite or accept any deposits from the public under the Companies Act, 2013.

## 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 2020-21 have been duly paid.

## Related party transactions

There are no materially significant related party transactions made 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.pdf?1564572178](https://www.greenply.com/assets/investors/5/original/Related_Party_Transactions_Policy.pdf?1564572178)

## Corporate Governance

Your Company is committed to observe good Corporate Governance practices. The report on Corporate Governance for the financial year ended March 31, 2020, 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 Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) 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 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 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.

## Corporate Social Responsibility

As on 31st March, 2020, the Corporate Social Responsibility Committee (CSR Committee) comprises two executive Promoter Directors viz. Mr. Rajesh Mittal and Mr. Sanidhya Mittal and two Non-Executive Independent Directors viz. Mr. Vinod Kumar Kothari and Mr. Upendra Nath Challu. The terms of reference of the Committee has been provided in the Corporate Governance Report. 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/3/original/Corporate-Social-Responsibility-Policy.pdf?1564572083>

Further, the CSR activities carried out during the Financial Year ended 31st March, 2020 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 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, 2020, 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, 2020 and 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 Chairman cum Managing Director and the Chief Financial Officer also provide quarterly certification on financial results while placing the financial results before the Board 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, 2020. 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 2019-2020, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the certificate received from M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), Statutory Auditors of the Company, 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 Report

The Business Responsibility Report, describing the initiatives taken by the Company during the period under review from an environmental, social and governance 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

During the year, four employees employed throughout the year were in receipt of remuneration of Rs. 1.02 crore or more per annum and one employee employed for the part of the year was in receipt of remuneration of Rs. 8.5 lac or more per month.

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 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..

### 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**

Place: Kolkata Chairman cum Managing Director  
Date: June 27, 2020 DIN: 00240900

## 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		Rs. in Lacs
1.	Name of the subsidiary	Greenply Holdings Pte. Ltd., Singapore
2.	Reporting period for the subsidiary	01.04.2019 - 31.03.2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year	USD / INR = 75.59
4.	Share Capital	2872.42
5.	Reserves & Surplus	-243.56
6.	Total Assets	2634.54
7.	Total Liabilities	5.68
8.	Investments*	2626.01
9.	Turnover	NIL
10.	Profit / (Loss) before taxation (including Other Comprehensive Income)	-62.05
11.	Provision for taxation	-
12.	Profit / (Loss) after taxation (including Other Comprehensive Income)	-62.05
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

\*Including Rs. (49.26) Lacs towards share of loss from investment in the Joint Venture Company, Greenply Alkermal (Singapore) Pte. Ltd., Singapore

Part "A": Subsidiaries		Rs. in Lacs
1.	Name of the subsidiary	Greenply Middle East Ltd., Dubai, UAE
2.	Reporting period for the subsidiary	01.04.2019 - 31.03.2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year	USD / INR = 75.59
4.	Share Capital	2059.67
5.	Reserves & Surplus	-895.98
6.	Total Assets	9543.69
7.	Total Liabilities	10940.01
8.	Investments	2560.01
9.	Turnover	17000.52
10.	Profit / (Loss) before taxation (including Other Comprehensive Income)	-429.73
11.	Provision for taxation	-
12.	Profit / (Loss) after taxation (including Other Comprehensive Income)	-429.73
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

Part "A": Subsidiaries		Rs. in Lacs
1.	Name of the subsidiary	Greenply Gabon SA, Gabon
2.	Reporting period for the subsidiary	01.04.2019 - 31.03.2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year	USD / INR = 75.59

Part "A": Subsidiaries		Rs. in Lacs
4.	Share Capital	2540.73
5.	Reserves & Surplus	3082.50
6.	Total Assets	17882.89
7.	Total Liabilities	12259.66
8.	Investments	0.00
9.	Turnover	16849.29
10.	Profit / (Loss) before taxation (including Other Comprehensive Income)	2000.01
11.	Provision for taxation	0.00
12.	Profit / (Loss) after taxation (including Other Comprehensive Income)	2000.01
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

**Notes:**

- Names of subsidiaries which are yet to commence operations - Nil
- 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 Alkema (Singapore) Pte. Ltd., Singapore
2.	Latest audited Balance Sheet Date	31.03.2020
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	Rs. 4447.59 lacs
7	Profit / (Loss) for the year (including Other Comprehensive Income)	Rs. (98.52) lacs
i	Considered in Consolidation	Rs. (49.26) lacs
ii	Not Considered in Consolidation	Rs. (49.26) lacs

**Notes:**

- Names of associates or joint ventures which are yet to commence operations - N.A.
- 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: June 27, 2020

**Mukesh Agarwal**  
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)

- Details of contracts or arrangements or transactions not at arm's length basis: Nil
- Details of material contracts or arrangement or transactions: 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: June 27, 2020

**Mukesh Agarwal**  
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 31.03.2020 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, Chairman cum Managing Director	00240900	28.11.1990
2.	Mr. Sanidhya Mittal, Joint Managing Director	06579890	07.02.2018
3.	Mr. Manoj Tulsian, Joint Managing Director and CEO	05117060	11.02.2020
4.	Mr. Susil Kumar Pal, Independent Director	00268527	06.12.2005
5.	Mr. Vinod Kumar Kothari, Independent Director	00050850	31.05.2006
6.	Mr. Anupam Kumar Mukerji, Independent Director <sup>1</sup>	00396878	08.08.2006 <sup>1</sup>
7.	Ms. Sonali Bhagwati Dalal, Independent Director	01105028	11.07.2007
8.	Mr. Upendra Nath Challu, Independent Director	05214065	31.08.2012

<sup>1</sup>Resigned with effect from the close of the working hours of 31.03.2020

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)

(**Nidhi Bagri**)  
Proprietor  
ACS No. 24765  
C.P.No. 9590

Date: June 16, 2020  
Place: Kolkata

## MR-3 SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM APRIL 1, 2019 TO MARCH 31, 2020

[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, 2019 to March 31, 2020 (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, 2020 and as shown to us during our audit, according to the provisions of the following laws:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- Secretarial Standards 1 and 2 issued by ICSI;
- The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- The SEBI (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-Laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings; (**FEMA**)
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) viz:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - 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; and
  - The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI LODR**")
- Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - Environment Protection Act, 1986
  - 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 period under review 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.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

*The total amount to be spent by the Company for the FY 2019-2020 was Rs.325.33 lacs. As against that the amount spent by the Company during the FY 2019-2020 either directly or through its Trust amounted to Rs.469.34 lacs (including brought forward unspent amount from previous years). Accordingly, the Company has exceeded its CSR spending during the FY 2019-2020 against the requirement of Section 135 of the Act, 2013 i.e. 2% of the average net profit of last 3 financial years. The Company had taken the decision to spend the carried over unspent amount of Rs. 205.88 lacs (net of liabilities of Rs. 0.17 lacs) lying with Trust and Rs. 37.49 lacs lying with Implementing Agencies as on 31.03.2019. Considering the carried over amount, the amount spent during FY 2019-2020 is less than the minimum allocation of CSR being 2% of the average net profit of last 3 financial years amounting to Rs. 325.33 lacs in total. The Trust has also earned Rs.3.04 lacs on temporary investment with Banks/Mutual Funds during FY 2019-2020. We have been informed that the unutilized fund lying with the Trust as on 31.03.2020 amounting to Rs. 87.15 lacs (net of liabilities of Rs. 0.37 lacs) and the amount of Rs. 18.08 lacs lying with Implementing Agencies will be used for CSR activities along with fresh funding, if any, from the Company, during FY 2020-2021.*

**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 year under review 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:

**a. Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 between Greenply Industries Limited and Greenpanel Industries Limited and their respective Shareholders and Creditors for demerger of Demerged Undertaking of Greenply Industries Limited into Greenpanel Industries Limited**

The Board at its meeting held on 20.03.2018 had discussed and explored an option to de-merge the Company's MDF Division into a WOS i.e. Greenpanel Industries Limited. Accordingly, M/s. Edelweiss Financial Services Limited as a Merchant Banker and M/s. Nishith Desai Associates as a Legal Advisor/Law Firm were appointed to advice on the same.

On 30.05.2018, the Board, after discussing the rationale of the Scheme, report on the share entitlement ratio, fairness opinion, undertaking in accordance with Paragraph I(A)(9)(c) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, along with the draft auditor's certificates certifying the said undertaking and the accounting treatment under the Scheme and other related factors and on recommendation of AC, has approved the draft Composite Scheme of Arrangement ('Scheme') between Greenply Industries Limited ('the Company') and Greenpanel Industries Limited ('Greenpanel'), a wholly owned subsidiary of the Company, to demerge the Medium Density Fiberboards

and allied products business of Chittoor unit, Andhra Pradesh and Medium Density Fiberboards, Plywood and allied products business of Pantnagar unit, Uttarakhand, branches/administrative and marketing offices of the above respective businesses of the Company ('the transferred business') into Greenpanel, subject to necessary approvals from the concerned authorities, with effect from 01.04.2018 as the Appointed Date. The Scheme proposes share entitlement ratio of 1:1 i.e. 1 (One) equity share of Re.1.00 (Rupee one only) each in Greenpanel, credited as fully paid up for every 1 (One) equity share of Re.1.00 (Rupee one only) each held by the shareholders of the Company as on Record Date, as recommended by M/s. S. P. Shaw & Co., Chartered Accountants, Kolkata and certified as fair by M/s. Edelweiss Financial Services Limited, Merchant Bankers, Mumbai,

On 04.02.2019, the shareholders and creditors of the Company have approved the Scheme in separate meetings of shareholders and creditors respectively, convened by the National Company Law

Tribunal (NCLT). NCLT vide its Order dated 28.06.2019 has approved the Scheme. Both Greenply Industries Limited and Greenpanel Industries Limited have filed the certified copy of the said order with Registrar of Companies, North Eastern Region on 01.07.2019 and accordingly the Scheme is effective from 01.07.2019 and the Demerged Undertaking/Transferred Business as defined in the said Scheme stands transferred to Greenpanel Industries Limited wef 01.04.2018 (Appointed Date).

**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, 2020 of even date is to be read along with the annexure to this letter.

Thanking you,

Date: June 16, 2020  
Place: Kolkata

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

(**Nidhi Bagri**)  
Proprietor  
ACS No. 24765  
C.P.No. 9590

## 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, 2020 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)

(Nidhi Bagri)  
Proprietor  
ACS No. 24765  
C.P.No. 9590

Date: June 16, 2020  
Place: Kolkata

## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and other details:

- i) CIN: L20211AS1990PLC003484
- ii) Registration Date: 28.11.1990
- iii) Name of the Company: GREENPLY INDUSTRIES LIMITED
- iv) Category/Sub-Category of the Company: PUBLIC COMPANY LIMITED BY SHARES
- v) Address of the registered office and contact details: MAKUM ROAD, TINSUKIA, ASSAM- 786125, PHONE: (033) 30515000, FAX: (033) 3051 5010
- vi) Whether listed company ☒Yes / ☐No
- vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any:  
  
M/s. S. K. INFOSOLUTIONS PVT. LTD.  
34/1A, SUDHIR CHATTERJEE STREET  
KOLKATA- 700 006  
PHONE: (033) 2219-4815/6797  
FAX: (033) 2219-4815

### II. Principal business activities of the Company

All the Business activities contributing 10 % or more of the total turnover of the Company are:

Sl. No.	Name and Description of main products/ services	NIC Code-2008 of the Product/ service	% to total turnover of the Company
1	PLYWOOD	1621	99.40

### III. Particulars of holding, subsidiary and associate companies

Sl. No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares Held	Applicable section
1	GREENPLY ALKEMAL (SINGAPORE) PTE. LTD., 3, Shenton Way, #12-01A, Shenton House, Singapore – 068805	201413887Z	ASSOCIATE (JOINT VENTURE COMPANY)	50 % INVESTMENT THROUGH GREENPLY HOLDINGS PTE. LTD., SINGAPORE	2(6) OF THE COMPANIES ACT, 2013
2	GREENPLY HOLDINGS PTE. LTD., 3, Shenton Way, #12-01A Shenton House, Singapore - 068805	201616966N	SUBSIDIARY	100%	2(87)(i)&(ii) OF THE COMPANIES ACT, 2013
3	GREENPLY MIDDLE EAST LIMITED, 409, City Tower 1, Sheikh Zayed Road, P.O. Box 118767, Dubai, United Arab Emirates	181478	SUBSIDIARY	100%	2(87)(i)&(ii) OF THE COMPANIES ACT, 2013
4	GREENPLY GABON SA, Parcel C-13, NKOK SEZ, BP 1024, Libreville, Gabon	004-24628GU1	STEP DOWN SUBSIDIARY	100% THROUGH Greenply Middle East Limited, Dubai, UAE	2(87)(i)&(ii) OF THE COMPANIES ACT, 2013



## IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	17457180	0	17457180	14.24	17576811	0	17576811	14.33	0.09
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	45117820	0	45117820	36.79	46206496	0	46206496	37.68	0.89
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):	62575000	0	62575000	51.03	63783307	0	63783307	52.01	0.98
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	62575000	0	62575000	51.03	63783307	0	63783307	52.01	0.98
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	25013511	0	25013511	20.40	27495108	0	27495108	22.42	2.02
b) Banks / FI	135779	0	135779	0.11	15707	0	15707	0.01	(0.10)
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Alternate Investment Funds	0	0	0	0.00	550468	0	550468	0.45	0.45
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h) FIs	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others: Foreign Portfolio Investors	13370565	0	13370565	10.90	13267026	0	13267026	10.82	(0.08)
Sub-total (B)(1):	38519855	0	38519855	31.41	41328309	0	41328309	33.70	2.29
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1926406	8000	1934406	1.58	1689641	8000	1697641	1.38	(0.20)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8388014	64860	8452874	6.89	7160838	59860	7220698	5.89	(1.00)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	6642355	0	6642355	5.42	2758329	0	2758329	2.25	(3.17)
<b>c) Others (specify)</b>									
NRI	635760	0	635760	0.52	712937	0	712937	0.58	0.06
Trust	0	0	0	0.00	246390	0	246390	0.20	0.20
HUF	0	0	0	0.00	145796	0	145796	0.12	0.12
NBFCs registered with RBI	0	0	0	0.00	918835	0	918835	0.75	0.75
FCB	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	189065	0	189065	0.15	133823	0	133823	0.11	-0.04
Foreign National	0	0	0	0.00	1250	0	1250	0.00	0.00
Foreign Companies	3639875	0	3639875	2.97	3639875	0	3639875	2.97	0.00
Greenply Industries Limited-Unclaimed Suspense Account	8020	0	8020	0.01	3020	0	3020	0.00	(0.01)
IEPF	30185	0	30185	0.02	37185	0	37185	0.03	0.01
<b>Sub-total (B)(2):</b>	<b>21459680</b>	<b>72860</b>	<b>21532540</b>	<b>17.56</b>	<b>17447919</b>	<b>67860</b>	<b>17515779</b>	<b>14.28</b>	<b>(3.28)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>59979535</b>	<b>72860</b>	<b>60052395</b>	<b>48.97</b>	<b>58776228</b>	<b>67860</b>	<b>58844088</b>	<b>47.99</b>	<b>(0.98)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>122554535</b>	<b>72860</b>	<b>122627395</b>	<b>100.00</b>	<b>122559535</b>	<b>67860</b>	<b>122627395</b>	<b>100.00</b>	<b>0.00</b>

### ii) Shareholding of Promoters and Promoter Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
1.	RAJESH MITTAL	3079900	2.51	0.00	3079900	2.51	0.00	0.00
2.	SHOBHAN MITTAL	739000	0.60	0.00	739000	0.60	0.00	0.00
3.	SHIV PRAKASH MITTAL AND SHOBHAN MITTAL ON BEHALF OF TRADE COMBINES, PARTNERSHIP FIRM	11702380	9.54	0.00	11702380	9.54	0.00	0.00
4.	SANIDHYA MITTAL	90000	0.07	0.00	100000	0.08	0.00	0.01
5.	SANTOSH MITTAL	1165900	0.95	0.00	1165900	0.95	0.00	0.00
6.	KARUNA MITTAL	680000	0.55	0.00	680000	0.55	0.00	0.00
7.	PRIME HOLDINGS PVT. LTD.	12042800	9.82	0.00	12042800	9.82	0.00	0.00
8.	S. M. MANAGEMENT PVT. LTD.	31626965	25.79	0.00	32715641	26.68	0.00	0.89
9.	VANASHREE PROPERTIES PVT. LTD.	1448055	1.18	0.00	1448055	1.18	0.00	0.00
10.	SHIV PRAKASH MITTAL	0	0.00	0.00	0	0.00	0.00	0.00
11.	CHITWAN MITTAL	0	0.00	0.00	0	0.00	0.00	0.00
12.	MASTER ADITYA MITTAL	0	0.00	0.00	0	0.00	0.00	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
13.	EDUCATIONAL INNOVATIONS PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
14.	NIRANJAN INFRASTRUCTURE PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
15.	RS HOMCON LIMITED	0	0.00	0.00	0	0.00	0.00	0.00
16.	SHOWAN INVESTMENT PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
17.	BRIJBHUMI MERCHANTS PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
18.	BRIJBHUMI TRADEVIN PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
19.	MASTERMIND SHOPPERS PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
20.	DHOLKA PLYWOOD INDUSTRIES PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
21.	MITTALGREEN PLANTATIONS LLP	0	0.00	0.00	0	0.00	0.00	0.00
22.	RAJESH MITTAL & SONS, HUF	0	0.00	0.00	109631	0.09	0.00	0.09
23.	BLUESKY PROJECTS PVT. LTD.	0	0.00	0.00	0	0.00	0.00	0.00
24.	TRADE COMBINES PTE. LTD., INCORPORATED IN SINGAPORE	0	0.00	0.00	0	0.00	0.00	0.00
25.	RKS FAMILY FOUNDATION	0	0.00	0.00	0	0.00	0.00	0.00
26.	MITTAL BUSINESS HOLDINGS TRUST	0	0.00	0.00	0	0.00	0.00	0.00
Total		62575000	51.03	0.00	63783307	52.01	0.00	0.98

iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	62575000 Equity shares of Re.1/- each	51.03	-	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	520000	0.42	63095000	51.45
		(22.08.19 - Purchase)			
		26520	0.02	63121520	51.47
		(20.09.19 - Purchase)			
		11763	0.01	63133283	51.48
		(20.09.19 - Purchase)			
		8488	0.01	63141771	51.49
		(23.09.19 - Purchase)			
		5480	0.00	63147251	51.49
		(23.09.19 - Purchase)			
		4345	0.00	63151596	51.49
		(24.09.19 - Purchase)			
		2212	0.00	63153808	51.49
		(25.09.19 - Purchase)			
		240000	0.20	63393808	51.69
		(26.09.19 - Purchase)			
		11694	0.01	63405502	51.70

Sl. No.		Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		(21.11.19 - Purchase)			
		5296	0.00	63410798	51.70
		(22.11.19 - Purchase)			
		14913	0.01	63425711	51.71
		(25.11.19 - Purchase)			
		10885	0.01	63436596	51.72
		(26.11.19 - Purchase)			
		19984	0.02	63456580	51.74
		(27.11.19 - Purchase)			
		3974	0.00	63460554	51.74
		(28.11.19 - Purchase)			
		8412	0.01	63468966	51.75
		(29.11.19 - Purchase)			
		10000	0.01	63478966	51.76
		(29.11.19 - Purchase)			
		6950	0.01	63485916	51.77
		(02.12.19 - Purchase)			
		24153	0.02	63510069	51.79
		(03.12.19 - Purchase)			
		10795	0.01	63520864	51.80
		(04.12.19 - Purchase)			
		25000	0.02	63545864	51.82
		(24.02.20 - Purchase)			
		7622	0.00	63553486	51.82
		(03.03.20 - Purchase)			
		92627	0.08	63646113	51.90
		(04.03.20 - Purchase)			
		10000	0.01	63656113	51.91
		(05.03.20 - Purchase)			
		75000	0.06	63731113	51.97
		(05.03.20 - Purchase)			
		2416	0.00	63733529	51.97
		(17.03.20 - Purchase)			
		2580	0.00	63736109	51.97
		(18.03.20 - Purchase)			
		4567	0.00	63740676	51.98
		(19.03.20 - Purchase)			
		11610	0.01	63752286	51.99
		(20.03.20 - Purchase)			
		16909	0.01	63769195	52.00
		(23.03.20 - Purchase)			
		9293	0.01	63778488	52.01
		(24.03.20 - Purchase)			
		4819	0.00	63783307	52.01
		(30.03.20 - Purchase)			
	At the end of the year	-	-	63783307 Equity shares of Re.1/- each	52.01%

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters/Promoter Group and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>JWALAMUKHI INVESTMENT HOLDINGS</b>				
	At the beginning of the year	11787720	9.61	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-79022 (13.03.2020-sale)	-0.06	11708698	9.55
	At the end of the year (or on the date of separation, if separated during the year)	-	-	11708698	9.55
<b>2</b>	<b>HDFC TRUSTEE COMPANY LIMITED</b>				
	At the beginning of the year	10425455	8.50	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-46114 (10.05.19 - Sale)	- 0.04	10379341	8.46
		-43886 (17.05.19 - Sale)	- 0.04	10335455	8.42
		-38000 (24.05.19 - Sale)	-0.03	10297455	8.39
		46400 (13.09.19 - Purchase)	0.04	10343855	8.43
		324800 (20.09.19 - Purchase)	0.26	10668655	8.69
		13000 (27.09.19 - Purchase)	0.01	10681655	8.70
		346000 (04.10.19 - Purchase)	0.29	11027655	8.99
	At the end of the year (or on the date of separation, if separated during the year)	-	-	11027655	8.99
<b>3</b>	<b>IDFC STERLING EQUITY FUND</b>				
	At the beginning of the year	3990000	3.26	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	100000 (12.04.19 - Purchase)	0.08	4090000	3.34
		50000 (19.04.19 - Purchase)	0.04	4140000	3.38
		55000 (26.04.19 - Purchase)	0.04	4195000	3.42
		33087 (03.05.19 - Purchase)	0.03	4228087	3.45
		39358 (10.05.19 - Purchase)	0.03	4267445	3.48
		62555 (17.05.19 - Purchase)	0.05	4330000	3.53
		25000 (24.05.19 - Purchase)	0.02	4355000	3.55
		5000 (31.05.19 - Purchase)	0.00	4360000	3.55
		40000 (07.06.19 - Purchase)	0.03	4400000	3.58
		70321 (14.06.19 - Purchase)	0.06	4470321	3.64

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		27553	0.02	4497874	3.66
	(21.06.19 - Purchase)				
		27126	0.02	4525000	3.68
	(28.06.19 - Purchase)				
		45000	0.04	4570000	3.72
	(12.07.19 - Purchase)				
		20000	0.02	4590000	3.74
	(26.07.19- Purchase)				
		10000	0.01	4600000	3.75
	(02.08.19 - Purchase)				
		15000	0.01	4615000	3.76
	(06.09.19 - Purchase)				
		-15000	-0.01	4600000	3.75
	(20.09.19- Sale)				
		10000	0.01	4610000	3.76
	(25.10.19 - Purchase)				
		3784	0.00	4613784	3.76
	(15.11.19 - Purchase)				
		6216	0.01	4620000	3.77
	(22.11.19 - Purchase)				
		10000	0.01	4630000	3.78
	(20.12.19 - Purchase)				
		5000	0.00	4635000	3.78
	(27.12.19 - Purchase)				
		-45000	-0.04	4590000	3.74
	(03.01.20 - Sale)				
		5000	0.00	4595000	3.74
	(10.01.20 - Purchase)				
		15000	0.01	4610000	3.75
	(24.01.20 - Purchase)				
		40000	0.03	4650000	3.78
	(31.01.20 - Purchase)				
		25000	0.02	4675000	3.80
	(21.02.20 - Purchase)				
		79809	0.08	4754809	3.88
	(06.03.20- Purchase)				
		25191	0.02	4780000	3.90
	(13.03.20 - Purchase)				
		5000	0.00	4785000	3.90
	(20.03.20- Purchase)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	4785000	3.90
<b>4</b>	<b>SBI CONSUMPTION OPPORTUNITIES FUND</b>				
	At the beginning of the year	5330521	4.35	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	4103 (24.05.19 - Purchase)	0.00	5334624	4.35
		25638 (21.06.19 - Purchase)	0.02	5360262	4.37



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		-1327344	-1.08	4032918	3.29
	(27.09.19 - Sale)				
		-25638	-0.02	4007280	3.27
	(13.12.19 - Sale)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	4007280	3.27
<b>5</b>	<b>TATA YOUNG CITIZENS FUND</b>				
	At the beginning of the year	3861400	3.15	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-5000	-0.01	3856400	3.14
	(12.04.19 - Sale)				
		7500	0.01	3863900	3.15
	(28.06.19 - Purchase)				
		20000	0.02	3883900	3.17
	(12.07.19 - Purchase)				
		-4000	0.00	3879900	3.17
	(17.01.20 - Sale)				
		-26500	-0.03	3853400	3.14
	(31.01.20 - Sale)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	3853400	3.14
<b>6</b>	<b>WESTBRIDGE CROSSOVER FUND, LLC</b>				
	At the beginning of the year	3639875	2.97	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	3639875	2.97
<b>7</b>	<b>L&amp;T MUTUAL FUND TRUSTEE LIMITED-L&amp;T EMER</b>				
	At the beginning of the year	285700	0.23	-	-
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	1469663	1.20	1755363	1.43
	(20.09.19 - Purchase)				
		1340217	1.09	3095580	2.52
	(27.09.19 - Purchase)				
		8951	0.01	3104531	2.53
	(11.10.19 - Purchase)				
		13901	0.01	3118432	2.54
	(18.10.19 - Purchase)				
		8825	0.01	3127257	2.55
	(25.10.19 - Purchase)				
		72308	0.06	3199565	2.61
	(01.11.19 - Purchase)				
		201030	0.16	3400595	2.77
	(15.11.19 - Purchase)				
		46017	0.04	3446612	2.81
	(22.11.19 - Purchase)				
		24522	0.02	3471134	2.83
	(29.11.19 - Purchase)				
		207	0.00	3471341	2.83
	(06.12.19 - Purchase)				

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		12117	0.01	3483458	2.84
	(13.12.19- Purchase)				
		36648	0.03	3520106	2.87
	(20.12.19- Purchase)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	3520106	2.87
<b>8</b>	<b>MANGAL BHANSHALI</b>				
	At the beginning of the year	1225000	1.00	-	-
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-200000	-0.16	1025000	0.84
	(20.09.19 - Sale)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	1025000	0.84
<b>9</b>	<b>VALLABH ROOPCHAND BHANSHALI</b>				
	At the beginning of the year	1077850	0.88	-	-
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-30000	0.02	1047850	0.86
	(12.04.19 - Sale)				
		-10000	0.01	1037850	0.85
	(19.04.19 - Sale)				
		-1611	0.00	1036239	0.85
	(26.04.19 - Sale)				
		-400000	0.33	636239	0.52
	(20.09.19 - Sale)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	636239	0.52
<b>10</b>	<b>INDIA INSIGHT VALUE FUND</b>				
	At the beginning of the year	630000	0.51	-	-
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-21000	0.02	609000	0.49
	(16.08.19 - Sale)				
		-27000	0.02	582000	0.47
	(23.08.19 - Sale)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	582000	0.47
<b>11</b>	<b>LATA BHANSHALI#</b>				
	At the beginning of the year	1000000	0.82	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-1000000	-0.82	-	-
	(20.09.19 - Sale)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-
<b>12</b>	<b>RELIANCE CAPITAL TRUSTEE COMPANY LIMITED*</b>				
	At the beginning of the year	931398	0.76	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc.):	-271500	-0.22	659898	0.54
	(26.07.19 - Sale)				
		-659898	-0.54	0	0.00
	(09.08.19 -Sale)				
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

# Ceased to be in the list of Top 10 shareholders as on 31.03.2020. The same have been reflected above since shareholders were among the Top 10 shareholders as on 01.04.2019.

#### v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>RAJESH MITTAL</b>				
	At the beginning of the year	3079900	2.51	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	3079900	2.51
2.	<b>SANIDHYA MITTAL</b>				
	At the beginning of the year	90000	0.07	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	10000 (29.11.19- Purchase)	0.01	100000	0.08
	At the End of the year	-	-	100000	0.08
3.	<b>MANOJ TULSIAN@</b>				
	At the beginning of the year	19690	0.02	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	19690	0.02
4.	<b>SUSIL KUMAR PAL</b>				
	At the beginning of the year	NIL	NIL	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	NIL	NIL
5.	<b>VINOD KUMAR KOTHARI</b>				
	At the beginning of the year	NIL	NIL	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	NIL	NIL
6.	<b>ANUPAM KUMAR MUKERJI*</b>				
	At the beginning of the year	NIL	NIL	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	NIL	NIL
7.	<b>SONALI BHAGWATI DALAL</b>				
	At the beginning of the year	NIL	NIL	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	NIL	NIL

\* Resigned w.e.f. 01.04.2020

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (01.04.2019-31.03.2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	<b>UPENDRA NATH CHALLU</b>				
	At the beginning of the year	NIL	NIL	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	NIL	NIL
9.	<b>KAUSHAL KUMAR AGARWAL</b>				
	At the beginning of the year	NIL	NIL	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	NIL	NIL
10.	<b>MUKESH AGARWAL*</b>				
	At the beginning of the year	NIL	NIL	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	NIL	NIL

\* Appointed w.e.f. 14.08.2019

#### V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments (Rs. in lacs)

	Secured Loans	Unsecured Loans	Deposits	Total
	Excluding deposits			Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	12,334.03	2,030.36	-	14,364.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.14	-	-	12.14
<b>Total (i+ii+iii)</b>	<b>12,346.17</b>	<b>2,030.36</b>	<b>-</b>	<b>14,376.53</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	630.12	-	-	630.12
• Reduction	-	649.21	-	649.21
Net Change	630.12	649.21	-	(19.09)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12927.65	1381.15	-	14308.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	48.64	-	-	48.64
<b>Total (i+ii+iii)</b>	<b>12976.29</b>	<b>1381.15</b>	<b>-</b>	<b>14357.44</b>

## VI. Remuneration of directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/ JMD /WTD/ Manager			Total amount
		Rajesh Mittal	Sanidhya Mittal	Manoj Tulsian	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	327.60	132.00	28.32	487.92
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	-as 1.50% of profit	Nil	Nil	Nil	Nil
	-others, specify	Nil	Nil	Nil	Nil
5	Others – Provident Fund	33.12	14.40	1.49	49.01
	Total (A)	360.72	146.40	29.81	536.93
	Ceiling as per the Act	Rs. 550.17 lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

### B. Remuneration to other directors:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Susil Kumar Pal	Anupam Kumar Mukerji	Vinod Kumar Kothari	Upendra Nath Challu	Sonali Bhagwati Dalal	
1	1 Independent Directors						
	Fee for attending board/ committee meetings	6.75	5.75	7.00	6.50	1.20	27.20
	Commission	11.00	11.00	11.00	11.00	11.00	55.00
	Others, please specify	--	--	--	--	--	--
	Total(1)	17.75	16.75	18.00	17.50	12.20	82.20
2.	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board/ committee meetings	--	--	--	--	--	--
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total (2)	--	--	--	--	--	--
	Total(B) = (1+2)	17.75	16.75	18.00	17.50	12.20	82.20
	Total Managerial Remuneration						591.95
	Overall Ceiling as per the Act	Rs. 605.19 lacs (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

\* Ceiling as per the Act: Rs.55.02 lacs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1.	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63.78	52.69	116.47
	a. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5.	Others – Provident Fund	3.20	2.65	5.85
	Total	66.98	55.34	122.32

## VII. Penalties / Punishment/ Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None	N.A.	N.A.	N.A.	N.A.
Punishment	None	N.A.	N.A.	N.A.	N.A.
Compounding	None	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	None	N.A.	N.A.	N.A.	N.A.
Punishment	None	N.A.	N.A.	N.A.	N.A.
Compounding	None	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	None	N.A.	N.A.	N.A.	N.A.
Punishment	None	N.A.	N.A.	N.A.	N.A.
Compounding	None	N.A.	N.A.	N.A.	N.A.

### PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY U/S 186 OF THE COMPANIES ACT, 2013:

#### (I) Details of loans provided

Sl. No.	Date of loan	Date of Board resolution	Date of Special Resolution (if any)	Name of borrower	Purpose for which the loan is proposed to be utilized by the recipient	Amount (USD in Lacs)*	Amount (Rs in Lacs)*	Rate of interest	Security	Prevailing yield of 1/3/5/10 year Government security at the time of extending the loan
NIL										

\*Represents amount on the date of transaction



## (II) Details of investments

Sl. No.	Date of Investment	Date of Board resolution	Date of Special Resolution (if any)	Name of the investee	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Amount (USD in Lacs)	Amount (Rs in Lacs)	Expected rate of return
Nil								

## (III) Details of guarantees provided

Sl. No.	Date of providing security/ guarantee	Date of Board resolution	Date of Special Resolution (if any)	Name of recipient	Purpose for which the security/ guarantee is proposed to be utilized by the recipient	Amount (USD in Lacs)*	Amount (Euro in Lacs)	Amount (Rs in Lacs)#	Commission
1	24-05-2019	02-12-2016	Not applicable	Greenply Middle East Ltd	For working capital requirements	10.00	-	689.45	2% p.a.

## Amount outstanding as at 31st March, 2020

Particulars	Amount (Rs. in lacs)
Loans given	2,116.52
Investments made	4222.22
Guarantee given	13568.97

## 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) The Company adopted the following measures towards 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.

#### (b) Additional investments and proposals, if any

It is a continuous process to explore the avenues for energy conservation. The Company is considering additional investments and proposals for the same.

#### (c) Impact of measures taken

Energy conservation measures stated above have resulted in gradual savings and ease in operations.

#### (d) Total energy consumption and energy consumption per unit of production

Particulars relating to energy consumption and other details are not being provided because the Company is not on the list of industries specified for this purpose.

### B. Technology absorption

#### a) Research and development (R&D)

##### 1. Areas of R&D activities

- 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.
- The Company is working routinely on to control/ reduce formaldehyde emission from plywood by improved glue formulation.

##### 2. Benefits of the R&D exercises

- 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.
- ### 3. Future strategy
- Emphasizing on the R&D for making new products and creating better processes.
  - Improve the quality of existing products.
  - Improve interaction with research institutions.
  - Improve properties of materials.

#### 4. Expenditure on R&D

	(Rs. in lacs)
Capital	-
Revenue	-
Total	-
Total R&D expenditure as a percentage of net turnover (%)	-

#### b) Technology absorption, adoption and innovation

#### 1. Steps adopted

- Setting up a quality assurance cell to ensure the dispatch of only goods produced under strict process control with specific standard notifications from the factory.
- Participating in national and international conferences, seminars and exhibitions.
- Analyzing feedback from users to improve products and services.

#### 2. Benefits of the steps adopted

- Improved product quality, leading to rise in the Company's brand value.
- Expanded product range.
- Improved processes and product quality, performance and reliability to attain global standards and maintaining the leadership position.

#### 3. Technology improvement

The Company did not have the need to import technology or foreign technical collaborations in the last five years.

#### 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:

	2019-20	2018-19
<b>Earnings on account of:</b>		
a) FOB value of exports	27.16	66.53
<b>Total</b>	<b>27.16</b>	<b>66.53</b>
<b>Outgo on account of:</b>		
a) Raw materials	9,230.33	9,761.02
b) Capital goods	86.76	353.16
c) Traded goods	1,166.80	1,763.17
d) Stores & spare parts	52.18	475.27
<b>Total</b>	<b>10,536.07</b>	<b>12352.61</b>

For and on behalf of the Board of Directors

**Rajesh Mittal**

Chairman cum Managing Director  
(DIN: 00240900)

Place: Kolkata

Date: June 27, 2020

## Report on the CSR activities forming Part of the Board's Report for the year ended on 31st March, 2020

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

### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

#### Brief outline of the 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–

1. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
2. Ensuring animal welfare;
3. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
4. 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;
5. Rural development projects;
6. 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;
7. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art;
8. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.

#### 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 project covers contribution 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 of a School building**

The project covers contribution for the construction of a School building at Saraswati Shishu Mandir, Naiyapara, Diamond Harbour, South 24 Parganas, West Bengal through Vikekananda Vidyavikash Parishad (W.B.).

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

The Company has conducted free medical camp for eye check-up at Lucknow, Muzaffarpur, Patna, Kolkata, Indore, Bhopal, Ahmedabad, Surat, Mumbai towards healthcare activity.

- f. **Comprehensive free and/or subsidized medical services/treatment and also for the purchase of medical equipment for the Hospital**

The Company has contributed to Shrimad Rajchandra Sarvamangal Trust, Gujarat, towards comprehensive free and/or subsidized medical services/treatment of high quality to the destitute and needy people and also for the purchase of medical equipment through Shrimad Rajchandra Hospital situated at Opposite to S.T. Bus Depot., Dharampur, Dist: Valsad, Gujarat-396 050.

- g. **Education of tribals and rural children**

The project covers contribution for the education of tribals and rural children under the Ekal

Abhiyan movement of Friends of Tribals Society (FTS) for Ekal Vidyalaya, Odisha, Dhenkanal.

- h. **Purchase of books**

The project covers contribution for the purchase of books for the students of Class-IX to Class-XII in the village H.S. School, named as KURPAI HIGH SCHOOL (H.S.), Purba Medinipur, West Bengal.

- i. **Contribution for the purchase of vehicles for distribution of foods**

The project covers contribution for the purchase of vehicles for distribution of foods at concessional rates by Annbandhu Foundation, Kolkata.

- j. **Contribution for Special Education**

The project covers contribution for Providing of scientific education/ understanding to the students with a 'specific learning or language disability', more specifically known as Dyslexia, a neurological condition which turns into a learning disability through Dyslexia Trust of Kolkata.

- k. **Contribution for the purchase of medical equipment in the Institute of Child Health.**

The Company has contributed for the purchase of a medical tool for the treatment in the Nevedita School for Special Children under the Institute of Child Health 11, Dr. Biresh Guha Street Kolkata – 700017.

- l. **Promoting Health Care i.e. Anti Drug Awareness Programme**

The project covers promoting Health Care activity i.e. Anti Drug Awareness Programme in Kolkata, West Bengal by Kolkata Police.

- m. **Pure Drinking Water**

The project covers installation of R.O. plants in the village nearby to the Chittoor District, Andhra Pradesh.

- n. **Contribution for the setting-up of Old Age Homes**

The project covers contribution for the setting-up of Shree Agrasen Smriti Bhawan (Old Age Homes), Kolkata, West Bengal.

- o. **Contribution for the construction of general bay of 6 beds in Pediatric ward**  
The project covers contribution towards the construction of general bay of 6 beds in Pediatric ward at Tata Medical Centre, Kolkata.
- p. **Contribution for the training for promotion of nationally recognized Sports-Football**  
The project covers contribution for the training for promotion of nationally recognized Sports-Football through Calcutta Customs Club, Kolkata.
- q. **Contribution to for the cataract surgery of underprivileged community**  
The project covers contribution to Lions Club of Calcutta (Greater) Seva Trust for the cataract surgery of underprivileged community at village Chouhati in Narendrapur, Dist - 24 Parganas, West Bengal.
- r. **Contribution for training to promote nationally recognized sports - Tennis**  
The project covers contribution for training to promote nationally recognized sports - Tennis through the Tennis Tree, a tennis academy in Kolkata, West Bengal.
- s. **Contribution for the training for promotion of nationally recognized Sports-Football**  
The project covers contribution for the training for promotion of nationally recognized Sports-Football through Garia Mitali Sangha for promotion of nationally recognized Sports-Football in Kolkata, West Bengal.
- t. **Contribution for the protection, welfare of animals and providing them proper care with nutritious daily food, medical treatment etc. and construction of sheds for them**  
The project covers contribution for the protection, welfare of animals and providing them proper care with nutritious daily food, medical treatment etc. and construction of sheds for them through Rajasthan Gokalyan, a Public Charitable Trust (the "Trust"), of Vill. - Santoshpur, P.O. - Adi Kasimpur, Nilganj Road, Duttapukur, Dist. - North 24 Parganas, West Bengal.

- u. **Plantation activities**  
The Company is taking plantation activities covered under CSR project in Mon (Nagaland), Morbi, Junagarh, Surendranagar, Jamnagar, Bhavnagar, Gir Somnath, Rajkot (Gujarat) and 24 Paragana South (West Bengal), towards ensuring environmental sustainability.
- Web link to the CSR Policy of the Company:  
<https://www.greenply.com/assets/investors/3/original/Corporate-Social-Responsibility-Policy.pdf?1564572083>

## 2. Composition of the CSR Committee:

The Greenply CSR committee was formed to shape the vision, mission and goal of the Company's CSR initiatives. The composition of CSR committee as on 31.03.2020:

- Mr. Rajesh Mittal, Chairman cum Managing Director
- Mr. Vinod Kumar Kothari, Independent Director
- Mr. Upendra Nath Challu, Independent Director
- Mr. Sanidhya Mittal, Joint Managing Director

## 3. Average net profit of the Company for last three financial years: Rs. 16,266.43 lacs

## 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 325.33 lacs

## 5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: Rs. 325.33 lacs
- Amount unspent, if any: Rs.105.23 lacs
- Manner in which the amount spent during the financial year is detailed below:

## Through Greenply Foundation, a Trust formed and registered by the Company under the provisions of Indian Trusts Act, 1882:

1	2	3	4	5	6	7	8	9
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period i.e. 01.04.2019 to 31.03.2020	Amount spent: Direct or through implementing agency	Status of the Project
1.	Supporting of a unique academic excellence and personality development programme for deserving and talented girls from weaker socio economic background, aiming to turn them into empowered and dignified woman or 'Shalinis'.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Udayan Shalini Fellowship Programme in Kolkata and neighbouring Districts of West Bengal	Rs. 1,38,760 brought forward from previous year and Rs. 37,50,000 for the period 2019-2020 to 2023-2024	Direct expenditure: Rs. 8,88,760	Rs. 8,88,760	Through Udayan Care, West Bengal	Ongoing
2.	Mobile Medical Van (MMV) to provide basic diagnostic, medicine, curative, referral and counselling services to the rural population, with the aim of improving access to medical services in the remote areas as well as raising the level of awareness among the community towards healthy and hygienic living.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Healthcare Project through Mobile Medical Van (MMV) in the nearby villages of Tizit, Dist: Mon, Nagaland	Rs.1,50,00,000 for the period 2019-2020 to 2021-2022	Direct expenditure: Rs. 33,33,793	Rs. 33,33,793	Direct	Ongoing
3.	Contribution for the education of tribals and rural children under the Ekal Abhiyan movement of Friends of Tribals Society(FTS)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Ekal Vidyalaya Barasat Anchal, North 24 parganas, West Bengal	Rs. 2,50,000 brought forward from previous year and Rs. 5,06,000 for the period from October 2019 to September, 2020	Direct expenditure: Rs. 5,00,000	Rs. 5,00,000	Through Friends of Tribals Society (FTS), Kolkata, West Bengal	Ongoing



1	2	3	4	5	6	7	8	9
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period i.e. 01.04.2019 to 31.03.2020	Amount spent: Direct or through implementing agency	Status of the Project
4.	Contribution for the construction of a School building at Naiyapara, Diamond Harbour, South 24 Pgs, West Bengal	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Through Vivekananda Vidyavikash Parishad (W.B.) at Saraswati Shishu Mandir, Naiyapara, Diamond Harbour, South 24 Pgs., West Bengal	Rs.41,50,000 for the FY 2018-2019 to 2020-2021	Direct expenditure: Rs. 22,72,223	Rs. 22,72,223	Through Vivekananda Vidyavikash Parishad (W.B.)	Ongoing
5.	Medical Camp-Eye Check-up	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Medical Camps at Lucknow, Muzaffarpur, Patna, Kolkata, Indore, Bhopal, Ahmedabad, Surat, Mumbai -Eye check-up	Rs. 50,00,000 for the period 2019-2020	Direct expenditure: Rs. 7,04,785	Rs. 7,04,785	Direct	Ongoing
6.	Contribution for the comprehensive free and subsidized medical services/ treatment of high quality to the destitute and needy people and also for the purchase of medical equipment for the Hospital	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Through Shrimad Rajchandra Hospital situated at Opposite to S.T. Bus Depot., Dharampur, Dist: Valsad, Gujarat-396 050	Rs.1,50,00,000 for the FY 2019-2020	Direct expenditure: Rs. 1,50,00,000	Rs. 1,50,00,000	Through Shrimad Rajchandra Sarvamangal Trust, Gujarat	Closed
7.	Contribution for the education of tribals and rural children under the Ekal Abhiyan movement of Friends of Tribals Society(FTS)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Ekal Vidyalaya Odisha, Dhenkanal	Rs. 5,50,000 for the period from July 2019 to June, 2020	Direct expenditure: Rs. 4,12,500	Rs. 4,12,500	Through Friends of Tribals Society (FTS), Bhubaneswar Chapter	Ongoing

1	2	3	4	5	6	7	8	9
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period i.e. 01.04.2019 to 31.03.2020	Amount spent: Direct or through implementing agency	Status of the Project
8.	Contribution for the purchase of books for the students of Class-IX to Class-XII in the village H.S. School, named KURPAI HIGH SCHOOL (H.S.) under Book – Project 2020	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	KURPAI HIGH SCHOOL (H.S.), Purba Medinipur, West Bengal	Rs. 2,10,000 brought forward from previous year and Rs. 3,00,000 for the year 2019-2020 and 2020-2021	Direct expenditure: Rs. 3,50,000	Rs. 3,50,000	Through Kurpai Unnayani Society, West Bengal	Ongoing
9.	Contribution for the purchase of vehicles for distribution of foods	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Vehicles used for distribution of foods at concessional rates by Annbandhu Foundation, Kolkata	Rs. 8,25,000 for the FY 2019-2020	Direct expenditure: Rs. 8,25,000	Rs. 8,25,000	Through Annbandhu Foundation, Kolkata	Closed
10.	Contribution for Special Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Providing of scientific education/ understanding to the students with a 'specific learning or language disability', more specifically known as Dyslexia, a neurological condition which turns into a learning disability through Dyslexia Trust of Kolkata.	Rs. 15,00,000 for the FY 2019-2020	Direct expenditure: Rs. 15,00,000	Rs. 15,00,000	Through Dyslexia Trust of Kolkata, Kolkata	Closed
11.	Contribution for the purchase of medical equipment in the Institute of Child Health.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Nevedita School for Special Children Under the Institute of Child Health 11, Dr. Biresh Guha Street, Kolkata – 17	Rs. 10,75,000 for the year 2019-2020	Direct expenditure: Rs. 10,75,000	Rs. 10,75,000	Direct	Closed
12.	Promoting Health Care i.e. Anti Drug Awareness Programme	Eradicating Hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Promoting Health Care activity i.e. Anti Drug Awareness Programme in Kolkata, West Bengal by Kolkata Police	Rs. 1,00,000 for the FY2019-2020	Direct expenditure: Rs. 1,00,000	Rs. 1,00,000	Through Kolkata Police, Kolkata	Closed

1	2	3	4	5	6	7	8	9
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period i.e. 01.04.2019 to 31.03.2020	Amount spent: Direct or through implementing agency	Status of the Project
13.	Pure Drinking Water	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Installation of R.O. plants in the village nearby to the Chittoor District, Andhra Pradesh	Rs.2,83,200 for the period 2019-2020	Direct expenditure: Rs.2,83,200	Rs.2,83,200	Direct	Closed
14.	Contribution for the setting-up of Old Age Homes	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	Contribution for the setting-up of Shree Agrasen Smriti Bhawan (Old Age Homes), Kolkata, West Bengal	Rs. 11,00,000 for the FY 2019-2020	Direct expenditure: Rs.11,00,000	Rs.11,00,000	Through Shree Agrasen Smriti Bhawan, Kolkata	Closed
15.	Contribution for the construction of general bay of 6 beds in Paediatric ward	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Through Tata Medical Center situated at 14, MAR, Rajarhat, New Town, Kolkata-700 160	Rs. 1,00,00,000 for the FY 2019-2020	Direct expenditure: Rs. 1,00,00,000	Rs. 1,00,00,000	Through Tata Medical Centre Trust, Kolkata	Closed
16.	Contribution for the training for promotion of nationally recognized Sports-Football	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Through Calcutta Customs Club, Kolkata for promotion of sports in Kolkata	Rs. 10,00,000 for the FY 2019-2020	Direct expenditure: Rs. 10,00,000	Rs. 10,00,000	Through Calcutta Customs Club, Kolkata	Closed
17.	Contribution to Lions Club of Calcutta (Greater) Seva Trust for the cataract surgery of underprivileged community	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Through Lions Club of Calcutta (Greater) Seva Trust for the cataract surgery of underprivileged community at village Chouhati in Narendrapur, Dist - 24 Parganas, West Bengal	Rs. 1,00,000 for the FY 2019-2020	Direct expenditure: Rs. 1,00,000	Rs. 1,00,000	Through Lions Club of Calcutta (Greater) Seva Trust, Kolkata	Closed

1	2	3	4	5	6	7	8	9
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period i.e. 01.04.2019 to 31.03.2020	Amount spent: Direct or through implementing agency	Status of the Project
18.	Contribution for training to promote nationally recognized sports - Tennis	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Through the Tennis Tree, a tennis academy in Kolkata, West Bengal	Rs. 5,00,000 for the FY 2019-2020 and 2020-2021	Direct expenditure: Rs. 1,23,588	Rs. 1,23,588	Through the Tennis Tree, Kolkata	Ongoing
19.	Contribution for the training for promotion of nationally recognized Sports-Football	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Through Garia Mitali Sangha for promotion of nationally recognized Sports-Football in Kolkata, West Bengal	Rs. 37,72,000 for the FY 2019-2020 & 2020-2021	Direct expenditure: Rs. 37,72,000	Rs. 37,72,000	Through Garia Mitali Sangha, Kolkata	Closed
20.	Contribution for the protection, welfare of animals and providing them proper care with nutritious daily food, medical treatment etc. and construction of sheds for them.	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.	Through Rajasthan Gokalyan, a Public Charitable Trust (the "Trust"), of Vill. - Santoshpur, P.O. - Adi Kasimpur, Nilganj Road, Duttapukur, Dist. - North 24 Parganas, West Bengal	Rs. 25,00,000 for the FY 2019-2020 and 2020-2021	Direct expenditure: Rs. 25,00,000	Rs. 25,00,000	Through Rajasthan Gokalyan Dist. - North 24 Parganas, West Bengal	Closed
21.	Administrative Expenses in respect of CSR activities	Bank Charges, Legal & Professional Fees and Rates and Taxes and Salary to staff	-	-	Rs. 74,576	Rs. 74,576	Direct	Ongoing
TOTAL (A)					Rs. 45915425	Rs. 45915425		

#### Directly by the Company:

1	2	3	4	5	6	7	8	9
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period i.e. 01.04.2019 to 31.03.2020	Amount spent: Direct or through implementing agency	Status of Project
1	Plantation activities	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;	Mon (Nagaland), Morbi, Junagarh, Surendranagar, Jamnagar, Gir Somnath, Rajkot (Gujarat)	Rs. 75,00,000 for the period 2019-2020 to 2021-2022	Direct expenditure: Rs. 10,18,590	Rs. 10,18,590	Direct	Ongoing
	<b>TOTAL (B)</b>				Rs. 10,18,590	Rs. 10,18,590		
	<b>TOTAL (A+B)</b>				Rs. 46934015	Rs. 46934015		

#### About the implementing agency:

- Udayan Care, West Bengal: Udayan Care, West Bengal, a Charitable Trust having its office at Duckback House, 4th Floor, 41 Shakespeare Sarani, Kolkata-700 017, engaged in supporting education and grooming girl students from economically weaker section of society.
- Friends of Tribals Society (FTS), Kolkata, West Bengal: Friends of Tribals Society, is a non-government and voluntary organization, having its head office at Ekal Bhawan, 123/A, Harish Mukherjee Road, Kolkata-700026, carrying out charitable activities in the area of education and committed towards the upliftment of the underprivileged rural and tribal masses in India.
- Vivekananda Vidyavikash Parishad (W.B.): Vivekananda Vidyavikash Parishad, a non-profit educational organization, having its working office at 31, Dr. Gangadhar Mukherjee Road, Fazir Bazar, Howrah-711101, carrying out activities in the area of education including running of schools and other related activities.
- Shrimad Rajchandra Sarvamangal Trust: Shrimad Rajchandra Sarvamangal Trust having its Headquarters at Shrimad Rajchandra Hospital, Dharampur-396 050, Dist: Valsad, Gujarat and Office at Bhupati Chambers, 3rd Floor, Mathew Road, Opera House, Mumbai 400 004 engaged in carrying out various charitable activities in the area of health care and other related activities.
- Friends of Tribals Society (FTS), Kolkata, Odisha: Friends of Tribals Society, is a non-government and voluntary organization, having its head office at Ekal Bhawan, 123/A, Harish Mukherjee Road, Kolkata-700026, carrying out charitable activities in the area of education and committed towards the upliftment of the underprivileged rural and tribal masses in India.
- Kurpai Unnayani Society, West Bengal: Kurpai Unnayani Society, West Bengal, a Social Welfare organization having its office at Vill & PO: Kurpai, Dist: Purba Medinipur carrying out charitable activities in the area of education and other related activities.
- AnnaBandhu Foundation, Kolkata: AnnaBandhu Foundation, Kolkata, a NGO having its Registered Office at 82 Sarat Bose Road, Kolkata-700 026 carrying out charitable activities in the area of providing foods at concessional rates in various parts of Kolkata.
- Dyslexia Trust of Kolkata, Kolkata: Dyslexia Trust of Kolkata, a non-profit educational organization, having its office and education centre at 3, Dover Park, Kolkata-700 019 providing scientific education/ understanding to the students with a 'specific learning or language disability', more specifically known as Dyslexia, a neurological condition which turns into a learning disability.
- Kolkata Police, Kolkata: Kolkata Police, Kolkata promoted Health Care activity i.e. Anti Drug Awareness Programme in Kolkata, West Bengal.

- Shree Agrasen Smriti Bhawan, Kolkata: Shree Agrasen Smriti Bhawan, a non-profit organisation having its office at P-30A Kalakar Street, Kolkata-70 007 involved in providing medical treatment, education and old age homes facilities.
- Tata Medical Centre Trust, Kolkata: Tata Medical Centre Trust, Kolkata having its registered office at 1, Bishop Lefroy Road, Kolkata 700020 and runs a hospital by name TATA MEDICAL CENTER situated at 14, MAR, Rajarhat, Newtown, Kolkata-700160, West Bengal. Tata Medical Centre Trust is engaged in carrying out various activities in the area of healthcare and medical services.
- Calcutta Customs Club, Kolkata: Calcutta Customs Club, duly registered under the West Bengal Societies Registration Act, 1961 having its Office at 15/1, Strand Road, Kolkata-700 001 and Training Centre at Customs Tent, Maidan, Kolkata-700 021 involved in providing training for promotion of nationally recognized Sports-Football and other charitable activities.
- Lions Club of Calcutta (Greater) Seva Trust, Kolkata: Lions Club of Calcutta (Greater) Seva Trust, Kolkata, a NGO providing cataract surgery for underprivileged community at village Chouhati in Narendrapur, Dist - 24 Parganas, West Bengal and other charitable activities.
- The Tennis Tree, Kolkata: The Tennis Tree, a tennis academy in the West Bengal having its Office at 1, Middleton Row, Kolkata - 700 071 involved in providing training for promotion of nationally recognized Sports-Tennis.
- Garia Mitali Sangha, Kolkata: Garia Mitali Sangha, duly registered under the West Bengal Societies Registration Act, 1860 having its Office at Garia Main Road, Kolkata-700 084 involved in providing training for promotion of nationally recognized Sports-Football and other Charitable activities.
- Rajasthan Gokalyan, West Bengal: Rajasthan Gokalyan, a Public Charitable Trust, of Vill. -

Santoshpur, P.O. - Adi Kasimpur, Nilganj Road, Duttapukur, Dist. - North 24 Parganas, West Bengal involved in welfare of animals and providing them proper care with nutritious daily food, medical treatment etc.

#### The reasons for not spending the minimum allocated amount to be spent on the CSR activities of the Company:

During the year under review, the Company has undertaken CSR activities directly and through its Trust namely GREENPLY FOUNDATION. The total amount to be spent by the Company for the FY 2019-2020 was Rs.325.33 lacs. As against that the amount spent by the Company during the FY 2019-2020 either directly or through Greenply Foundation was Rs.469.34 lacs (including brought forward unspent amount from previous years). Accordingly, the Company has exceeded its CSR spending during the FY 2019-2020 against the requirement of Section 135 of the Companies Act, 2013 i.e. 2% of the average net profit of last 3 financial years. The Company had taken the decision to spend the carried over unspent amount of Rs. 205.88 lacs (net of liabilities of Rs. 0.17 lacs) lying with Trust and Rs. 37.49 lacs lying with Implementing Agencies as on 31.03.2019. Considering the carried over amount, the amount spent during FY 2019-2020 is less than the minimum allocation of CSR being 2% of the average net profit of last 3 financial years amounting to Rs. 325.33 lacs in total. The Trust has also earned Rs.3.04 lacs on temporary investment with Banks/Mutual Funds during FY 2019-2020. The unutilized fund lying with the Trust as on 31.03.2020 amounting to Rs. 87.15 lacs (net of liabilities of Rs. 0.37 lacs) and the amount of Rs. 18.08 lacs lying with Implementing Agencies will be used for CSR activities along with fresh funding, if any, from the Company, during FY 2020-2021. The Company is committed to the underlying intent of CSR and is optimistic of meeting its obligations under section 135 of the Companies Act, 2013 and thereby make a positive impact on the society.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Company and the CSR Committee

**Rajesh Mittal**

Chairman cum Managing Director  
(DIN: 00240900)

Place: Kolkata  
Date: June 27,2020



## 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 25th July, 2016. This Policy was amended by the Board of the Company at its meeting held on 8th 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 31st 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, if any, and also retaining sufficient funds for growth of the Company pursuant to Section 123 of 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**

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

- Interim dividend, if any, shall be declared by the Board.
- Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- 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.
- 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**

- The factors and parameters for declaration of dividend to different class of shares of the

Company shall be same as covered above.

- The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
- 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.
- 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: June 27,2020

**GREENPLY INDUSTRIES LIMITED**  
**Business Responsibility Report**  
for the financial year 2019-20

[As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## Introduction

Greenply Industries Limited excels for common good. Its unique business model ensures its legacy of responsible business and keeping community as the ultimate purpose of its existence. Over the decades, we have remained focussed on the efficient deployment of resources – people, processes and materials for the production of eco-efficient and safe products. The above purposes are articulated in the twin pillars of our vision – Value Creation and Corporate Citizenship. The Company understands and realises the role played by each and every stakeholder and hence, has a proper system for redressal of grievances of the customers and the stakeholders. The Company has a proper Business Responsibility Policy to guide and facilitate the Company to understand the principles and core elements of responsible business practices and to implement the improvements which reflect their adoption in the manner the Company undertakes its business. Each department and unit is aware of its responsibilities and the Company's system is in place to facilitate the smooth functioning of its various departments and the units. This ensures that we are balanced in our engagements with multiple stakeholders, creating value with and for all.

## GENERAL INFORMATION ABOUT THE COMPANY:

- Corporate Identification Number (CIN) of the Company: L20211AS1990PLC003484

- Name of the Company: Greenply Industries Limited
- Registered Address: Makum Road, Tinsukia, Assam-786 125
- Website: www.greenply.com
- E-mail id: kaushal@greenply.com
- Financial year reported: 1st April, 2019 to 31st March, 2020
- Sectors that the Company is engaged in (as per the NIC code):  

Manufacturer of Plywood and its allied products - National Industrial Classification (NIC) Code 2008: 16211 & 16213
- Three key products that the Company manufactures:
  - Plywood
  - Boards
  - Doors
- Number of national locations where business activity is undertaken by the Company  

The Company's manufacturing units are situated at Tizit in Nagaland, Kriparampur in West Bengal, Bamanbore in Gujarat.

The Company has more than 50 physical and virtual branches situated across India, excluding Registered Office and Corporate Office.

## 10. Number of international locations where business activity is undertaken by the Company

Please refer the following table:

Sl. No.	Name of the Joint Venture (JV) / Wholly Owned Subsidiary (WOS)	Business activities
1	Greenply Alkema (Singapore) Pte. Ltd., Singapore (JV through Greenply Holdings Pte. Ltd., Singapore) 3, Shenton Way, #12-01A Shenton House, Singapore - 068805	This JV is engaged in the business of trading and marketing of commercial veneers and panel products. Further, the JV also controls the Myanmar based Company Greenply Industries (Myanmar) Pvt. Ltd., Myanmar, which is engaged in the business of manufacturing and trading of veneer and lumber.
2	Greenply Holdings Pte. Ltd., Singapore (WOS) 3, Shenton Way, #12-01A Shenton House, Singapore - 068805	This WOS was incorporated in the Republic of Singapore on June 22, 2016, holding investment in Greenply Alkema (Singapore) Pte. Ltd., Singapore.

3	Greenply Middle East Limited, Dubai, UAE (WOS) 409, City Tower 1, Sheikh Zayed Road, P.O. Box 118767, Dubai, United Arab Emirates	This WOS was incorporated on July 4, 2016 and holding total share capital of Greenply Gabon SA, Gabon, West Africa and engaged in the business of general trading.
4	Greenply Gabon SA, Gabon, West Africa (Step-down WOS), Parcel C-13, Nkok SEZ, BP 1024, Libreville, Gabon	On July 14, 2016, Greenply Gabon SA was incorporated as a step-down subsidiary of the Company and having manufacturing unit at Nkok SEZ in Gabon, West Africa. The same is engaged in the business of manufacturing and marketing of veneers and lumber.

## 11. Markets served by the Company

- Domestic Sales:  

PAN India Branches: More than 50 physical and virtual Branches  
Distributors/Dealers: +1870  
Retailers Network: +6000
- Exports: Nepal

## FINANCIAL DETAILS OF THE COMPANY:

- Paid-up capital (INR in lacs): 1226.27
- Total Turnover (INR in lacs): 126307.08
- Total profit after taxes (INR in lacs): 3259.70
- Total spending on CSR activities undertaken by the Company as percentage of last 3 years average profit after tax (%): 1.37
- List of activities in which CSR Expenditure done:  

Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2019-2020.

## OTHER DETAILS:

- Structure of the Company – Group / Joint ventures / Associates / Holding / Subsidiaries**  
There is no group. As regards JV and subsidiaries, please refer the table given in point 10 above under the general information about the Company.
- Details of business of the subsidiaries/JV**  
Please refer the above table mentioned in the general information about the Company.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?**  
No participation from Subsidiary Companies.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?**  
No participation from other entity.

## BR INFORMATION:

### 1. Details of Director/Directors responsible for BR:

- Details of Director responsible for implementation of the BR policy:
  - DIN: 00240900
  - Name: Mr. Rajesh Mittal
  - Designation: Chairman cum Managing Director
- Details of the BR Head:
  - DIN: Not Applicable
  - Name: Kaushal Kumar Agarwal
  - Designation: Company Secretary & Vice President-Legal
  - Telephone number: 033-3051 5000
  - e-mail id: kaushal@greenply.com

### 2. Principle-wise (as per NVGs) BR Policy/policies:

- Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]
- Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]
- Principle 3: Businesses should promote the wellbeing of all employees [P3]
- Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. [P4]
- Principle 5: Businesses should respect and promote human rights [P5]
- Principle 6: Business should respect, protect, and make efforts to restore the environment [P6]
- Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]
- Principle 8: Businesses should support inclusive growth and equitable development [P8]
- Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner [P9]



#### Details of compliance (reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for the various principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated or modified in consultation with the Management of the Company and is approved by the Board. The policies have been framed or modified considering the best interest of the stakeholders.								
3	Does the policy conform to any national/ international standards? If yes, specify?	Yes, the policies are based on 'National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business'.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Yes, the Policies have been approved by the Board and signed by the Company Secretary on behalf of the Board of Directors of the Company.								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Yes, Mr. Rajesh Mittal, Chairman cum Managing Director is authorised to oversee the implementation of the Policy.								
6	Indicate the link for the policy to be viewed online?	<a href="https://www.greenply.com/assets/investors/12/original/Business-Responsibility-Policy.pdf?1564572480">https://www.greenply.com/assets/investors/12/original/Business-Responsibility-Policy.pdf?1564572480</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted in the Company's website and communicated to all internal stakeholders.								
8	Does the company have in-house structure to implement policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes, an independent evaluation on the working of the Business Responsibility Policy for the financial year 2019-2020 was conducted through Company Secretary in Practice. The evaluation has been done after considering the practices of various units and departments of the Company.								

#### 1. Governance related to BR:

- Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: During last quarter of the FY 2019-2020, the Board of Directors assessed the Business Responsibility performance of the Company considering governance related to Business Responsibility.
- Does the Company publish a BR Report? What is the hyperlink for viewing this report? How frequently it is published?: Yes, the Company has published its last Business Responsibility Report which forms part of the Company's Annual Report for the financial year 2018-19. The same is available at <https://www.greenply.com/assets/investors/255/original/Annual-Report-2018-19.pdf?1573549819>. The Company publishes the report on an annual basis.

#### PRINCIPLE-WISE PERFORMANCE:

##### PRINCIPLE-1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

##### 1. Does the policy relating to ethics, bribery and corruption cover only the company?

The Company has a policy on the Code of Business Conduct/Ethics, which applies to all directors, officers and employees of the Company and its majority-owned subsidiaries. This Code is intended to (a) focus on areas of ethical risk; (b) set forth basic standards of ethical and legal behaviour; (c) to provide guidance to directors to help them recognize and deal with ethical issues; (d) provide reporting mechanisms for known or suspected unethical conduct and/or legal violations; (e) help foster a culture of honesty and accountability. The Company has its Vigil Mechanism Policy which provides

mechanism for employees and Directors of the Company to approach the Chairman of the Audit Committee or Chairman cum Managing Director of the Company for reporting genuine concerns. The executive directors and employees of the Company strictly adheres to the provisions of the Code with regard to their association with any professional, trade, legislative, political or public body. The Company has a Policy on Prevention of Sexual Harassment, to maintain a work environment free from any form of discrimination or conduct which can be considered as harassing, coercive or disruptive. Each Department ensures that the disclosures as required to be made in business documents, statutory filings, declarations, advertisements are correct and complete. The HR Team ensures to regularly communicate to its employees all the policies related to them, through the Company's intranet, regular e-mails and notice board etc. so as to keep them aware of the same and allow them to take optimum advantage of the same.

##### 2. Does the policy stated above extends to the Joint Ventures / Suppliers / Contractors / NGOs / Others?

No. However, the Company encourages its stakeholders to follow the code.

##### 3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management:

- A total of 1285 complaints (including 44 pending complaints of previous year as on 1st April, 2019) were received from customers including end-consumers in financial year 2019-20, out of which 211 (amounting to 16.42%) was pending as of 31st March, 2020.
- Two consumer cases were filed against the Company with the Consumer forum during financial year 2019-20. Total 6 consumer cases are pending with various consumer forum as on the end of financial year 2019-20.
- The following table gives the number of shareholder complaints received, resolved and pending during the year 2019-20.

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
2	7	9	Nil	Nil

##### PRINCIPLE-2: SAFETY AND SUSTAINABILITY OF GOODS

##### 1. Are there any products or services of the Company whose design has incorporated social or environmental concerns, risks and/or opportunities?

None.

##### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable. However, the Company has undertaken special efforts in the area of sustainable development. Further, the Company has adopted technologies to enable resource efficient, sustainable

manufacturing processes and technologies required to produce products. Regular meetings are conducted and suggestions are implemented to improve the working environment. The Company has system in place to review production parameters and resources on daily basis and actions are taken at each level to achieve norms.

##### 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, then what percentage of your inputs was sourced sustainably?

The Company has well established system of sustainable sourcing of inputs including transportation. When the Company began its journey over three decades ago, we had to source our raw materials from multiple external sources. But as we focused more on a well-integrated approach to business growth, the picture began to change on the raw material front too. We are promoting large-scale plantations of fast growing and short-rotation plant species in marginal and degraded farmlands in the

vicinity of our manufacturing facilities in Tizit, Mon, Nagaland and Bamanbore, Gujarat. We aim to enhance raw material security, improve environment sustainability, reduce logistics costs and help farmers to switch to commercial planting from subsistence planting. During the year under review the Company has not sourced its major inputs i.e. timber/veneers through sustainable sourcing.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**  
Yes. In the form of staff/worker and also supplier of timbers/veneers.
5. **What steps does the Company take to educate the local/small vendors to develop their skills?**

We are educating and providing saplings of Eucalyptus of Grade K25 and 413 having highest growth in a shortest period along with straight stem to farmers since the major raw material for the Company's products is timber of various species.

6. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste?**  
The Company consumes all the waste products (side cutting, dust etc.) as fuel in the boilers. Therefore, there is 100% usage of the waste products
7. **What is the quantity / percentage of such recycling?**  
NotApplicable.

### PRINCIPLE-3: WELL BEING OF ALL EMPLOYEES

#### 1. Human Resource

Kind of HR	Total number in the Company
Permanent Employees	2331
Hired Employee:	
Temporary	143
Contractual	1285
Casual	113
Permanent women employees	28
Permanent employees with disabilities	6
Child Labour	Nil

2. **Do you have an employee association that is recognised by management?**  
There is a Union recognised by Management namely "GREENPLY INDUSTRIES PERMANENT WORKER'S UNION" in respect of the Company's unit in Kripampur, West Bengal.
3. **What percentage of permanent employees are members of such employee association?**  
Around 90% of the permanent workers.
4. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

Sr. No.	Nature of Complaint	Received during the FY 2019-2020	Pending as on 31.03.2020
a.	child labour	Nil	Nil
b.	forced labour	Nil	Nil
c.	involuntary labour	Nil	Nil
d.	discriminatory employment	Nil	Nil
e.	sexual harassment	Nil	Nil

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.

5. **What percentage of your under mentioned employees were given safety & skill up-**

#### gradation training in the last year?

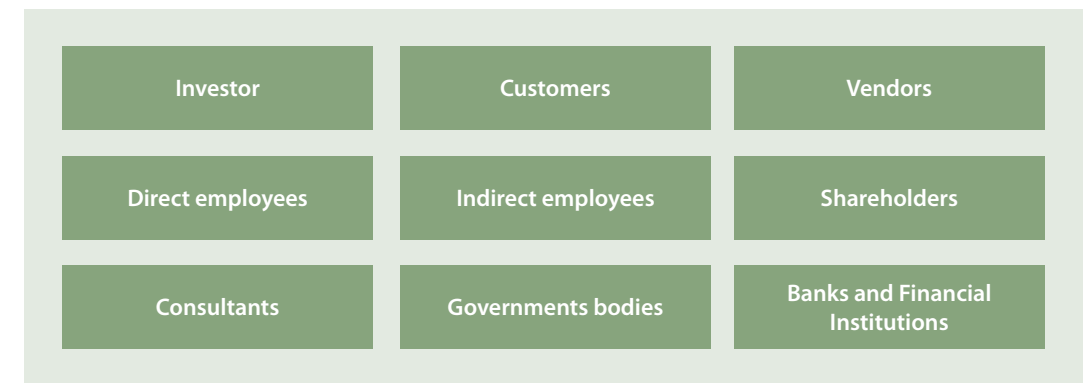
- a. Permanent Employees: 80%
- b. Permanent Women Employees: 100%
- c. Casual/Temporary/Contractual Employees: 70%
- d. Employees with Disabilities: 100%

### PRINCIPLE-4: PROTECTION OF STAKEHOLDERS' INTEREST

#### 1. Has the Company mapped its internal and external stakeholders?

Yes. The Company has various departments and based on the business of the Company, it identifies the internal and external stakeholders from time to time. The Company ensures facilitation of interaction with internal and external stakeholders. There are various modes through which they interact with the Company like personal meetings, through e-mail and over phone.

Following is the list of identified stakeholders by the Company:



2. **Has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**  
The Company has identified the disadvantaged, vulnerable and marginalized stakeholders around its units and identifying their needs and priorities so as to serve these needs accordingly.
3. **What are the steps taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**  
The Company provides healthcare facilities nearby its unit in Nagaland and doing various CSR activities in the area of enhancing vocational skills, education, healthcare, drinking water, animal welfare, plantation, promoting sports, medical treatment etc.
3. **How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**  
No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the financial year 2019-2020.

### PRINCIPLE-6: RESPECTING, PROTECTING AND RESTORING THE ENVIRONMENT

1. **Does the policy related to principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others?**

The Company follows its policy on Environment Protection which is applicable to all its business places. For the subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

As such no issue of global warming and climatic changes are directly associated with the Company.

Greenply is equipped with a well-qualified team to promote plantation drive on marginal and degraded lands, in the vicinity of the manufacturing units, to improve the green cover and mitigate the global warming impact.

### PRINCIPLE-5: RESPECTING AND PROMOTING HUMAN RIGHTS

1. **Does the Company have any policy on human rights?**

Yes, the Company has duly formulated a Human Rights Policy which has been circulated across the Organisation. The Company claims to abide by human rights and its applicable laws.

2. **Does this policy on human rights cover only the Company or extend to the JV/ Suppliers / Contractors / NGOs / Others?**

The policy is extended to the subsidiaries of the Company. For the subsidiaries of the Company, the policy applicable in line with the local requirements prevailing in the country of operations.

At present, genetically superior clones of fast growing short gestation tree species are produced and supplied to local farmers for plantations in their own land. The Company also takes up various initiatives to educate the agrarian community and provide them free technical knowhow from planting to post harvest stage.

**3. Does the Company identify and assess potential environmental risks?**

Yes. The Company has a mechanism to identify and assess potential environmental risks at the plant level.

**4. Does the Company has any project related to Clean Development Mechanism?**

No.

**5. Has the Company undertaken any other initiatives on - clean technology energy efficiency, renewable energy, etc.? If yes, details thereof.**

Yes. The efforts of the Company are aimed to minimise the energy consumption in spite of increase in operations of the Company.

**6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/waste generated by the Company for financial year 2019-2020 are within permissible limits given by CPCB/SPCB(s) of the respective units. The Company has waste management system in place to comply with the requirements of Pollution Control Board's standards in air and water quality.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

As on 31 March, 2020, there is no pending show cause or legal notice received from CPCB or SPCB.

**PRINCIPLE-7: RESPONSIBILITY TOWARDS PUBLIC AND REGULATORY POLICY**

**1. Whether the Company is a member of any trade/ chamber association?**

The Company is the member of the following trade/ chamber association among others:

- ASSOCHAM
- Merchants' Chamber of Commerce & Industry
- Indian Green Building Council
- Bharat Chamber of Commerce

e. Federation of Indian Plywood & Panel Industry

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?**

None. However, the Company intends to utilise the opportunities available in future for the advancement or improvement of public good.

**PRINCIPLE-8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the inclusive growth and equitable development? If yes details thereof.**

The Company undertakes the initiatives through the CSR Committee of the Board as per the CSR Policy of the Company. Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2019-2020. 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.

**2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

The CSR projects have been carried out by the Company directly, through NGO and through Greenply Foundation, a Charitable Trust, established by the Company under the provisions of the Indian Trusts Act, 1882. Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2019-2020.

**3. Have you done any impact assessment of the initiative indicated above?**

No. However, the CSR Committee internally performs assessment of its initiatives on frequent intervals.

**4. What is your Company's direct contribution to Community Development Projects (CDP)? - Amount in INR and the details of the projects undertaken.**

Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2019-2020 containing the details on CSR spending.

**5. Have you taken steps to ensure that this CDP is successfully adopted by the community? Please explain.**

CSR initiatives are designed and delivered in transparent manner in line with inputs from the Community itself.

**PRINCIPLE-9: ENGAGING AND ENRICHING CUSTOMER VALUE**

**1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

A total of 1285 complaints (including 44 opening complaints as on 1st April, 2019) were received from customers including end-consumers in financial year 2019-20, out of which 211 (amounting to 16.42%) were pending as of 31st March, 2020.

Further, two consumer cases were filed against the Company with the Consumer forum during financial year 2019-2020. Total 6 consumer cases are pending with various consumer forum as on

the end of financial year 2019-2020.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

Yes, in respect of sale of products through packaging only. We are also providing relevant information about the products on the face of it as per the local laws.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

None.

**4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

No. However, the Company intends to carry out such survey in the due course.

For and on behalf of the Board of Directors

**Rajesh Mittal**

Chairman cum Managing Director  
(DIN: 00240900)

Place: Kolkata

Date: June 27, 2020



## Corporate Governance Report

for the financial year 2019-20

[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, 2020, 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") has complied with the principles and practices of good Corporate Governance. The Company's philosophy is to attain transparency, accountability, ethical

corporate behaviour 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. Your Company firmly believes that a good governance process represents the foundation of corporate excellence. 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:

The Board of the Company is comprised of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2020, 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 one women director)	5	62.50
	<b>Total</b>	<b>8</b>	<b>100.00</b>

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:

Sl. 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; b. Of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the Company; c. Of the business ethics, ethical policies, codes and practices of the Company; d. Of the structures and systems which enable the Company to effectively identify, asses and manage risks and crises; e. Of the international practice	Yes

Sl. No.	Skills/Expertise/Competencies required by the Board of Directors		Status of availability with the Board
2.	Strategic expertise, strategic planning and implementation	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.	Yes
3.	Behavioural competencies/ personal attributes	a) Displaying of integrity and ethical standards. b) Mentoring abilities. c) Possession of relationship building capacity. d) Ability to manage people and achieving change. e) Curiosity and possession of courage. f) Active contribution/ participation in discussions specially critical discussions	Yes
4.	Mind- set or attitude	a) Possession of ethical mindset. b) Carrying of professional attitude. c) Performance oriented. d) Independent. 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. b) Knowledge of the sources of finance available to the Company and their related merits and risks. c) Knowledge of how to assess the financial value of the Company and potential business opportunities. d) Assess the importance of information technology in the Company. 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. 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. b) Monitoring of risk and compliance management frameworks. c) Possession of risk management skills. d) Supervision of risk management plan/ framework and process.	Yes
8	Possession of other Skills	a) Decision making skills. b) Communication skills. c) Leadership skills. d) Influencing nature. e) Stakeholder relationship management skills.	Yes

The Board has identified the Directors who have such skills / expertise / competence as follows:

Sl. No.	Broad parameters and summary	Skills/ Expertise/ Competencies	RAJESH MITTAL	MANOJ TULSIAN	SANIDHYA MITTAL	SUSIL KUMAR PAL	VINOD KUMAR KOTHARI	ANUPAM KUAMR MUKERJI	SONALI BHAGWATI DALAL	UPENDRA NATH CHALLU
1.	Industry knowledge gives directors a practical understanding of developing, implementing and assessing the operating plan and business strategy	<p>a) General understanding of the business of the Company;</p> <p>b) Understanding of the markets where the Company is active, the market dynamics, opportunities, strengths and challenges;</p> <p>c) Understands how the organisation really works and how it delivers value to its customers;</p> <p>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;</p> <p>e) Expertise in sourcing, manufacturing, supply chain, infrastructure, information management, logistics;</p> <p>f) Expertise in product development, distribution and marketing.</p>	✓	✓	✓	✓	✓	✓	✓	✓
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.	<p>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;</p>	✓	✓	✓	×	×	×	×	×
			✓	✓	✓	✓	✓	✓	✓	✓

Sl. No.	Broad parameters and summary	Skills/ Expertise/ Competencies	RAJESH MITTAL	MANOJ TULSIAN	SANIDHYA MITTAL	SUSIL KUMAR PAL	VINOD KUMAR KOTHARI	ANUPAM KUAMR MUKERJI	SONALI BHAGWATI DALAL	UPENDRA NATH CHALLU
		<p>b) Knowledge/ understanding of the level/ status of compliances thereof by the Company;</p> <p>c) Ability to comprehend the statutory roles and responsibilities of a Director and of the Board as a whole towards the regulatory environment.</p>	✓	✓	✓	✓	✓	✓	✓	✓
3.	Knowledge of Corporate Governance practices supports the goal of having a strong Board and management accountability, transparency and protection of shareholders' interest	<p>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;</p> <p>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;</p> <p>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;</p> <p>d) Ability to contribute to the Board's role towards promoting an ethical organisational culture, eliminating conflict of interest, and setting &amp; upholding the highest standards of ethics, integrity and organisational conduct.</p>	✓	✓	✓	✓	✓	✓	✓	✓

Sl. No.	Broad parameters and summary	Skills/ Expertise/ Competencies	RAJESH MITTAL	MANOJ TULSIAN	SANIDHYA MITTAL	SUSIL KUMAR PAL	VINOD KUMAR KOTHARI	ANUPAM KUAMR MUKERJI	SONALI BHAGWATI DALAL	UPENDRA NATH CHALLU
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.	<p>a) Ability to think strategically and identify and critically assess strategic opportunities and threats;</p> <p>b) Possession of clear vision and ability of value creation;</p> <p>c) Ability to develop effective strategies and changes thereof;</p> <p>d) Ability to implement the strategy effectively &amp; efficiently along with incorporation of necessary changes required due to existence of dynamic environment.</p>	✓	✓	✓	✓	✓	×	×	✓
5.	Skills/ experience related to finance is important in financing decisions, evaluating the financial statements, investment strategies, overseeing financial reporting and internal control	<p>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;</p> <p>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;</p> <p>c) Knowledge of the sources of finance available to the Company and their related merits and risks;</p> <p>d) Knowledge of how to assess the financial value of the Company and potential business opportunities;</p> <p>e) Experience with financial administration, accounting policies and internal control.</p>	✓	✓	✓	✓	✓	✓	×	✓

Sl. No.	Broad parameters and summary	Skills/ Expertise/ Competencies	RAJESH MITTAL	MANOJ TULSIAN	SANIDHYA MITTAL	SUSIL KUMAR PAL	VINOD KUMAR KOTHARI	ANUPAM KUAMR MUKERJI	SONALI BHAGWATI DALAL	UPENDRA NATH CHALLU
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	<p>a) Marketing or other specific skills required for the effective performance of the Company;</p> <p>b) Core technology, processes or products of the Company;</p> <p>c) Assessing the importance of information technology in the Company.</p>	✓	✓	✓	×	×	×	×	×
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	<p>a) Knowledge of environmental concerns pertaining to the business of the Company;</p> <p>b) Understanding of the accountability for environment and sustainability in the industry;</p> <p>c) Understanding of the impact of the business of the Company on the environment;</p> <p>d) Awareness of the policies, procedures, systems, principles that are being followed by the Company;</p> <p>e) Ability to evaluate those policies, procedures followed by the Company and analyse their effectiveness.</p>	✓	✓	✓	✓	✓	✓	✓	✓
8.	Legal and/or advocacy Experience	a) Experience in legal/ advisory field as practicing lawyer, solicitor or barrister, chartered accountant, company secretary, cost accountant.	×	✓	×	×	✓	×	×	✓

Sl. No.	Broad parameters and summary	Skills/ Expertise/ Competencies	RAJESH MITTAL	MANOJ TULSIAN	SANIDHYA MITTAL	SUSIL KUMAR PAL	VINOD KUMAR KOTHARI	ANUPAM KUAMR MUKERJI	SONALI BHAGWATI DALAL	UPENDRA NATH CHALLU
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	<p>a) Understanding of HR policies;</p> <p>b) Leading and managing HR activities, talent development and strengthening the people function;</p> <p>c) Understanding the strategies adopted by the Company to attract, retain and nurture competitively superior talent;</p> <p>d) Understanding of organisational capacity so as to provide guidance on bridging gaps in capacity building in business critical areas.</p>	✓	✓	✓	✓	✓	✓	✓	✓
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	<p>a) Ability to identify key risks in a wide range of areas including legal and regulatory compliance impacting the Company's businesses;</p> <p>b) Monitoring of risk and compliance management frameworks and contribute towards development of systems and controls for risk mitigation &amp; compliance management and review and refine the same periodically;</p> <p>c) Knowledge of the structures and systems which enable the Company to effectively identify, asses and manage risks and crises;</p> <p>d) Supervision of risk management plan/ framework and process followed by the Company.</p>	✓	✓	✓	✓	✓	✓	✓	✓

Sl. No.	Broad parameters and summary	Skills/ Expertise/ Competencies	RAJESH MITTAL	MANOJ TULSIAN	SANIDHYA MITTAL	SUSIL KUMAR PAL	VINOD KUMAR KOTHARI	ANUPAM KUAMR MUKERJI	SONALI BHAGWATI DALAL	UPENDRA NATH CHALLU
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.	<p>a) Leadership, decision making skills and mentoring abilities;</p> <p>b) Communication skills including stakeholder relationship management skills;</p> <p>c) Ability to understand processes for shareholder value creation and its contributory elements and critique interventions towards value creation for the other stakeholders;</p> <p>d) Displaying of integrity and ethical standards;</p>	✓	✓	✓	✓	✓	✓	✓	✓



### C. Board Meetings and Attendance:

During 2019-2020, four Board Meetings were held i.e. on 30th May, 2019, 14th August, 2019, 8th November, 2019 and 11th February, 2020.

The attendance of the Directors at the Board Meetings during 2019-2020 and at the last Annual General Meeting held on 30th September, 2019 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. Shiv Prakash Mittal^ (DIN 00237242)	29.07.1991	01.02.2017	Executive Chairman-Promoter Director	4	1	No
Mr. Rajesh Mittal (DIN 00240900)	28.11.1990	01.01.2016	Chairman cum Managing Director- Promoter Director	4	4	Yes
Mr. Manoj Tulsian# (DIN 05117060)	11.02.2020	11.02.2020	Joint Managing Director & CEO- Executive Non-Promoter Director	4	1	No
Mr. Shobhan Mittal^^ (DIN 00347517)	08.08.2006	01.09.2016	Joint Managing Director & CEO- Promoter Director	4	1	No
Mr. Sanidhya Mittal (DIN 06579890)	07.02.2018	07.02.2018	Joint Managing Director- Promoter Director	4	4	No
Mr. Susil Kumar Pal (DIN 00268527)	06.12.2005	30.09.2019	Non-Executive - Independent Director	4	4	Yes
Mr. Vinod Kumar Kothari (DIN 00050850)	31.05.2006	30.09.2019	Non-Executive - Independent Director	4	4	No
Mr. Anupam Kumar Mukerji\$ (DIN 00396878)	08.08.2006	30.09.2019	Non-Executive - Independent Director	4	4	No
Ms. Sonali Bhagwati Dalal (DIN 01105028)	22.01.2007	30.09.2019	Non-Executive - Independent Director	4	1	No
Mr. Upendra Nath Challu (DIN 05214065)	31.08.2012	30.09.2019	Non-Executive - Independent Director	4	4	Yes

^ Ceased to be a Director w.e.f. 19.07.2019

# Appointed w.e.f. 11.02.2020

^^ Ceased to be a Director w.e.f. 19.07.2019

\$ Ceased to be a Director w.e.f. 01.04.2020

### D. Outside Directorships, Committee Membership(s)/Chairmanship(s)

The number of other Boards or Board Committees in which the Directors of the Company are holding the position of Member/Chairperson as on March 31, 2020 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	11**	-	-	-	None
Mr. Manoj Tulsian *** (DIN 05117060)	-	-	-	-	-	None
Mr. Sanidhya Mittal (DIN 06579890)	1	5 <sup>§§</sup>	-	-	-	None
Mr. Susil Kumar Pal (DIN 00268527)	3	2	-	5	-	1. Balasore Alloys Limited (Non-Executive Director) 2. Hasimara Industries Ltd. (Non-Executive Director)

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. Vinod Kumar Kothari (DIN 00050850)	1	3	1	2 <sup>#</sup>	1	Rupa & Company Limited (Non-Executive Director)
Mr. Anupam Kumar Mukerji## (DIN 00396878)	-	-	-	-	-	None
Ms. Sonali Bhagwati Dalal (DIN 01105028)	2	2	-	3	-	1. Greenlam Industries Ltd. (Non-Executive Director) 2. Selan Exploration Technology Ltd. (Non-Executive Director)
Mr. Upendra Nath Challu (DIN 05214065)	1	-	-	-	-	None

\*All committees including Chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee have been considered.

\*\* including directorship in 5 (five) foreign companies.

\*\*\* Appointed w.e.f. 11.02.2020

§§ including directorship in 2 (two) foreign companies.

# including Chairmanship

## Ceased to be a Director w.e.f. 01.04.2020

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all 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.

### F. Information supplied to the Board of Directors:

During 2019-2020, 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 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 following resolution(s) were passed by circulation:

Sr. No.	Agenda	Date of Resolution passed by the Board/Committee
1.	Approval for contribution to a non-profit educational organization for providing scientific education / understanding to the students with a 'specific learning or language disability', under the priority projects of the CSR Policy of the Company	Passed by the CSR Committee of the Board on 13.07.2019
2.	Approval for contribution to promote nationally recognised sports i.e. football and tennis	Passed by the CSR Committee of the Board on 12.12.2019

**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	27 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 5 years in the area of sales, marketing and factory operations.
Qualification	B.Com.
Directorship held in other Companies	<b>Listed Entity(ies):</b> Nil <b>Unlisted Entity(ies):</b> 1. Brijbhumi Merchants Pvt. Ltd. 2. Mastermind Shoppers Pvt. Ltd. 3. RS Homcon Limited 4. Dholka Plywood Industries Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	<b>Chairman:</b> Nil <b>Member:</b> 1. Stakeholders Relationship Committee 2. Corporate Social Responsibility Committee 3. Operational Committee
Chairman/Member of the Committee of the Board of Directors of other companies in which he is a director	<b>Chairman:</b> Nil <b>Member:</b> Nil
Number of Equity Shares held in the Company	1,00,000 equity shares of Re.1/- each
Number of Board Meetings attended during the Financial year 2019-2020	4 (four) out of 4 (four) Board Meetings
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mr. Rajesh Mittal

**G. Disclosures of relationships between Directors inter-se:**

Name of the Directors	Category of Directorship	Relationship between Directors
Mr. Shiv Prakash Mittal ^	Executive Chairman - Promoter Director	Mr. Rajesh Mittal (Brother) and Mr. Shobhan Mittal (Son)
Mr. Rajesh Mittal	Chairman cum Managing Director - Promoter Director	Mr. Shiv Prakash Mittal (Brother) and Mr. Sanidhya Mittal (Son)
Mr. Manoj Tulsian **	Joint Managing Director & CEO - Executive Non-Promoter Director	None
Mr. Shobhan Mittal ^^	Joint Managing Director & CEO - Promoter Director	Mr. Shiv Prakash Mittal (Father)

Name of the Directors	Category of Directorship	Relationship between Directors
Mr. Sanidhya Mittal	Joint Managing Director - Promoter Director	Mr. Rajesh Mittal (Father)
Mr. Susil Kumar Pal	Non-Executive - Independent Director	None
Mr. Vinod Kumar Kothari	Non-Executive - Independent Director	None
Mr. Anupam Kumar Mukerji#	Non-Executive - Independent Director	None
Ms. Sonali Bhagwati Dalal	Non-Executive - Independent Director	None
Mr. Upendra Nath Challu	Non-Executive - Independent Director	None

^ Ceased to be a Director w.e.f. 19.07.2019

\*\* Appointed w.e.f. 11.02.2020

^^ Ceased to be a Director w.e.f. 19.07.2019

# Ceased to be a Director w.e.f. 01.04.2020

**H. Separate Meeting of Independent Directors:**

During the year under review, a separate meeting of the Independent Directors of the Company was convened on 11th February, 2020, 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.

The following Independent Directors were present at the Meeting:

- Mr. Upendra Nath Challu
- Mr. Susil Kumar Pal
- Mr. Anupam Kumar Mukerji
- Mr. Vinod Kumar Kothari
- Ms. Sonali Bhagwati Dalal

**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. During the year under review, the Company has conducted the familiarisation program for Independent Directors at the Company's unit situated at Kriparampur, West Bengal. Periodic presentations were made at the Board and Board Committee Meetings, on the business and performance updates of the Company. 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/326/original/Details\\_of\\_Familiarization\\_Programme\\_Imparted\\_to\\_Independent\\_Directors\\_-\\_2019-20.pdf?1581924372](https://www.greenply.com/assets/investors/326/original/Details_of_Familiarization_Programme_Imparted_to_Independent_Directors_-_2019-20.pdf?1581924372)

**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/investors>. 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>

### 3. Committees of the Board

There are four Committees of the Board namely, the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility 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, 2020, 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. 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.
22. 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. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f. 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 2019-2020, four meetings of the Audit Committee were held i.e. on 30th May, 2019, 14th August, 2019, 8th November, 2019 and 11th February, 2020 and the attendance of 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. Anupam Kumar Mukerji <sup>^</sup>	Non-Executive Independent Director	4	4
Mr. Vinod Kumar Kothari	Non-Executive Independent Director	4	4



Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Upendra Nath Challu	Non-Executive Independent Director	4	4
Mr. Rajesh Mittal	Executive Promoter Director	4	4
Mr. Sanidhya Mittal #	Executive Promoter Director	4	2
Mr. Shobhan Mittal ^	Executive Promoter Director	4	1

^^ Ceased to be member of Audit Committee w.e.f. 12.02.2020 and director w.e.f. 01.04.2020

# Member of Audit Committee from 15.08.2019 to 11.02.2020

^ Ceased to be director and member of Audit Committee w.e.f. 19.07.2019

## II. Nomination and Remuneration Committee

### A. Composition:

As on March 31, 2020, the Company's Nomination and Remuneration Committee comprises of three 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
- 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 carry out evaluation of the performance of every director of the Company;
- vi. 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.
- vii. 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;
- viii. To recommend to the board, all remuneration, in whatever form, payable to senior management personnel.
- ix. 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 2019-2020, two meetings of Nomination and Remuneration Committee were held i.e. on 14th August, 2019 and 11th February, 2020 and the attendance of Member Directors is as follows:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Susil Kumar Pal	Non-Executive Independent Director	2	2
Mr. Anupam Kumar Mukerji *	Non-Executive Independent Director	2	1
Mr. Vinod Kumar Kothari	Non-Executive Independent Director	2	2
Mr. Upendra Nath Challu **	Non-Executive Independent Director	2	1
Mr. Rajesh Mittal ^	Executive Promoter Director	2	1
Mr. Shiv Prakash Mittal ^^	Executive Promoter Director	2	0

\* Ceased to be a member w.e.f. 15.08.2019 and Director w.e.f. 01.04.2020

\*\* Appointment as member w.e.f. 15.08.2019

^ Appointment as member w.e.f. 15.08.2019

^^ Ceased to be a member and Director w.e.f. 19.07.2019

## 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](https://www.greenply.com/assets/investors/8/original/Remuneration_policy.pdf?1564572312)

## E. Remuneration of Directors

### (I) Executive Directors

The details of remuneration including commission to all Executive Directors for the year ended on March 31, 2020 are as follows and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 2013.

Name and designation	Service contract/Notice period*	Salary (Rs.)	Commission (Rs.)	Provident Fund (Rs.)	Perquisites and other allowances (Rs.)
Mr. Rajesh Mittal (Chairman cum Managing Director)	Re-appointed for five years w.e.f. January 01, 2016	3,27,60,000	-	33,12,000	-
Mr. Manoj Tulsian (Joint Managing Director & CEO**)	Appointed for five years w.e.f. February 11, 2020	28,32,165	-	1,48,965	-
Mr. Sanidhya Mittal (Joint Managing Director)	Appointed for five years w.e.f. February 07, 2018	1,32,00,000	-	14,40,000	-

\* The appointment may be terminated by either party by giving three months' notice or salary in lieu thereof or by mutual consent.

\*\*Appointed w.e.f. 11.02.2020

## (II) Non-Executive Directors

The details of sitting fees and annual commission (excluding applicable taxes thereon) to Non-Executive Directors for the financial year 2019-2020 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.	6,75,000	11,00,000
Mr. Vinod Kumar Kothari	Re-appointed for five years w.e.f. September 30, 2019.	7,00,000	11,00,000
Mr. Anupam Kumar Mukerji*	Re-appointed for five years w.e.f. September 30, 2019.	5,75,000	11,00,000
Ms. Sonali Bhagwati Dalal	Re-appointed for five years w.e.f. September 30, 2019.	1,20,000	11,00,000
Mr. Upendra Nath Challu	Re-appointed for five years w.e.f. September 30, 2019.	6,50,000	11,00,000

\*Ceased to be Director w.e.f. 01.04.2020

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.

The details of shares/convertible instruments held by the Executive and Non-Executive Directors of the Company as on March 31, 2020 are as follows:

Name of the Directors	Category	Number of Equity Shares	No. of Convertible Instruments
Mr. Rajesh Mittal	Executive Promoter Director	3079900	Nil
Mr. Manoj Tulsian*	Executive Non-Promoter Director	19690	Nil
Mr. Sanidhya Mittal	Executive Promoter Director	100000	Nil
Mr. Susil Kumar Pal	Non-Executive Independent Director	Nil	Nil
Mr. Vinod Kumar Kothari	Non-Executive Independent Director	Nil	Nil
Mr. Anupam Kumar Mukerji**	Non-Executive Independent Director	Nil	Nil
Ms. Sonali Bhagwati Dalal	Non-Executive Independent Director	Nil	Nil
Mr. Upendra Nath Challu	Non-Executive Independent Director	Nil	Nil

\* Appointed w.e.f. 11.02.2020

\*\* Ceased to be Director w.e.f. 01.04.2020

## F. 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/6/original/Remuneration\\_Criteria\\_for\\_Non\\_Executive\\_Directors.pdf?1564572218](https://www.greenply.com/assets/investors/6/original/Remuneration_Criteria_for_Non_Executive_Directors.pdf?1564572218)

## G. 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, 2020, 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 2019-20.

### 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
2	7	9	Nil	Nil

### C. Meetings and attendance

During 2019-2020, four meetings of Stakeholders Relationship Committee were held on 30th May, 2019, 14th August, 2019, 8th November, 2019 and 11th February, 2020 and the attendance of the Member Directors is as follows:

Name of the members	Category	No. of meetings	
		Held	Attended
Mr. Anupam Kumar Mukerji*	Non-Executive-Independent Director	4	2
Mr. Susil Kumar Pal	Non-Executive-Independent Director	4	4
Mr. Rajesh Mittal	Executive Promoter Director	4	4
Mr. Shobhan Mittal ^	Executive Promoter Director	4	1
Mr. Sanidhya Mittal ^^	Executive Promoter Director	4	2

\* Ceased to be a member w.e.f. 15.08.2019 and Director w.e.f. 01.04.2020

^ Ceased to be a member and Director w.e.f. 19.07.2019

^^ Appointment as a member w.e.f.15.08.2019

### IV. Corporate Social Responsibility (CSR) Committee

#### A. Composition

As on March 31, 2020, the Corporate Social Responsibility (CSR) Committee of the Company comprised Mr. Rajesh Mittal, Mr. Sanidhya Mittal, Mr. Vinod Kumar Kothari and Mr. Upendra Nath Challu.

#### B. Terms of Reference

The terms of reference of CSR Committee are as follows:

- To formulate, monitor and recommend to the Board the CSR Policy including the activities to be undertaken by the Company;
- To recommend the amount of expenditure to be incurred on the activities undertaken;
- To monitor the implementation of the framework of Corporate Social Responsibility Policy;
- To evaluate the social impact of the Company's CSR Activities;
- To review the Company's disclosure of CSR matters;
- To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed.
- 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 2019-20, four meetings of CSR Committee were held i.e. on 30th May, 2019, 14th August, 2019, 8th November, 2019 and 11th February, 2020 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. Shobhan Mittal *	Executive Promoter Director	4	1
Mr. Sanidhya Mittal **	Executive Promoter Director	4	2
Mr. Vinod Kumar Kothari	Non-Executive-Independent Director	4	4
Mr. Upendra Nath Challu	Non-Executive-Independent Director	4	4

\* Ceased to be a member and Director w.e.f. 19.07.2019

\*\* Appointment as a member w.e.f.15.08.2019

### V. Operational Committee

As on 31st March, 2020, 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.

### VI. 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 2019-2020, two meetings of Demerger Committee were held on 03.07.2019 and 03.01.2020.

### 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, 2019	30-09-2019 (29th AGM)	Registered Office of the Company at Makum Road, Tinsukia, Assam - 786 125	09:30 A.M.	9
31st March, 2018	28-08-2018 (28th AGM)	Registered Office of the Company at Makum Road, Tinsukia, Assam - 786 125	09:15 A.M.	3
31st March, 2017	21-08-2017 (27th AGM)	Registered Office of the Company at Makum Road, Tinsukia, Assam - 786 125	09:15 A.M.	1

ii. Special resolutions passed at the last three Annual General Meetings are as below:

- At the 29th Annual General Meeting held on September 30, 2019:
  - Resolution for approval of revision in remuneration of Mr. Rajesh Mittal [DIN: 00240900] with effect from 1st April, 2019 to 31st December, 2020 and change in designation of Mr. Rajesh Mittal from Managing Director to Chairman cum Managing Director of the Company w.e.f. 14th August, 2019.
  - Resolution for approval of revision in remuneration of Mr. Sanidhya Mittal [DIN: 06579890] with effect from 1st April, 2019 to 6th February, 2023 and change in designation of Mr. Sanidhya Mittal from Executive Director to Joint Managing Director of the Company w.e.f. 14th August, 2019.
  - Resolution for approval of continuation of the directorship of Mr. Susil Kumar Pal [DIN: 00268527] Non-Executive Independent Director of the Company, who had attained the age of 75 years (DOB - 03.01.1943), till the expiry of his proposed term of re-appointment.
  - Resolution for approval of continuation of the directorship of Mr. Anupam Kumar Mukerji [DIN: 00396878] Non-Executive Independent Director of the Company, who had already attained the age of 75 years (DOB - 27.08.1936), till the expiry of his proposed term of re-appointment.
  - Resolution for approval of re-appointment of Mr. Susil Kumar Pal (DIN: 00268527), as an Independent Director of the Company for a second term of 5 (five) years w.e.f. September 30, 2019.
- f. Resolution for approval of re-appointment of Mr. Vinod Kumar Kothari (DIN: 00050850), as an Independent Director of the Company, for a second term of 5 (five) years w.e.f. September 30, 2019.
- g. Resolution for approval of re-appointment of Ms. Sonali Bhagwati Dalal (DIN: 01105028), as an Independent Director of the Company for a second term of 5 (five) years w.e.f. September 30, 2019.
- h. Resolution for approval of re-appointment of Mr. Upendra Nath Challu (DIN: 05214065), as an Independent Director of the Company for a second term of 5 (five) years w.e.f. September 30, 2019.
- i. Resolution for approval of re-appointment of Mr. Anupam Kumar Mukerji (DIN: 00396878), as an Independent Director of the Company for a second term of 5 (five) years w.e.f. September 30, 2019.
  - At the 28th Annual General Meeting held on August 28, 2018:
    - Resolution for approval of payment of annual remuneration (including any fees or compensation payable) to the Executive Directors of the Company being promoters or members of the promoter group in the following manner subject to the same being within the limits prescribed under Section 197 read with



Schedule V of the Companies Act, 2013: (i) For each of such directors, annual remuneration exceeding Rs.5.00 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or (ii) For all such directors, aggregate annual remuneration exceeding 5 per cent of the net profits of the Company.

- b. Resolution for approval of continuation of the directorship of Mr. Susil Kumar Pal [DIN: 00268527], Non-Executive Independent Director of the Company, who had attained the age of 75 years (DOB - 03.01.1943), till the expiry of existing terms of his appointment.
- c. Resolution for approval of continuation of the directorship of Mr. Anupam Kumar Mukerji [DIN: 00396878], Non-Executive Independent Director of the Company, who had attained the age of 75 years (DOB - 27.08.1936), till the expiry of existing terms of his appointments.
- At the 27th Annual General Meeting held on August 21, 2017:

Resolution for Re-appointment of Mr. Shiv Prakash Mittal (DIN: 00237242) as an Executive Chairman of the Company for a further period of five years with effect from 1st February, 2017 to 31st January, 2022.

iii. Passing of Resolution by Postal Ballot during the financial year 2019-2020:

During the year under review, the Board of Directors of the Company approved the postal ballot notice dated February 11, 2020 containing one special resolution and two ordinary resolution in respect of the following matters to which shareholders' approval was obtained on March 26, 2020.

**Resolution 1:** Special resolution for giving of a corporate guarantee to Landesbank Baden-Wurttemberg (LBBW) for an amount not exceeding EURO 12,500,000 (Maximum Amount), in respect of the loan provided by LBBW to the erstwhile MDF Division of the Company which has now been shifted by way of demerger to Greenpanel Industries Limited.

**Resolution 2:** Ordinary resolution for appointment of Mr. Manoj Tulsian [DIN: 05117060] as a Director of the Company, liable to retire by rotation.

**Resolution 3:** Ordinary resolution for appointment of Mr. Manoj Tulsian [DIN: 05117060] as an Executive Director in the capacity of Joint Managing Director & CEO of the Company for the period of five years with effect from 11th February, 2020 to 10th February, 2025.

of the Postal Ballot forms, was considered for scrutiny. The resolution was approved on 26th March, 2020 [last date specified by the Company for receipt of duly completed postal ballot forms or e-voting].

The results of postal ballot voting (including 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](http://www.greenply.com). The same was also published in the newspapers i.e. Business Standard all editions\*, Assam Tribune and The Dainik Janambhumi on 30th March, 2020.

[\*Note: Due to nation-wide lock-down few editions of Business Standard could not be published on 30th March, 2020, hence the result of Postal Ballot in those editions were published as and when the respective editions were published.]

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 was revised in line with the amendments made to the Listing Regulations and the same is displayed on the website of the Company. The weblink is

[https://www.greenply.com/assets/investors/4/original/Policy\\_for\\_determining\\_Material\\_Subsiidiaries.pdf?1564572130](https://www.greenply.com/assets/investors/4/original/Policy_for_determining_Material_Subsiidiaries.pdf?1564572130)

#### 6. Other Disclosures

##### a) Related Party Transactions:

The Company has not entered into any materially significant transactions with related parties during the financial year, which may have potential conflict with the interest of the Company at large. Suitable disclosures as required by the Ind AS 24 has been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee from time to time.

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.pdf?1564572178](https://www.greenply.com/assets/investors/5/original/Related_Party_Transactions_Policy.pdf?1564572178)

#### b) 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 vigil mechanism for directors and employees to report genuine concerns. 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/2/original/Vigil\\_Mechanism\\_Policy\\_1.pdf?1564571968](https://www.greenply.com/assets/investors/2/original/Vigil_Mechanism_Policy_1.pdf?1564571968)

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 Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants 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

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)	8,66,45,682	8,66,45,682	0	8,30,80,150	35,65,532	95.8849	4.1151
Resolution No. 2 (Ordinary Resolution)	8,66,45,682	8,66,45,682	0	8,66,00,455	45,227	99.9478	0.0522
Resolution No. 3 (Ordinary Resolution)	8,66,45,682	8,66,45,682	0	8,62,66,388	3,79,294	99.5622	0.4378

#### Procedure followed to pass the said resolution by Postal Ballot:

The voting rights of the members were reckoned on the cut-off date i.e. February 21, 2020 and the notice along with Postal Ballot form had been dispatched to all members on February 26, 2020. 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 voting (postal & e-voting) period was started on 26th February, 2020 at 10:00 a.m. and ended on 26th March, 2020 at 5:00 p.m. During said period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21st February, 2020, were eligible to cast their vote electronically. Postal Ballot Forms received up to 5:00 p.m. on March 26, 2020, being the last time and date fixed by the Company for receipt

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 2019-2020. 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. Separate posts of Chairman & Chief Executive Officer: Complied

5. 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](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, 2020, 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 2019-2020, 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 2019-2020, 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	34.00
Limited Review of Quarterly Results	9.50
Certification Fees	3.50
Other Services	21.00
Reimbursement of Expenses	3.49

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 2019-2020:

- number of complaints filed during the financial year: Nil
- number of complaints disposed of during the financial year: N.A.
- 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: None of the Non-Executive Directors hold any shares in 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
31.03.2013	23.08.2013	28.09.2020
31.03.2014	22.08.2014	27.09.2021
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

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 30th September, 2019 (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.84,914/- which had been declared at the Annual General Meeting of the Company held on August 24, 2012 and lying unclaimed/unpaid was transferred to the Investor Education and Protection Fund (IEPF) in October, 2019 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:

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, 2019;	6	8020
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	1	5000
5.	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year;	5	3020

The voting rights on the shares outstanding in the "Greenply Industries Limited - Unclaimed Suspense Account" as on March 31, 2020 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](http://www.greenply.com/investors)).

In light of the aforesaid provisions, the Company has during the year under review, transferred 7000 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](http://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.

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 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 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](http://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 Dainandin Barta (Assamese daily) and Business Standard (English daily)
Any website, where displayed	<a href="http://www.greenply.com">www.greenply.com</a>
Whether it also displays official news releases and presentation made to institutional investors or to the analysts	Yes

#### 11. General shareholders' information

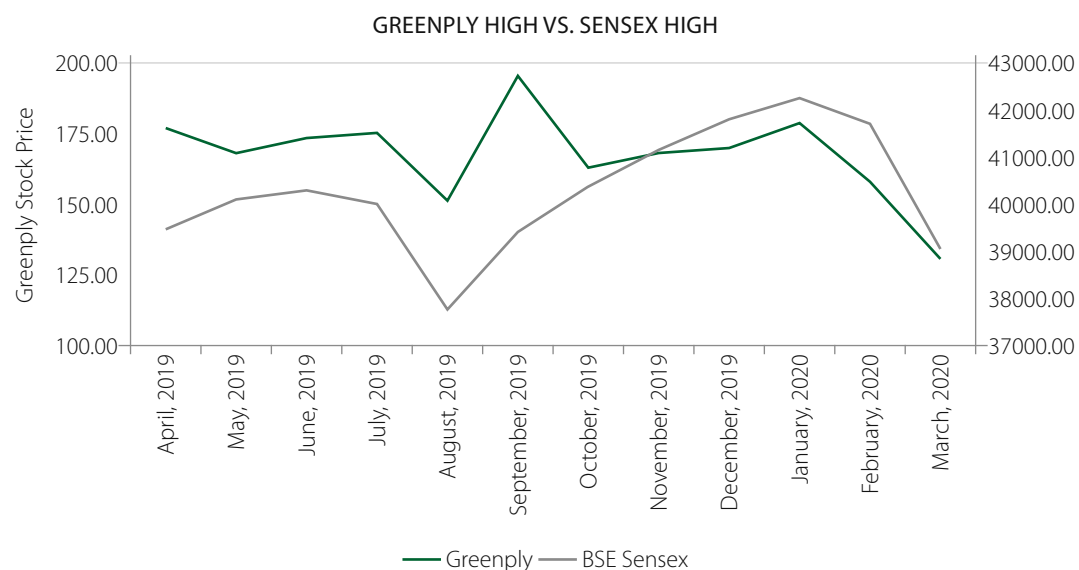
i. Date, time and venue of the Annual General Meeting	Wednesday, September 30, 2020, 10:00 a.m.  The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
ii. Financial Year	Financial year of the Company is from April 01 to March 31.  Publication of results for the financial year 2020-21 (tentative and subject to change)  First quarter results: On or before August 14, 2020  Second quarter and half year results: On or before November 14, 2020  Third quarter results: On or before February 14, 2021  Fourth quarter results and results for the year ending March 31, 2021: On or before May 30, 2021.
iii. Dates of book closure	From Monday, August 31, 2020 to Thursday, September 3, 2020 (both days inclusive)
iv. Dividend payment date	Within 10 days from the date of Annual General Meeting Between September 30, 2020 and October 09, 2020
v. Listing of Equity Shares at Stock Exchanges and payment of annual listing fees:	BSE Ltd. (BSE) Floor 25, P. J. Towers Dalal Street, Fort, Mumbai - 400 001  National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai - 400 051  The Company has paid annual listing fees to both Stock Exchanges.
vi. Stock Code/Symbol	BSE: 526797 NSE: GREENPLY

vii. Market price data for the financial year 2019-2020:

Month	At BSE		At NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2019	177.00	157.00	175.35	157.00
May 2019	168.55	138.40	168.50	138.00
June 2019	173.50	153.10	172.80	152.85
July 2019	175.00	120.00	178.00	121.10
August 2019	151.60	110.00	154.00	111.90
September 2019	195.25	133.50	194.90	133.05
October 2019	162.90	150.00	163.00	150.60
November 2019	168.35	150.50	168.00	156.35
December 2019	170.00	158.55	166.85	158.00
January 2020	178.60	153.45	178.80	153.15
February 2020	158.00	122.20	158.60	121.90
March 2020	131.20	70.20	134.80	72.90

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.  
34/1A, Sudhir Chatterjee Street, Kolkata - 700 006  
Phone: (033)-2219-4815/6797  
Fax: (033)-2219-4815

xi. Share Transfer System

The Company has a Committee of the Board of Directors called Stakeholders Relationship Committee and takes necessary steps as per its terms of reference duly approved by the Board from time to time. The formalities for transfer of shares in the physical form are completed and share certificates are dispatched to the transferee within 15 days of receipt of the transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

xii. Distribution of equity shareholding as on March 31, 2020.

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
1-500	16691	84.70	1687691	1.38
501-1000	1354	6.87	1053219	0.86
1001-2000	912	4.63	1275425	1.04
2001-3000	268	1.36	663517	0.54
3001-4000	128	0.65	458521	0.37
4001-5000	90	0.46	416659	0.34
5001-10000	118	0.60	860816	0.70
10001-50000	94	0.48	1931990	1.58
50001-100000	13	0.07	1022292	0.83
100001 and Above	37	0.18	113257265	92.36
<b>Total</b>	<b>19705</b>	<b>100.00</b>	<b>122627395</b>	<b>100.00</b>

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	10	63783307	52.01
Foreign Institutional Investors	0	0	00.00
Foreign Portfolio Investor	23	13267026	10.82
Foreign Company	1	3639875	02.97
Mutual Funds	7	27495108	22.42
Domestic Company	208	1697641	01.38
Resident Individuals	18773	10371213	08.46
Clearing Member	64	133823	00.11
NRI	607	712937	00.58
Foreign National	1	1250	00.00
Greenply Industries Limited-Unclaimed Suspense Account	1	3020	00.00
Investor Education and Protection Fund	1	37185	00.03
Financial Institutions	1	15707	00.01
Nationalised Bank	0	0	00.00
NBFC	5	918835	00.75
Alternate Investment Funds	3	550468	00.45
<b>Total</b>	<b>19705</b>	<b>122627395</b>	<b>100.00</b>

xiii. Dematerialisation of shares and liquidity:

The Company's Equity Shares are tradable compulsorily in electronic form 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 99.94% of the Company's total equity shares capital are dematerialised as on March 31, 2020.

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, 2020, the Company did not engage in commodity hedging activities.

**xvii. Plant locations:**

Plywood & allied products

- P.O. - Tizit, Dist. - Mon, Nagaland
- Kripampur, 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.  
34/1A, Sudhir Chatterjee Street  
Kolkata - 700 006  
Phone: (033) 2219-4815/6797  
Fax: (033) 2219-4815  
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. Mukesh Agarwal, CFO  
Greenply Industries Limited  
"Madgul Lounge"  
6th Floor  
23 Chetla Central Road  
Kolkata - 700 027, India  
Phone: (033)-3051-5000  
Fax: (033)-3051-5010  
Email: mukesh.corp@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 2019-20, 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.

For and on behalf of the Board of Directors

**Rajesh Mittal**

Chairman cum Managing Director  
(DIN: 00240900)

Place: Kolkata  
Date: June 27, 2020

## 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 Mukesh Agarwal (PAN: ACXPA5724A), 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, 2020 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

**Mukesh Agarwal**  
Chief Financial Officer  
PAN: ACXPA5724A

Dated: 27 June, 2020

## 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, 2020.

Dated: 27 June, 2020

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

## Independent Auditors' Certificate on Compliance with Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of  
**Greenply Industries Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 12 June 2020.
2. This report contains details of compliance of conditions of Corporate Governance by Greenply Industries Limited ('the Company'), for the year ended 31 March 2020, as stipulated in regulations 17-27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and 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 for compliance with the conditions of Listing Regulations

3. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations.

### Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes [Revised 2016] ('Guidance note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. 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

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it 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 **B S R & Co. LLP**  
Chartered Accountants  
Firm registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No.: 055757  
UDIN: 20055757AAAABU1321

Place: Kolkata  
Date: 27 June 2020

# Independent Auditors' Report

## Standalone Financial Statements

To  
The Members of  
Greenply Industries Limited

### Report on the Audit of 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 2020, 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 the 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 2020, and 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 *Auditors' 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 Matters

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.

Description of Key Audit Matter

Revenue recognition – dealers’ incentives

See note 3(k) and 25 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company gives incentives to its dealers through various schemes.	<div>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:</div> <ul style="list-style-type: none"><li>Evaluated the appropriateness of the Company's accounting policy relating to the incentives to its dealers;</li></ul>
Due to various schemes and a large variety of contractual terms across dealers, the estimation of these incentives is complex and involves significant judgement. The amount of such incentive is also significant.	<ul style="list-style-type: none"><li>Evaluated the design and implementation of key internal controls over computation of incentives and actual utilisation against the corresponding liability. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls;</li></ul>
In view of the above, we determined this matter to be a key audit matter	<ul style="list-style-type: none"><li>Evaluated the model used for estimating the liability and also assessed the relevance and reliability of underlying data and assumptions used for estimation;</li><li>Performed retrospective review of the management's estimate by comparing utilisation of incentives with previously recognised corresponding liability. We also considered the developments during the year and subsequent to the year-end (including the impact of COVID 19) that would significantly affect the measurement of the year end incentive liability.</li></ul>

Information Other than the Standalone Financial Statements and Auditors’ Report Thereon

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 our auditors' 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’ Responsibility 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/loss 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, 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 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.

Auditors’ 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 auditors' 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 in the standalone financial statements made by the Management and Board of Directors..

- Conclude on the appropriateness of Management and Board of Directors's use of the going concern basis of accounting 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 auditors' 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 auditors' 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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

(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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 Auditors' 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:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 37 (a) to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid 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 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) which are required to be commented upon by us.

For B S R & Co. LLP  
Chartered Accountants  
Firm registration No.: 101248W/W-100022

Jayanta Mukhopadhyay  
Partner

Place: Kolkata Membership No.: 055757  
Date: 27 June 2020 ICAI UDIN: 20055757AAAABS3876

## Annexure A to the Independent Auditors' report on the standalone financial statements of Greenply Industries Limited for the year ended 31 March 2020

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of such physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material 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 are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory, except goods in transit, have been physically verified by the management, at reasonable intervals, during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit as at yearend, subsequent receipts of goods have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material and has been adjusted in the books of account.
- (iii) According to the information and explanations

given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loans, guarantees or securities during the year that would attract provisions of Section 185 of the Act. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act with respect to investments made, loans given and guarantee provided. The Company has not provided any security that would attract provisions of Section 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order is not applicable to the Company.

(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 Companies Act, 2013 for any of the products manufactured by the Company. Accordingly, the provisions of paragraph 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us by the management, the Company did not have any dues in respect of Sales-tax, Service tax, Duty of excise and Value added tax.

According to the information and explanations

given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Entry tax, Goods and Service tax, Value added tax and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Extra discount and turnover discount in the assessable value	196.93	9.93	April 2014 to March 2016	Commissioner Appeals, Rajkot
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	15.73	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	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	1.88	April 2008 to March 2009	West Bengal Taxation Tribunal
West Bengal VAT Rules, 2005	Mismatch in VAT purchases and sales	17.59	1.79	April 2017 to June 2017	Additional Commissioner of Sales Tax, Kolkata
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry tax	692.83	-	July 2013 to December 2014	Hon'ble Calcutta High Court
Central Sales Tax Act, 1956	Sales Tax (For short submission of Declaration Form C)	8.72	-	April 2005 to March 2006	West Bengal Commercial Taxes Appellate and Revision Board
Central Sales Tax Act, 1956	Sales Tax (For Non allowance of Declaration Form C and F)	74.63	-	April 2008 to March 2009	Hon'ble Calcutta High Court
Central Sales Tax Act, 1956	Sales Tax (For short submission of Declaration Form C)	16.78	1.38	April 2015 to March 2016	Senior Joint Commissioner, Corporate Kolkata

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax (For short submission of Declaration Form C and interest)	62.62	6.07	April 2016 to March 2017 and April 2017 to June 2017	Joint Commissioner, Commercial Taxes Kolkata
Central Sales Tax Act, 1956	Sales Tax (For non-submission of Declaration Form C, F and interest)	980.69	-	April 2015 to March 2016	Asst. Commissioner Commercial Taxes Delhi
Kerala VAT Act, 2003	Sales Tax (Tax and Interest charged on Escaped Turnover)	2.74	-	April 2013 to March 2015	Asst. Commissioner, Special Circle- III, Ernakulam
Madhya Pradesh VAT Act, 2002	Denial of Value Added Tax Input	1.33	0.27	April 2014 to March 2015	Madhya Pradesh Commercial Taxes Appellate and Revision Board
Bihar Value Added Tax Act, 2005	Denial of Entry Tax Credit	87.93	-	April 2008 to March 2010 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	10.73	April 2014 to March 2015	Department of Trade and Taxes, Delhi
Gujarat Value Added Tax Act, 2002	Disallowance of Input tax	8.83	1.76	April 2014 to March 2015	Deputy Commissioner, Commercial Tax, Ahmedabad
Gujarat Value Added Tax Act, 2002	Sales Tax (For short submission of Declaration Form C)	351.64	50.00	April 2014 to March 2015	Deputy Commissioner, Commercial Tax, Ahmedabad
Gujarat Value Added Tax Act, 2003	Sales Tax (For short submission of Declaration Form C)	427.83	10.00	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
Maharashtra Value Added Tax Act, 2002	Disallowance of Input tax due to Mismatch	3.39	-	April 2015 to March 2016	Deputy Commissioner of Sales Tax, Mumbai
Central Sales Tax Act, 1956	Sales Tax (For short submission of Declaration Form C and Interest)	7.49	-	April 2015 to March 2016	Deputy Commissioner of Sales Tax, Mumbai
Income Tax Act, 1961	Disallowance of expenses and transfer pricing adjustments	24.40	-	Assessment year – 2013-14 and 2014-15	Commissioner of Income Tax (CIT), Appeals, Kolkata

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loan or borrowings from financial institutions or government or debenture holders
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loan or borrowings from financial institutions or government or debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations

given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, wherever applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per Section 192 of the Act.. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **B S R & Co. LLP**  
**Chartered Accountants**  
Firm registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**  
**Partner**  
Place: Kolkata Membership No.: 055757  
Date: 27 June 2020 ICAI UDIN: 20055757AAAABS3876

**Annexure B to the Independent Auditors’ report on the standalone financial statements of Greenply Industries Limited for the year ended 31 March 2020**

**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 1(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 2020 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 2020, 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 Responsibility 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..

**Auditors’ 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 whether 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 such internal financial controls, 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 auditors’ 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 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 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 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 registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**  
**Partner**  
Place: Kolkata Membership No.: 055757  
Date: 27 June 2020 ICAI UDIN: 20055757AAAABS3876

## Standalone Balance Sheet as at 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Note	31 March 2020	31 March 2019
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	16,407.05	16,236.08
(b) Capital work-in-progress	5	396.71	441.39
(c) Right of use assets	4(d)	2,916.66	-
(d) Intangible assets	6	671.84	617.64
(e) Intangible assets under development		-	134.76
(f) Investments in subsidiaries	7A	4,222.22	4,222.22
(g) Financial assets			
(i) Investments	7B	209.24	0.49
(ii) Loans and deposits	8	2,244.23	2,457.88
(iii) Other financial assets	15	-	2,230.66
(h) Non-current tax assets (net)	9	1,307.77	418.61
(i) Deferred tax assets (net)	34	1,048.28	410.95
(j) Other non-current assets	14	414.49	2,989.02
<b>Total non-current assets</b>		<b>29,838.49</b>	<b>30,159.70</b>
<b>(2) Current assets</b>			
(a) Inventories	10	14,380.25	14,160.64
(b) Financial assets			
(i) Trade receivables	11	30,792.56	28,337.23
(ii) Cash and cash equivalents	12	934.57	1,784.17
(iii) Bank balances other than cash and cash equivalents	13	31.00	26.03
(iv) Loans and deposits	8	331.82	44.65
(v) Derivatives	23	137.00	-
(vi) Other financial assets	15	1,115.88	763.33
(c) Other current assets	16	1,776.20	1,929.22
<b>Total current assets</b>		<b>49,499.28</b>	<b>47,045.27</b>
<b>Total assets</b>		<b>79,337.77</b>	<b>77,204.97</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	17	1,226.27	1,226.27
(b) Other equity	18	34,469.66	31,908.15
<b>Total equity</b>		<b>35,695.93</b>	<b>33,134.42</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	2,384.31	3,616.22
(ii) Lease liabilities	4(d)	909.62	-
(iii) Other financial liabilities	20	1.00	785.21
(b) Provisions	21	517.59	505.01
<b>Total non-current liabilities</b>		<b>3,812.52</b>	<b>4,906.44</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	10,543.83	9,429.12
(ii) Trade payables	22		
Total outstanding dues of micro and small enterprises		184.16	83.15
Total outstanding dues of creditors other than micro and small enterprises		21,656.94	24,065.76
(iii) Lease liabilities	4(d)	235.62	-
(iv) Derivatives	23	-	88.54
(v) Other financial liabilities	20	2,688.88	3,019.69
(b) Other current liabilities	24	1,560.36	2,430.77
(c) Provisions	21	2,959.53	47.08
<b>Total current liabilities</b>		<b>39,829.32</b>	<b>39,164.11</b>
<b>Total liabilities</b>		<b>43,641.84</b>	<b>44,070.55</b>
<b>Total equity and liabilities</b>		<b>79,337.77</b>	<b>77,204.97</b>

### 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 No. 101248W/W-100022

**Jayanta Mukhopadhyay**  
**Partner**

Membership No. 055757

For and on behalf of Board of Directors of

**Greenply Industries Limited**

CIN: L20211AS1990PLC003484

**Rajesh Mittal**  
**Chairman cum Managing Director**  
DIN No. 00240900

**Mukesh Agarwal**  
**Chief Financial Officer**

Place : Kolkata

Date : 27 June 2020

**Manoj Tulsian**  
**Joint Managing Director & CEO**  
DIN No. 05117060

**Kaushal Kumar Agarwal**  
**Company Secretary & Sr. VP-Legal**

Place : Kolkata

Date : 27 June 2020

## Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
<b>I. Revenue from operations</b>	25	<b>126,767.86</b>	<b>128,378.83</b>
<b>II. Other income</b>	26	<b>618.72</b>	<b>645.91</b>
<b>III Total income (I+II)</b>		<b>127,386.58</b>	<b>129,024.74</b>
<b>IV. Expenses</b>			
Cost of materials consumed	27	49,654.42	50,779.38
Purchase of stock in trade	28	27,714.84	30,604.65
Changes in inventories of finished goods, work-in-progress and stock in trade	29	(256.72)	(1,212.40)
Employees benefits expense	30	14,559.83	14,050.65
Finance costs	31	1,685.19	1,480.59
Depreciation and amortisation expense	32	2,106.60	1,871.73
Other expenses	33	22,321.20	22,169.10
<b>Total expenses (IV)</b>		<b>117,785.36</b>	<b>119,743.70</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>9,601.22</b>	<b>9,281.04</b>
<b>VI. Exceptional items and Extraordinary items</b>	48	<b>(4,997.05)</b>	<b>-</b>
<b>VII. Profit before Tax (V+VI)</b>		<b>4,604.17</b>	<b>9,281.04</b>
<b>Tax expense</b>	34		
Current Tax		(1,945.87)	(2,292.90)
Deferred tax credit/(charge)		601.40	(858.92)
<b>VIII. Tax expense</b>		<b>(1,344.47)</b>	<b>(3,151.82)</b>
<b>IX. Profit for the year (VII+VIII)</b>		<b>3,259.70</b>	<b>6,129.22</b>
<b>X. Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurements of defined benefit liability/(asset)		(142.78)	(10.10)
Income tax relating to items that will not be reclassified to profit or loss		35.93	3.53
<b>Other comprehensive income not to be reclassified subsequently to profit or loss account</b>		<b>(106.85)</b>	<b>(6.57)</b>
<b>XI. Total comprehensive income for the year (XI+XII)</b>		<b>3,152.85</b>	<b>6,122.65</b>
<b>XII. Earnings per equity share</b>	35		
[Face value of equity share ₹ 1 each (previous year ₹ 1 each)]			
- Basic (₹)		2.66	5.00
- Diluted (₹)		2.66	5.00

### 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 No. 101248W/W-100022

**Jayanta Mukhopadhyay**  
**Partner**

Membership No. 055757

For and on behalf of Board of Directors of

**Greenply Industries Limited**

CIN: L20211AS1990PLC003484

**Rajesh Mittal**  
**Chairman cum Managing Director**  
DIN No. 00240900

**Mukesh Agarwal**  
**Chief Financial Officer**

Place : Kolkata

Date : 27 June 2020

**Manoj Tulsian**  
**Joint Managing Director & CEO**  
DIN No. 05117060

**Kaushal Kumar Agarwal**  
**Company Secretary & Sr. VP-Legal**



## Standalone Statement of Cash Flow for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flows from operating activities</b>		
Profit before Tax	4,604.17	9,281.04
Adjustments for:		
Depreciation and amortisation expense	2,106.60	1,871.73
Finance costs	1,685.19	1,480.59
Interest income	(210.21)	(188.50)
Loss on fair valuation of quoted investments	0.25	0.10
Loss allowance on trade receivables	397.93	(108.95)
Loss on sale/discard of property, plant and equipment	52.28	201.71
Commission on guarantee given to wholly owned subsidiaries and joint venture	(202.98)	(200.63)
Unrealised foreign exchange fluctuations (net)	(209.96)	(96.18)
<b>Cash generated from operation before working capital changes</b>	<b>3,619.10</b>	<b>2,959.87</b>
<b>Operating cash flows before working capital changes</b>	<b>8,223.27</b>	<b>12,240.91</b>
Working capital adjustments:		
(Increase) in trade receivables	(2,853.26)	(5,737.48)
Decrease in deposits, loans, other financial assets and other assets	1,900.65	465.48
(Increase) in inventories	(219.61)	(2,871.27)
(Decrease)/Increase in trade payables, other financial liabilities, other liabilities and provisions	(741.34)	11,475.12
	(1,913.56)	3,331.85
Cash generated from operating activities	6,309.71	15,572.76
Income tax paid (net)	(2,835.03)	(2,558.02)
<b>Net cash generated from operating activities</b>	<b>3,474.68</b>	<b>13,014.74</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,223.04)	(5,369.76)
Acquisition of intangible assets including intangibles under development	(75.49)	(314.73)
Proceeds from sale of property, plant and equipment	75.56	177.39
Acquisition of investments	(280.00)	(18.00)
Proceeds from sale of investments	71.00	-
Loan to subsidiary	-	(671.38)
Repayment of loan by subsidiary	95.00	215.82
(Investment) in fixed deposits with banks (having maturity of more than 3 months)	(2.31)	(24.32)
Commission received on guarantee given to joint venture and subsidiary	193.36	159.59
Interest received	216.95	144.86
<b>Net cash used in investing activities</b>	<b>(1,928.97)</b>	<b>(5,700.53)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from non-current borrowings	201.00	228.91
Proceeds/(Repayment) from current borrowings	1,114.71	(4,371.24)
Repayment of non current borrowings	(1,497.78)	(1,555.81)
Interest paid	(1,437.61)	(1,510.60)
Repayment towards lease liabilities including interest	(164.37)	-
Processing fees paid for non current borrowings	(19.92)	-
Dividend paid	(490.51)	(735.76)
Dividend distribution tax paid	(100.83)	(151.24)
<b>Net cash used in financing activities</b>	<b>(2,395.31)</b>	<b>(8,095.74)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(849.60)</b>	<b>(781.53)</b>
Cash and cash equivalents at beginning of the year (refer note 12)	1,784.17	2,964.58
Less : Transferred pursuant to scheme of arrangement (refer note 36)	-	(398.88)
<b>Cash and cash equivalents at end of the year (refer note 12)</b>	<b>934.57</b>	<b>1,784.17</b>

## Standalone Statement of Cash Flow for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### Notes:

- Standalone 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.
- Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
- Change in liabilities arising from financing activities:

Particulars	As on 1 April 2019	Cash flows	Fair value changes	As on 31 March 2020
<b>Non-current Borrowings including current maturities (note 19)</b>	<b>4,935.27</b>	<b>(1,296.78)</b>	<b>126.48</b>	<b>3,764.97</b>
<b>Current Borrowings (note 19)</b>	<b>9,429.12</b>	<b>1,114.71</b>	<b>-</b>	<b>10,543.83</b>

Particulars	As on 1 April 2018	Transferred pursuant to scheme (refer note 36)	Cash flows	Fair value changes	As on 31 March 2019
Non-current Borrowings including current maturities (note 19)	48,398.26	(42,138.26)	(1,326.90)	2.17	4,935.27
Current Borrowings (note 19)	16,847.86	(3,047.50)	(4,371.24)	-	9,429.12

The following is the movement in lease liabilities during the year ended 31st March 2020

Particulars	As at 31 March 2020
<b>Balance as at 1 April 2019</b>	<b>-</b>
On account of adoption of Ind AS 116	1001.86
Additions	185.09
Finance cost accrued during the period	124.26
Discarded	1.60
Payment of lease liabilities including interest	164.37
<b>Balance as at 31 March 2020</b>	<b>1,145.24</b>

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No. 055757

Place : Kolkata  
Date : 27 June 2020

For and on behalf of Board of Directors of  
**Greenply Industries Limited**  
CIN: L20211AS1990PLC003484

**Rajesh Mittal**  
*Chairman cum Managing Director*  
DIN No. 00240900

**Mukesh Agarwal**  
*Chief Financial Officer*

Place : Kolkata  
Date : 27 June 2020

**Manoj Tulsian**  
*Joint Managing Director & CEO*  
DIN No. 05117060

**Kaushal Kumar Agarwal**  
*Company Secretary & Sr. VP-Legal*

## Standalone Statement of changes in equity

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2018		1,226.27
Changes in equity share capital during the year	17	-
Balance as at 31 March 2019		1,226.27
Changes in equity share capital during the year	17	-
<b>Balance as at 31 March 2020</b>		<b>1,226.27</b>

### b) Other equity

Particulars	Note	Reserves and surplus			Total
		Securities premium	General reserve	Retained earnings	
Balance as at 1 April 2018		4,852.03	29,649.20	55,777.88	90,279.11
<b>Total comprehensive income for the year ended 31 March 2019</b>					
Profit for the year		-	-	6,129.22	6,129.22
Amount adjusted pursuant to scheme of arrangement (refer note 36)		(4,852.03)	(29,649.20)	(29,105.38)	(63,606.61)
Other comprehensive income (net of tax)		-	-	(6.57)	(6.57)
<b>Total comprehensive income</b>		(4,852.03)	(29,649.20)	(22,982.73)	(57,483.96)
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Final dividend on equity shares	47	-	-	(735.76)	(735.76)
Dividend distribution tax on final dividend	47	-	-	(151.24)	(151.24)
<b>Total contributions by and distributions to owners</b>		-	-	(887.00)	(887.00)
<b>Total transactions with owners</b>		-	-	(887.00)	(887.00)
<b>Balance as at 31 March 2019</b>		-	-	31,908.15	31,908.15
Balance as at 1 April 2019		-	-	31,908.15	31,908.15
<b>Total comprehensive income for the year ended 31 March 2020</b>					
Profit for the year		-	-	3,259.70	3,259.70
Other comprehensive income (net of tax)		-	-	(106.85)	(106.85)
<b>Total comprehensive income</b>		-	-	3,152.85	3,152.85
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Final dividend on equity shares	47	-	-	(490.51)	(490.51)
Dividend distribution tax on final dividend	47	-	-	(100.83)	(100.83)
<b>Total contributions by and distributions to owners</b>		-	-	(591.34)	(591.34)
<b>Total transactions with owners</b>		-	-	(591.34)	(591.34)
<b>Balance as at 31 March 2020</b>		-	-	34,469.66	34,469.66

## Standaone Statement of changes in equity

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### Description, nature and purpose of reserve:

- (i) **Securities premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.
- (ii) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes or as allowed by the Companies Act, 2013.
- (iii) **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.

### 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 No. 101248W/W-100022

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No. 055757

Place : Kolkata  
Date : 27 June 2020

For and on behalf of Board of Directors of  
**Greenply Industries Limited**  
CIN: L20211AS1990PLC003484

**Rajesh Mittal**  
*Chairman cum Managing Director*  
DIN No. 00240900

**Mukesh Agarwal**  
*Chief Financial Officer*

Place : Kolkata  
Date : 27 June 2020

**Manoj Tulsian**  
*Joint Managing Director & CEO*  
DIN No. 05117060

**Kaushal Kumar Agarwal**  
*Company Secretary & Sr. VP-Legal*

## Notes to the standalone financial statements for the year ended 31 March 2020

### 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 Alkema (Singapore) Pte. Limited, incorporated in Singapore, is engaged in trading of veneers. Greenply Alkema (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.

### 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 27 June 2020.

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 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.

## Notes to the standalone financial statements for the year ended 31 March 2020

### 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 the every period ended is included in the following notes:

- Note 4 – useful life and residual value of property, plant and equipment;
- Note 4(d) – measurement of lease liabilities and right of use assets;
- Note 30 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 – recognition of deferred tax assets;
- Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 40 – fair value measurement of investments;
- Note 41 – impairment of financial assets: key assumptions used in estimating recoverable cash flows

### Estimation of uncertainties relating to the global health pandemic from COVID 19

In view of pandemic relating to COVID-19, the Company has considered internal and external information available up to the date of approval of these standalone financial statement and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these standalone financial statement. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets and does not anticipate any material impact on these standalone financial statement. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

### 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.

## Notes to the standalone financial statements for the year ended 31 March 2020

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 40.

### 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.

Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

## Notes to the standalone financial statements for the year ended 31 March 2020

### c. Financial instruments

#### (i) Recognition and initial measurement

Trade receivables and contracts assets 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 plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### (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 (FVTPL).

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 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).



## Notes to the standalone financial statements for the year ended 31 March 2020

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 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: 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 Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company 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 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.

## Notes to the standalone financial statements for the year ended 31 March 2020

### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

### (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, 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.

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. Assets retired from active use and held for disposal are stated at the lower of their net book value and fair value less cost to sell and shown under 'Current assets'.

#### (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.

## Notes to the standalone financial statements for the year ended 31 March 2020

### (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. The estimated useful lives of items of property, plant and equipment are consistent with the Schedule II of the Companies Act, 2013, which are follows:-

Building - 3 to 60 years  
Plant and Equipments - 15 to 25 years  
Furniture and Fixtures - 10 years  
Vehicles - 8 to 10 years  
Office Equipments - 5 to 10 years

Freehold land is not depreciated. Usefull lives and residual values are reviewed at each financial year end and adjusted as appropriate. Depreciation on additions (discard/disposals) is provided on 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 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.

The estimated useful lives are as follows:

- Trademarks 5 years  
- Computer software 5 years  
- Technical know-how 3 years

Useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### f. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, packing materials, 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.

## Notes to the standalone financial statements for the year ended 31 March 2020

Raw materials, components and other supplies 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.

### 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 writeoff. 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.

## Notes to the standalone financial statements for the year ended 31 March 2020

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 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. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Standalone Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Standalone Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Standalone Statement of Profit and Loss.

### 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 liability is recognised for the amount expected to be paid e.g.,

## Notes to the standalone financial statements for the year ended 31 March 2020

under short-term cash bonus, 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 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 Profit and Loss.

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 Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Standalone statement of Profit and Loss.

## Notes to the standalone financial statements for the year ended 31 March 2020

### (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.

### 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

#### (i) Sale of goods

The Company manufactures, sales and trades in plywood and allied products. Sale is recognised when control of the products being sold 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.

The products are often sold with variou's dealers' incentive such as retrospective 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 such as tours and travel packages etc. 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. Accumulated experience is used to estimate and provide for the discounts/claims/provisions, using the expected value method, and 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 that 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.

## Notes to the standalone financial statements for the year ended 31 March 2020

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".

### m. Leases

With effect from 01 April 2019, the Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in note4(d).

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.

#### Policy applicable before 1 April 2019:

As per Ind AS 17, a lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are generally recognised as an expense in the statement of profit and loss on a straight line basis.

#### Policy applicable after 1 April 2019:

##### a) 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 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.



## Notes to the standalone financial statements for the year ended 31 March 2020

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;
- 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 is recognised in the 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.

## Notes to the standalone financial statements for the year ended 31 March 2020

### (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 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 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 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 off set 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 2020

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 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 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 segmnet, namely 'plywood and allied products.

### w. Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### (i) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL. Investments in quoted and unquoted equity instruments are measured at FVTPL.

## Notes to the standalone financial statements for the year ended 31 March 2020

### (ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

### (iii) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

### (iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

### x. 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.

## 3A. Standards issued but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 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
<b>Cost (Gross carrying amount)</b>							
Balance at 1 April 2018	4,840.26	13,639.33	51,143.03	2,321.90	3,720.55	1,718.06	77,383.13
Balance transferred pursuant to scheme of arrangement (refer note 36)	(4,792.75)	(6,078.97)	(41,536.25)	(1,163.33)	(2,013.51)	(905.18)	(56,489.99)
Additions	-	2,059.30	3,420.98	355.77	342.66	65.49	6,244.20
Disposals/ discard	-	(6.83)	(500.93)	(15.02)	(354.73)	(23.28)	(900.79)
Balance at 31 March 2019	47.51	9,612.83	12,526.83	1,499.32	1,694.97	855.09	26,236.55
Balance at 1 April 2019	47.51	9,612.83	12,526.83	1,499.32	1,694.97	855.09	26,236.55
Additions	635.58	330.70	656.10	138.91	297.46	115.86	2,174.61
Disposals/ discard	-	(123.84)	(176.19)	(16.01)	(163.18)	(15.88)	(495.10)
<b>Balance at 31 March 2020</b>	<b>683.09</b>	<b>9,819.69</b>	<b>13,006.74</b>	<b>1,622.22</b>	<b>1,829.25</b>	<b>955.07</b>	<b>27,916.06</b>
<b>Accumulated depreciation</b>							
Balance at 1 April 2018	-	3,344.54	23,212.24	889.56	1,194.10	1,033.02	29,673.46
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	(1,868.65)	(17,465.48)	(483.40)	(661.98)	(510.37)	(20,989.88)
Depreciation for the year	-	282.66	1,109.12	118.00	133.32	198.91	1,842.01
Adjustments/ disposals	-	(6.48)	(298.71)	(2.88)	(122.44)	(94.61)	(525.12)
Balance at 31 March 2019	-	1,752.07	6,557.17	521.28	543.00	626.95	10,000.47
Balance at 1 April 2019	-	1,752.07	6,557.17	521.28	543.00	626.95	10,000.47
Depreciation for the year	-	293.56	1,131.61	137.19	206.87	106.57	1,875.80
Adjustments/ disposals	-	(72.50)	(136.35)	(9.38)	(134.51)	(14.52)	(367.26)
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>1,973.13</b>	<b>7,552.43</b>	<b>649.09</b>	<b>615.36</b>	<b>719.00</b>	<b>11,509.01</b>
<b>Carrying amounts (net)</b>							
Balance at 31 March 2019	47.51	7,860.76	5,969.66	978.04	1,151.97	228.14	16,236.08
<b>Balance at 31 March 2020</b>	<b>683.09</b>	<b>7,846.56</b>	<b>5,454.31</b>	<b>973.13</b>	<b>1,213.89</b>	<b>236.07</b>	<b>16,407.05</b>

#### (b) Security

As at 31 March 2020, property, plant and equipment with a net carrying amount of ₹ 9,218.87 lakhs (31 March 2019: ₹ 9,751.50 lakhs) are subject to first charge to secured borrowings (see note 19).

#### (c) For contractual commitment with respect to property, plant and equipment, refer note 37.

#### (d) Right-of-use assets and leases

See accounting policy in note 3(m).

The Company has adopted Ind AS 116 "Leases", effective from 1 April 2019 and applied the standard to its leases, under modified retrospective approach and on the date of transition recognised right-of-use assets equal to lease liabilities. The Company has accordingly, recognised a right-of-use asset and a corresponding lease liability amounting to ₹ 233.15 lakhs as at 1 April 2019. Further, an amount of ₹ 2,675.09 lakhs has been reclassified from non-current/ current assets to right-of-use assets for upfront operating lease payments and lease premium payable of ₹ 768.71 lakhs from liability for capital goods to lease liabilities as on the date of transition (1 April 2019).

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous years is now recognised as depreciation expense for the right of use assets and finance cost for interest accrued on lease liabilities. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

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 2 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 for the year ended 31 March 2020.

Particulars	Leasehold land	Office premises/ godown	Vehicles	Total
<b>Balance as at 1 April 2019</b>	-	-	-	-
On account of adoption of Ind AS 116 as at 1 April 2019	2,690.87	-	217.37	2,908.24
Additions	-	104.27	80.82	185.09
Discarded	-	-	1.60	1.60
Depreciation	30.43	52.13	92.51	175.07
<b>Balance as at 31 March 2020</b>	<b>2,660.44</b>	<b>52.14</b>	<b>204.08</b>	<b>2,916.66</b>

The following is the movement in lease liabilities during the year ended 31 March 2020

Particulars	As at 31 March 2020
<b>Balance as at 1 April 2019</b>	-
On account of adoption of Ind AS 116	1,001.86
Additions	185.09
Finance cost accrued during the period	124.26
Discarded	1.60
Payment of lease liabilities including interest	164.37
<b>Balance as at 31 March 2020</b>	<b>1,145.24</b>

The aggregate finance cost on lease liabilities is included under finance costs (refer note 31).

Particulars	As at 31 March 2020
Current lease liabilities	235.62
Non-current lease liabilities	909.62
<b>Total</b>	<b>1,145.24</b>

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	255.89
One to five years	919.06
More than five years	344.87
<b>Total</b>	<b>1,519.82</b>

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 ₹ 758.48 lakhs for the year ended 31 March 2020 towards expenses relating to short term leases and leases of low value assets included under Rent. (refer note 33).

The total cash outflow for leases is ₹ 922.85 lakhs for the year ended 31 March 2020 including cash outflow for short term and leases of low value assets.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 5. Capital work-in-progress

See accounting policy in note 3(d) and (g)

	31 March 2020	31 March 2019
At the beginning of the year	441.39	77,040.12
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	(73,348.65)
Additions during the year	161.64	296.27
Capitalised during the year	(206.32)	(3,546.35)
<b>At the end of the year</b>	<b>396.71</b>	<b>441.39</b>

Note:

- (a) As at 31 March 2020, properties under capital work-in-progress with a carrying amount of ₹ Nil (31 March 2019: ₹ 206.32 lakhs) are subject to first charge to secured borrowings (see note 19).

### 6. Intangible assets

See accounting policy in note 3(e) and (g)

#### (a) Reconciliation of carrying amount

	Licenses (indefinite life)	Trade marks	Computer Software	Total
<b>Cost (Gross carrying amount)</b>				
Balance at 1 April 2018	395.00	22.87	757.90	1,175.77
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	-	(222.01)	(222.01)
Additions	175.35	-	4.62	179.97
Disposals/ discard	-	-	(6.28)	(6.28)
Balance at 31 March 2019	570.35	22.87	534.23	1,127.45
<b>Balance at 1 April 2019</b>	<b>570.35</b>	<b>22.87</b>	<b>534.23</b>	<b>1,127.45</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>210.25</b>	<b>210.25</b>
<b>Adjustments*</b>	<b>(100.35)</b>	<b>-</b>	<b>-</b>	<b>(100.35)</b>
<b>Balance at 31 March 2020</b>	<b>470.00</b>	<b>22.87</b>	<b>744.48</b>	<b>1,237.35</b>
<b>Accumulated amortisation</b>				
Balance at 1 April 2018	-	11.47	576.35	587.82
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	-	(104.88)	(104.88)
Amortisation for the year	-	4.58	25.14	29.72
Adjustments/ disposals	-	-	(2.85)	(2.85)
Balance at 31 March 2019	-	16.05	493.76	509.81
<b>Balance at 1 April 2019</b>	<b>-</b>	<b>16.05</b>	<b>493.76</b>	<b>509.81</b>
<b>Amortisation for the year</b>	<b>-</b>	<b>4.58</b>	<b>51.15</b>	<b>55.73</b>
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>20.61</b>	<b>544.90</b>	<b>565.51</b>
<b>Carrying amounts (net)</b>				
Balance at 31 March 2019	570.35	6.82	40.47	617.64
<b>Balance at 31 March 2020</b>	<b>470.00</b>	<b>2.26</b>	<b>199.58</b>	<b>671.84</b>

Licenses (indefinite life):

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

For Licenses of the company that are regarded to have indefinite useful lives represents license to set-up and operate wood peeling plant. 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.

\*Adjustment represents transfer of license for setting-up a medium density fibreboard plant and particle board plant in Hardoi, Uttar Pradesh from intangibles to capital advance. National Green Tribunal (NGT) vide its order dated 18 February 2020 has quash notice dated 1 March 2019 issued by the State of Uttar Pradesh (ministry of forest) for establishing new wood-based industries/ saw mills and all provisional licenses given in pursuance thereof. Order of NGT is challenged by the State of Uttar Pradesh (ministry of forest) in Supreme Court. As on 31 March 2020, the case is pending.

### 7A. Investments in subsidiaries

See accounting policy in note 3(c) and (g)

	31 March 2020	31 March 2019
<b>Non-current investments</b>		
<b>Unquoted</b>		
<b>Equity instruments in subsidiaries carried at cost</b>		
100 (31 March 2019: 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 2019: 38,00,000) equity shares of Greenply Holdings Pte. Limited (face value USD 1 each, fully paid-up)	2,401.83	2,401.83
	4,222.22	4,222.22
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	4,222.22	4,222.22
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 40 and 41.

### 7B. Investments

See accounting policy in note 3(c) and (g)

	31 March 2020	31 March 2019
<b>Non-current investments</b>		
<b>Unquoted</b>		
<b>Equity instruments carried at fair value through profit and loss (FVTPL)</b>		
11,40,000 (31 March 2019: Nil) equity shares of Nemani Panels Private Limited (face value ₹10 each, fully paid-up)	114.00	-
9,50,000 (31 March 2019: Nil) equity shares of Panchjanaya ply & Board Private Limited (face value ₹10 each, fully paid-up)	95.00	-
	209.00	-



## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	31 March 2020	31 March 2019
<b>Quoted</b>		
<b>Equity instruments carried at fair value through profit and loss (FVTPL)</b>		
3,400 (31 March 2019: 3,400) equity shares of Indian Overseas Bank Limited (face value ₹ 10 each, fully paid-up)	0.24	0.49
	209.24	0.49
Aggregate book value of quoted investments	0.24	0.49
Aggregate market value of quoted investments	0.24	0.49
Aggregate value of unquoted investments	209.00	-
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 40 and 41.

### 8. Loans and deposits

(Unsecured, considered good)

	31 March 2020	31 March 2019
<b>Non-current</b>		
Security deposits	82.13	213.89
Loan to employees	45.58	32.47
<b>To a related party - wholly owned subsidiary</b>		
Loan to Greenply Middle East Limited (refer note 38)	2,116.52	2,211.52
	2,244.23	2,457.88
<b>Current</b>		
Security deposits #	307.85	-
Loan to employees	23.97	44.65
	331.82	44.65
	2,576.05	2,502.53

# For security deposits given to related parties refer note 38.

### 9. Non-current tax assets

See accounting policy in note 3(o)

	31 March 2020	31 March 2019
Advance income tax (Net of provision for tax ₹ 21,372.09 lakhs (31 March 2019: ₹ 19,426.22 lakhs))	1,307.77	418.61
	1,307.77	418.61

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 10. Inventories

(Valued at the lower of cost and net realisable value)

See accounting policy in note 3(f)

	31 March 2020	31 March 2019
Raw materials	6,258.89	6,387.75
[including in transit ₹ 650.90 lakhs (31 March 2019 ₹ 1,132.24 lakhs)]		
Work-in-progress	2,700.54	2,049.23
Finished goods	1,838.06	2,868.35
[including in transit ₹ 280.47 lakhs (31 March 2019 ₹ 1,536.67 lakhs)]		
Stock in trade	3,042.99	2,407.29
[including in transit ₹ 377.93 lakhs (31 March 2019 ₹ 1,245.03 lakhs)]		
Stores and spares	539.77	448.02
[including in transit ₹ Nil (31 March 2019 ₹ 6.35 lakhs)]		
	14,380.25	14,160.64

For carrying amount of inventories pledged as securities against borrowings, refer note 19.

The write-down of inventories to net realisable value during the year amounted to ₹ 172.63 lakhs (31 March 2019: ₹ Nil). These are recognised as expenses during the respective period and included in changes in inventories of stock-in-trade.

### 11. Trade receivables

	31 March 2020	31 March 2019
<b>Current</b>		
Unsecured		
- Considered good	31,521.36	28,825.64
- Credit impaired	1.92	16.22
	31,523.28	28,841.86
Less: Loss for allowances	730.72	504.63
<b>Net trade receivables</b>	30,792.56	28,337.23
<b>Of the above :</b>		
Trade receivables from related parties	28.76	65.31

#### Notes:

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 41.
- For terms and conditions of trade receivables owing from related parties, see note 38.
- For receivables secured against borrowings, see note 19.

### 12. Cash and cash equivalents

See accounting policy in note 3(s)

	31 March 2020	31 March 2019
Cash on hand	48.58	23.47
Cheques in hand	171.00	1,331.95
Balances with banks		
- On current accounts	214.25	428.75
- On deposit accounts (with original maturities up to 3 months)	500.74	-
	934.57	1,784.17

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 13. Bank balances other than cash and cash equivalents

	31 March 2020	31 March 2019
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date*	24.44	22.13
Earmarked balances with banks for unpaid dividend accounts	6.56	3.90
	31.00	26.03

\*Pledged/lodged with various government authorities as security

### 14. Other non-current assets

(Unsecured, considered good)

	31 March 2020	31 March 2019
Capital advances	121.54	42.74
<b>Advances other than capital advances</b>		
Unmatured finance charges	-	27.10
Leasehold land prepayments (refer note below)	-	2,626.51
Deposits against demand under appeal and/or under dispute	126.42	52.94
Amount due from government authorities	140.52	213.72
Security deposits	26.01	26.01
	414.49	2,989.02

#### Note:

Leasehold land prepayments relate to land leases classified as operating as the title is not expected to transfer at the end of the lease term and considering that the land has an indefinite economic life. With effect from 01 April 2019 the company has adopted Ind AS-116 'Lease' and accordingly upfront operating lease payments has been reclassified to right to use assets [refer note 4(d)]

### 15. Other financial assets

(Unsecured, considered good)

	31 March 2020	31 March 2019
<b>Non-current</b>		
Government grants receivable{refer note 21(b) and 46}	-	2,230.66
	-	2,230.66
<b>Current</b>		
Government grants receivable (refer note 15.1)	819.32	612.09
Insurance claim receivable	94.92	66.55
Other receivables (refer note 38)	114.07	-
Commision receivable from joint venture and subsidiaries (refer note 38)	50.67	41.05
Interest receivable (refer note 38)	36.90	43.64
	1,115.88	763.33
	1,115.88	2,993.99

15.1 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 on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 16. Other current assets

(Unsecured, considered good)

	31 March 2020	31 March 2019
<b>To parties other than related parties</b>		
Advances to supplies	827.52	971.29
Advances to employees	102.16	32.36
Prepaid expenses	555.42	723.99
Unmatured finance charges	-	32.48
Leasehold land prepayments (refer note below)	-	48.58
Amount due from government authorities	291.10	120.52
	1,776.20	1,929.22

#### Note:

Leasehold land prepayments relate to land leases classified as operating as the title is not expected to transfer at the end of the lease term and considering that the land has an indefinite economic life. With effect from 01 April 2019 the company has adopted Ind AS-116 'Lease' and accordingly upfront operating lease payments has been reclassified to right of use assets [refer note 4(d)]

### 17. Equity share capital

See accounting policy in note 3(q)

	31 March 2020	31 March 2019
Authorised		
160,000,000 (31 March 2019: 160,000,000) equity shares of ₹ 1 each	1,600.00	1,600.00
Issued, subscribed and fully paid-up		
122,627,395 (31 March 2019: 122,627,395) equity shares of ₹ 1 each	1,226.27	1,226.27

#### (a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Balance at the beginning and at the end of the year	122,627,395	1,226.27	122,627,395	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, 3,020 equity shares of the Company held by 5 shareholders have been held in abeyance.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### (c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Equity shares of ₹ 1 each	31 March 2020		31 March 2019	
	Number	%	Number	%
S.M. Management Private Limited	32,715,641	26.68%	31,626,965	25.79%
Prime Holdings Private Limited	12,042,800	9.82%	12,042,800	9.82%
HSBC Bank (Mauritius) Limited - Jwalamukhi Investment Holdings	11,708,698	9.55%	11,787,720	9.61%
Shiv Prakash Mittal and Shobhan Mittal - Trade Combines	11,702,380	9.54%	11,702,380	9.54%
HDFC Trustee Company Limited	11,027,655	8.99%	10,425,455	8.50%

(d) The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

(e) 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.

### 18. Other equity

	31 March 2020	31 March 2019
<b>Securities premium</b>		
At the commencement of the year	-	4,852.03
Less: Amount adjusted pursuant to scheme of arrangement (refer note 36)	-	4,852.03
Balance at the end of the year	-	-
<b>General reserve</b>		
At the commencement of the year	-	29,649.20
Less: Amount adjusted pursuant to scheme of arrangement (refer note 36)	-	29,649.20
Balance at the end of the year	-	-
<b>Retained earnings</b>		
At the commencement of the year	31,908.15	55,777.88
Add: Profit for the year	3,259.70	6,129.22
Less: Amount adjusted pursuant to scheme of arrangement (refer note 36)	-	29,105.38
Less: Dividend on equity shares	490.51	735.76
Less: Dividend distribution tax	100.83	151.24
Add: Remeasurements of the net defined benefit plans	(106.85)	(6.57)
Balance at the end of the year	34,469.66	31,908.15
	34,469.66	31,908.15

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### Description, nature and purpose of reserve:

- (i) **Securities premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.
- (ii) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes or as allowed by the Companies Act, 2013.
- (iii) **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.

### 19. Borrowings

See accounting policy in note 3(c) and (p)

	31 March 2020	31 March 2019
<b>Non-current borrowings</b>		
<b>Secured</b>		
Term loans from Bank		
Rupee loans	3,297.81	4,396.19
	3,297.81	4,396.19
Less: Current maturities of non-current borrowings (refer note 20)	1,199.00	1,098.37
	2,098.81	3,297.82
Loan against vehicles	467.16	539.08
Less: Current maturities of loan against vehicles (refer note 20)	181.66	220.68
	285.50	318.40
	2,384.31	3,616.22
<b>Current borrowings</b>		
<b>Secured</b>		
From banks		
Foreign currency loan - buyers credit	1,631.82	826.26
Rupee loans - repayable on demand	4,190.87	3,153.57
Rupee loans - bill discounting	3,339.99	3,418.93
	9,162.68	7,398.76
<b>Unsecured</b>		
From banks		
Channel finance assurance facility*	650.00	800.00
Rupee loans - bill discounting	731.15	1,130.36
	1,381.15	1,930.36
From Others		
Channel finance assurance facility*	-	100.00
	-	100.00
	10,543.83	9,429.12

\* 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.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Information about the Company's exposure to credit and currency risks, related to borrowings are disclosed in note 41.

### (A) Terms of repayment

Name of the lender	Interest rate	Repayment schedule	Year of maturity	31 March 2020	31 March 2019
<b>Rupee term loans</b>					
HDFC Bank Limited	3 year MCLR	Repayable at quarterly rest: 10 of ₹ 150.00 lakhs and 4 of ₹ 300.00 lakhs	2023-24	2,697.93	2,996.88
HDFC Bank Limited	1 year MCLR +0.60%	Repayable at quarterly rest: 3 of ₹ 200.00 lakhs	2020-21	599.88	1,399.31
				3,297.81	4,396.19
<b>Total</b>				3,297.81	4,396.19

### (B) Details of security

- (a) Term loans of ₹ 3,297.81 lakhs (31 March 2019: ₹ 4,396.19 lakhs) are secured by:
- First pari-passu charge on immovable fixed assets of the Company situated at Kriparampur (West Bengal).
  - First pari passu charge on all movable fixed assets of the company, present and future, except assets specifically charged to other lenders.
  - Second pari passu charge on all the current assets of the Company.
- (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 ₹ 4,190.87 lakhs (31 March 2019: ₹ 3,153.57 lakhs) are secured by:
- First pari passu charge on all the current assets of the Company.
  - Second pari passu charge on all movable fixed assets of the company, present and future, except assets specifically charged to other lenders.
  - Second pari-passu charge on immovable fixed assets of the Company situated at Kriparampur (West Bengal).
- (d) Foreign currency loan - buyers credit of ₹ 1,631.82 lakhs (31 March 2019: ₹ 826.26 lakhs) and Rupee loans - bill discounting of ₹ 3,339.99 lakhs (31 March 2019: ₹ 3,418.93 lakhs) is secured by letter of credit/stand by letter of credit issued by banks using fund based limit of the Company.

## 20. Other financial liabilities

	31 March 2020	31 March 2019
<b>Non-current</b>		
Security deposits from customers	1.00	16.50
Liability for capital goods	-	768.71
	1.00	785.21
<b>Current</b>		
Current maturities of non current borrowings (refer note 19)	1,199.00	1,098.37
Current maturities of loan against vehicles (refer note 19)	181.66	220.68
Interest accrued but not due on borrowings	48.64	12.14
Liability for capital goods	46.07	160.69
Employee benefits payable (refer note (c) below)	1,206.95	1,523.91
Unclaimed dividend	6.56	3.90
	2,688.88	3,019.69

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

- (a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2020.
- (b) Information about the Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 41.
- (c) It includes remuneration payable to related parties, refer note 38.

## 21. Provisions

See accounting policy in note 3(i) and (j)

	31 March 2020	31 March 2019
<b>Non-current</b>		
Provisions for employee benefits		
Net defined benefit liability - gratuity	-	104.79
Liability for compensated absences	517.59	400.22
	517.59	505.01
<b>Current</b>		
Provision for litigation {refer note (a) below}	2897.80	-
Provisions for employee benefits		
Net defined benefit liability - gratuity	13.58	-
Liability for compensated absences	48.15	47.08
	2,959.53	47.08

### (a) Movement of provisions (current)

	Provision for litigation
Balance as at 1 April 2018	-
Add: Provisions made during the year 2018-19	-
Less: Amount utilised/ reversed during the year 2018-19	-
<b>Balance as at 31 March 2019</b>	-
Add: Provisions made during the year 2019-20 {refer note (b) below}	2,897.80
Less: Amount utilised/ reversed during the year 2019-20	-
<b>Balance as at 31 March 2020</b>	2,897.80

- (b) The Hon'ble Supreme Court of India vide its Order dated 22 April 2020 upheld the Special Leave Petition filed by the Union of India & Others in Civil Appeal Nos.2256-2263 of 2020 arising out of S.L.P. (C) Nos.28194-28201/ 2010 in respect of availing of area based exemption under Central Excise. The Company is one of the Respondents in the subject matter. Based on the management's assessment, the Company may have to refund maximum principal amount of INR 2,709.36 lakhs in respect of excess refund received from the Excise Department for the period from 01.04.2008 to 30.06.2017. Further, the Company has estimated an interest amount of INR 2,120.31 lakhs from the date of various refund till 31.03.2020 at the prescribed rate. However, the applicability of interest is litigative in nature. The Company also draw 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, as per which the above principal amount along with interest, if any, shall be shared by Greenply Industries Limited and Greenpanel Industries Limited in the ratio of 60:40. Therefore, the Company has recorded provision of its share of 60% for principal and interest amounting to ₹ 1,625.62 lakhs and ₹ 1,272.18 lakhs respectively. In addition to the above, the Company has also written off amount of ₹ 2,099.25 lakhs in respect of pending refund receivable from the Excise Department for the period from 01.04.2008 to 16.05.2015, as appearing in the books. Accordingly, the total impact of the aforesaid judgment in the financial statement for the year ended 31 March 2020 is ₹ 4,997.05 lakhs.



## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Considering the nature and size of transaction, the Company has disclosed the above mentioned impact as an "exceptional items" in the financial statement for the year ended 31 March 2020. The Company continues to work with its legal counsel on this matter and will take all the necessary steps as may be appropriate from time to time.

### 22. Trade payables

	31 March 2020	31 March 2019
Dues to micro and small enterprises (refer note 45)	184.16	83.15
Dues to other than micro and small enterprises	17,160.64	17,342.08
Dues to related parties (refer note 38)	1,367.57	3,450.86
Acceptances	3,128.73	3,272.82
	21,841.10	24,148.91

Information about the Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 41.

### 23. Derivatives

See accounting policy in note 3(c)(v)

	31 March 2020	31 March 2019
<b>Derivative liability</b>		
Foreign exchange forward contracts	-	88.54
	-	88.54
<b>Derivative asset</b>		
Foreign exchange forward contracts	137.00	-
	137.00	-

Information about the Company's exposure to currency risks related to derivatives is disclosed in note 41.

### 24. Other current liabilities

	31 March 2020	31 March 2019
Statutory dues	1,182.48	1,979.84
Advance from customers*	377.88	450.93
	1,560.36	2,430.77

\*The advance from customers (contract liabilities) outstanding at the beginning of the year has been recognised as revenue during the year ended 31 March 2020.

### 25. Revenue from operations

See accounting policy in note 3(k) and (l)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue from contracts with customers</b>		
<b>Sale of products</b>		
Finished goods	90,720.70	92,749.54
Stock-in-trade	35,586.38	34,826.06
	126,307.08	127,575.60
<b>Other operating revenue</b>		
Government grants		
- Refund of goods and service tax and excise duty (refer note 46)	460.78	803.23

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
	460.78	803.23
	126,767.86	128,378.83
<b>Reconciliation of revenue from sale of products with the contracted price</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
Contracted price	134,565.40	134,180.10
Less : Reduction towards variable consideration components.	8,258.32	6,604.50
Sale of products	126,307.08	127,575.60

- 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 11 and 24.

### 26. Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest on fixed deposits with banks and others	57.07	7.45
Income from related party:		
- Interest on loan given to wholly owned subsidiaries (refer note 38)	153.14	181.05
- Commission on guarantee given to wholly owned subsidiaries and joint venture (refer note 38)	202.98	200.63
Liabilities no longer required written back	77.67	110.64
Rental income from property	-	0.60
Foreign exchange fluctuations(net)	122.64	-
Miscellaneous income	5.22	145.54
	618.72	645.91

### 27. Cost of materials consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Inventory of raw materials at the beginning of the year	6,387.75	9,484.57
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	(4,651.15)
Add: Purchases	49,525.56	52,333.71
Less: Inventory of raw materials at the end of the year	(6,258.89)	(6,387.75)
	49,654.42	50,779.38

### 28. Purchase of stock in trade

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of stock-in-trade	27,714.84	30,604.65
	27,714.84	30,604.65

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 29. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening inventories</b>		
Finished goods	2,868.35	3,705.19
Stock in trade	2,407.29	3,858.79
Work-in-progress	2,049.23	2,085.27
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	(3,536.78)
(A)	7,324.87	6,112.47
<b>Closing inventories</b>		
Finished goods	1,838.06	2,868.35
Stock in trade	3,042.99	2,407.29
Work-in-progress	2,700.54	2,049.23
(B)	7,581.59	7,324.87
(A-B)	(256.72)	(1,212.40)

### 30. Employees benefits expense

See accounting policy in note 3(i)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	13,026.80	12,647.33
Contribution to provident and other funds	647.46	511.52
Expenses related to post-employment defined benefit plan	188.11	245.32
Expenses related to compensated absences	352.38	340.41
Staff welfare expenses	345.08	306.07
	14,559.83	14,050.65

Salaries, wages and bonus includes ₹ 2,708.57 lakhs (31 March 2019 ₹ 2,743.80 lakhs) relating to outsource manpower cost.

#### Note:

- (a) **Defined contribution plan** : The Company makes contributions to a government administered fund, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident 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 ₹ 602.20 lakhs (31 March 2019: ₹489.64 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 ₹ 45.26 lakhs (31 March 2019: ₹ 55.16 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.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### (c) Actuarial valuation of gratuity liability

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Defined benefit cost</b>		
Current service cost	182.47	150.99
Interest expense on defined benefit obligation	96.58	94.33
Interest income on plan assets	(90.94)	-
<b>Defined benefit cost in Statement of Profit and Loss</b>	188.11	245.32
Remeasurements from financial assumptions	97.08	21.96
Remeasurements from experience adjustments	58.55	(3.11)
Remeasurements from financial assumption on plan assets	(12.86)	(8.75)
<b>Defined benefit cost in Other Comprehensive Income (OCI)</b>	142.78	10.10
<b>Total defined benefit cost in Statement of Profit and Loss and OCI</b>	330.89	255.42
<b>Movement in defined benefit obligation</b>		
Balance at the beginning of the year	1,403.89	1,913.17
Interest cost	96.58	94.33
Current service cost	182.48	150.99
Actuarial (gains)/ losses recognised in other comprehensive income	155.63	18.85
Benefits paid	(48.36)	(170.80)
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	(602.65)
<b>Balance at the end of the year</b>	1,790.22	1,403.89
<b>Movement in fair value of plan assets</b>		
Balance at the beginning of the year	1,299.10	-
Interest income	90.94	
Employer contributions	422.10	1,461.15
Benefit paid from employer	(48.36)	(170.80)
Return on plan assets	12.86	8.75
<b>Balance at the end of the year</b>	1,776.64	1,299.10
<b>Net asset/(liability) recognised in the Standalone Balance Sheet</b>		
Present value of defined benefit obligation	(1,790.22)	(1,403.89)
Fair value of plan asset	1,776.64	1,299.10
<b>Net asset/(liability)</b>	(13.58)	(104.79)
<b>Sensitivity analysis for significant assumptions :</b>		
<b>Increase/(Decrease) in present value of defined benefit obligation at the end of the year</b>		
Salary escalation - Increase by 1%	144.89	117.45
Salary escalation - Decrease by 1%	(131.31)	(103.83)
Withdrawal rates - Increase by 1%	3.82	9.56
Withdrawal rates - Decrease by 1%	(8.36)	(11.07)
Discount rates - Increase by 1%	(124.70)	(98.40)
Discount rates - Decrease by 1%	139.29	112.61
<b>Actuarial assumptions</b>		
Mortality table	IALM 2006-2008	IALM 2006-2008
Discount rate (per annum)	7.00%	7.70%
Rate of escalation in salary (per annum)	6.00%	6.00%
Withdrawal rate	1% - 8%	1% - 8%
<b>Maturity profile of defined benefit obligation</b>		
Not later than 1 year	243.91	220.62

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Later than 1 year and not later than 5 years	771.57	723.09
More than 5 years	2,308.05	522.24
<b>Weighted average duration of defined benefit obligation (in years)</b>	<b>4.95</b>	<b>4.80</b>

### (d) The major categories of plan assets as a percentage of the fair value of total plan assets

	In %	In %
Fund with HDFC Life Insurance Company Limited	71.90%	66.01%
Fund with Kotak Mahindra Life Insurance Company Limited	28.10%	33.99%
	100.00%	100.00%

### (e) The Company's expected contribution during next year is ₹ 169.60 lakhs (March 31,2019 ₹ Nil)

## 31. Finance costs

See accounting policy in note 3(p)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost	1,471.38	1,432.65
Interest on lease liabilities {refer note 4(d)}	124.26	-
Other borrowing cost	89.55	71.79
Less: Finance cost capitalised (refer note 5)	-	(23.85)
	<b>1,685.19</b>	<b>1,480.59</b>

## 32. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment	1,875.80	1,842.01
Depreciation of right of use assets {refer note 4(d)}	175.07	-
Amortisation of intangible assets	55.73	29.72
	<b>2,106.60</b>	<b>1,871.73</b>

## 33. Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spares	1,193.84	1,163.17
Power and fuel	2,208.12	2,229.60
Rent {refer note 4(d)}	758.48	958.13
Repairs to:		
- Buildings	133.27	137.76
- Plant and equipment	602.19	511.37
- Others	516.91	391.64
Insurance	449.23	207.80

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Rates and taxes	313.78	136.04
Travelling expenses	979.15	1,019.23
Freight and delivery expenses	6,546.79	6,835.51
Export expenses	0.80	2.40
Advertisement and sales promotion	5,096.27	5,888.62
Commission paid to independent directors	55.00	27.50
Directors sitting fees	27.20	16.50
Payment to auditors [refer note 33 (i)]	71.49	64.00
Donation	7.60	17.48
Expenditure on corporate social responsibility [refer note 33 (ii)]	328.19	380.60
Loss on sale and discard of property, plant and equipment	52.28	201.71
Amortisation of leasehold land prepayments	-	29.88
Loss on fair valuation of investments at fair value through profit and loss	0.25	0.10
Legal and professional fees	514.67	406.67
Commission expenses	748.42	141.35
Loss allowance		
- Bad debts	171.84	205.32
- loss allowance	226.09	(108.95)
	<b>397.93</b>	<b>96.37</b>
Foreign exchange fluctuations(net)	-	77.32
Miscellaneous expenses	1,319.34	1,228.35
	<b>22,321.20</b>	<b>22,169.10</b>

### 33 (i) Payment to auditors

	Year ended 31 March 2020	Year ended 31 March 2019
As auditors:		
- Statutory audit fees	34.00	35.00
- Limited review of quarterly results	9.50	6.00
In other capacity		
- Certification fees	3.50	1.87
- Other services	21.00	17.58
Reimbursement of expenses	3.49	3.55
	<b>71.49</b>	<b>64.00</b>

### 33 (ii) Details of corporate social responsibility (CSR) expenditure

	Year ended 31 March 2020	Year ended 31 March 2019
(a) Gross amount required to be spent by the Company during the year	325.33	379.59

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

(b) Amount spent during the year in cash on :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Contribution towards Plantation activities	10.19	56.10
- Contribution to trust i.e. Greenply Foundation	318.00	324.50
	328.19	380.60
Amount yet to be paid in cash	-	-

### 34. Income tax and deferred tax net (assets) / liability

See accounting policy in note 3(o)

	Year ended 31 March 2020	Year ended 31 March 2019
(a) Amount recognised in Profit and Loss		
Current tax	1,945.87	2,292.90
<b>Income tax</b>	<b>1,945.87</b>	<b>2,292.90</b>
Deferred tax	(601.40)	707.09
Mat credit utilised	-	151.83
<b>Deferred tax</b>	<b>(601.40)</b>	<b>858.92</b>
<b>Tax expense in Statement of Profit and Loss</b>	<b>1,344.47</b>	<b>3,151.82</b>
Deferred tax in other comprehensive income	(35.93)	(3.53)
<b>Tax expense in Total Comprehensive Income</b>	<b>1,308.54</b>	<b>3,148.29</b>
(b) Reconciliation of effective tax rate for the year		
<b>Profit before tax</b>	<b>4,604.17</b>	<b>9,281.04</b>
Applicable Income tax rate	25.168%	34.944%
<b>Tax impact relating to :</b>		
<b>Computed tax expense</b>	<b>1,158.78</b>	<b>3,243.17</b>
Tax exempt income/ Additional deduction as per income tax	-	59.75
Impact of tax rate change	114.97	-
Non-deductible expenses for tax purposes	45.33	(148.58)
Other differences	25.39	(2.52)
<b>Tax expense in Statement of Profit and Loss</b>	<b>1,344.47</b>	<b>3,151.82</b>

#### Impact of tax rate change

The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised current tax expense for the year ended 31 March 2020 and remeasured its deferred tax assets (net) basis the rate prescribed in the said section.

#### (c) Movement in deferred tax liabilities and assets balances:

Deferred tax assets (net)	31 March 2020	31 March 2019
Deferred tax liabilities	291.21	312.41
Less: Deferred tax assets	(1,339.49)	(723.36)
	(1,048.28)	(410.95)

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

#### (d) Movement in deferred tax (asset) / liability

Movement in deferred Tax Asset / liability	1 April 2019	Movement through Statement of Profit and Loss	Movement through Other Comprehensive income	31 March 2020
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	312.41	(21.20)		291.21
<b>Deferred tax assets</b>				
Provisions for employee benefits	(197.31)	33.99	(35.93)	(199.25)
Expenses allowed for tax purposes when paid	(220.90)	(667.52)		(888.42)
Provision for doubtful debts	(225.01)	11.81		(213.20)
Other temporary differences	(80.14)	41.52		(38.62)
	(410.95)	(601.40)	(35.93)	(1,048.28)

Movement in deferred tax asset / liability	1 April 2018	Balance transferred pursuant to scheme of demerger (refer note 36)	Movement through Statement of Profit and Loss	Movement through Other Comprehensive income	31 March 2019
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	4,696.72	(4,440.56)	56.25	-	312.41
<b>Deferred tax assets</b>					
Provisions for employee benefits	(1,208.16)	438.31	576.07	(3.53)	(197.31)
Expenses allowed for tax purposes when paid	(220.90)	-	-	-	(220.90)
Provision for doubtful debts	(392.26)	90.64	76.61	-	(225.01)
Other temporary differences	(78.38)	0.08	(1.84)	-	(80.14)
Minimum Alternate Tax (MAT) credit	(151.83)	-	151.83	-	-
	2,645.19	(3,911.53)	858.92	(3.53)	(410.95)

### 35. Earnings per share

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Basic and diluted earnings per share</b>		
(i) Profit for the year, attributable to the equity shareholders	3,259.70	6,129.22
(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	122,627,395	122,627,395
<b>Weighted average number of equity shares</b>	<b>122,627,395</b>	<b>122,627,395</b>
<b>Basic and diluted earnings per share (₹) [(i)/(ii)]</b>	<b>2.66</b>	<b>5.00</b>

### 36. Composite Scheme of Arrangement

#### (a) Description

Pursuant to the Composite Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Guwahati Bench vide Order dated 28 June 2019 ("Order"), with effect from the Appointed Date i.e., 1st April 2018, the Medium Density Fibreboards and allied products business of Chittoor unit, Andhra Pradesh and Medium Density Fiberboards, Plywood and allied products business of Pantnagar unit, Uttarakhand, branches/administrative and marketing offices of the above respective businesses of the Company ('the transferred business') including investment in wholly



## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

owned subsidiary - Greenpanel Singapore Pte Ltd., Singapore (formerly known as Greenply Trading Pte. Limited), excluding investments of Greenpanel Singapore Pte. Limited in Greenply Alkermal (Singapore) Pte. Limited (registered in Singapore) of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each), stands transferred into the "Greenpanel Industries Limited", wholly owned subsidiary ('the resulting company' or 'Greenpanel').

The standalone financial statements of the Company for the year ended 31 March 2019 were approved by the Board of Directors at its meeting held on 30 May 2019 without giving effect to the Scheme considering pending receipt of the order from the NCLT. On receipt of the order dated 28 June 2019 from NCLT sanctioning the Scheme, with appointed date 1 April 2018, and upon filing the same with Registrar of Companies, Assam on 1 July 2019 the Scheme has become effective. Accordingly, the standalone financial statements approved on 30 May 2019 by the Board of Directors has been revised by the Company to give effect to the aforesaid Order from the Appointed date of 1 April 2018.

As per the order, the Scheme has been considered in these standalone financial statements by transferring the carrying amount of assets and liabilities pertaining to the transferred business with effect from the Appointed Date.

- (b) The whole of the assets and liabilities of the transferred business became the assets and liabilities of the resulting company and were transferred at their book value as per the Order, as appearing in the books of the Company with effect from the appointed date (i.e. 1 April 2018). The details of assets and liabilities transferred to the resulting company are as under:

	As at 1 April 2018
<b>Non-current assets</b>	
Property, plant and equipment (net of accumulated depreciation)	35,500.11
Capital work-in-progress	73,348.65
Other intangible assets (net of accumulated amortisation)	117.13
Financial assets	
Investments	3,432.00
Loans	1,042.39
Other non-current assets	2,319.98
	115,760.26
<b>Current assets</b>	
Inventories	10,207.37
Financial assets	
Trade receivables	5,729.99
Cash and cash equivalents	398.88
Bank balances other than cash and cash equivalents	33.65
Loans	81.44
Derivatives	125.97
Other financial assets	1,501.86
Other current assets	4,747.26
	22,826.42
<b>Total assets of transferred business (A)</b>	<b>138,586.68</b>
<b>Non-current liabilities</b>	
Financial liabilities	
Borrowings	40,919.40
Other financial liabilities	1,057.53
Provisions	786.77
Deferred tax liabilities (net)	3,911.53
Other non-current liabilities	4,991.70
	51,666.93

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

<b>Current liabilities</b>	
Financial liabilities	
Borrowings	3,047.50
Trade payables	8,653.13
Other financial liabilities	7,812.17
Other current liabilities	3,603.65
Provisions	196.69
	23,313.14
<b>Total liabilities of transferred business (B)</b>	<b>74,980.07</b>
<b>Net amount adjusted through corresponding debit to other equity as per the Order (A-B)</b>	<b>63,606.61</b>

- (c) Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the resulting company (Greenpanel) has been debited to the following reserves of the the Company:

Particulars	Amount
Securities premium	4,852.03
General reserve	29,649.20
Retained earnings	29,105.38
	63,606.61

- (d) Details of the contingent liabilities and commitments transferred to the resulting company are as under:

Particulars	Amount
Claims against the Company not acknowledged as debts:	
(i) Excise duty, sales tax and other indirect tax in dispute	983.39
<b>Capital and other commitments</b>	
(i) Estimated amount of export obligations to be fulfilled in respect of goods imported under advance license/ Export Promotion Capital Goods scheme (EPCG)	45,596.47
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,145.24

- (e) Pursuant to the Order, Greenpanel Industries Limited issued and allotted equity shares to the shareholders of the Company whose name appears in the register of members of the Company as on the record date (i.e. 15 July 2019), 1(one) equity share of ₹ 1 each in Greenpanel credited as fully paid up for every 1 (one) equity share of ₹ 1 each held by them in the Company. Consequent to the allotment of new shares as per the Scheme, current investment of 10 lakhs equity shares of ₹ 1 each of the Greenpanel amounting to ₹ 10.00 lakhs held by the Company stands cancelled. Greenpanel has ceased to be subsidiary of the Company with effect from 01 April 2018.
- (f) The transactions pertaining to the transferred business of the Company from the appointed date upto the effective date (01 July 2019) of the Scheme have been deemed to be made by Greenpanel.
- (g) As per the Order, the immovable assets of the Company stands free from all charges, mortgages and encumbrances relating to liabilities relating to transferred business which stands transferred to Greenpanel. The Company had created charges over its immovable assets (including those which now belong to Greenpanel) under section 77 of the Companies Act, 2013 in respect of certain credit facilities taken from various banks for itself and for various undertakings of Greenpanel. Greenpanel enjoys credit facilities by the subsisting charges, mortgages and encumbrances over immovable assets retained by the Company. Till creation/modification/satisfaction of Charges, as the case may be, in favour of the various banks of the respective Companies in terms of the applicable provisions of the Companies Act, 2013, the banks of the Company shall continue to hold their respective charge over the immovable assets of the Greenpanel and vice versa. Also as per the terms of the aforesaid scheme, amongst other things, greenpanel has been operating and using certain bank accounts/borrowing facilities with effect from 01 July,2019, post the demerger, which were hitherto maintained and operated by the Company.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

The Company is in process of changing the account holder name of these bank accounts/borrowing facilities in bank records, which are still in name of the Company.

### 37. Contingent liabilities and commitments

(to the extent not provided for)

	31 March 2020	31 March 2019
<b>Contingent liabilities</b>		
<b>(a) Claims against the Company not acknowledged as debts:</b>		
(i) Excise duty, sales tax and other indirect tax in dispute	2,830.84	2,314.99
(ii) Consumer court cases in dispute	20.47	61.81

(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 2020	31 March 2019
<b>(c) Guarantees outstanding</b>		
(i) Guarantee given to bank in respect of financial assistance to a joint venture company and step down wholly owned subsidiary	6,850.87	6,336.56
(ii) Standby letter of credit issued on behalf of the Company to secure the financial assistance to its subsidiary	6,718.10	6,178.43

#### 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 Alkema (Singapore) Pte. Limited for the purpose of availing working capital loan. This guarantee was issued in USD.

The Company had issued counter guarantee in favour of banker on behalf of its wholly owned subsidiary company - Greenply Middle East Limited, for the purpose of availing working capital loan. This guarantee was issued in USD.

#### Capital and other commitments

	31 March 2020	31 March 2019
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	69.49	77.82

#### 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 proceedings 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 on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 38. 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)

##### Company in which a Subsidiary is a Joint Venture Partner:

- i) Greenply Alkema (Singapore) Pte. Limited, Singapore  
(Joint venture of Greenply Holdings Pte. Limited, Singapore with Alkema Singapore Pte. Limited, Singapore) (w.e.f 16.10.2018)  
(Joint venture of Greenpanel Singapore Pte. Limited, Singapore with Alkema Singapore Pte. Limited, Singapore) (till 15.10.2018)
- ii) Greenply Industries (Myanmar) Private Limited (Wholly owned subsidiary of Greenply Alkema (Singapore) Pte. Limited.)

#### b) Related parties with whom transactions have taken place during the year.

##### (i) Key Management Personnel (KMP)

- i) Mr. Shiv Prakash Mittal, Executive Chairman (till 18 July 2019)
- ii) Mr. Rajesh Mittal, Chairman cum Managing Director (w.e.f 14 August 2019) (Managing Director till 13 August 2019)
- iii) Mr. Shobhan Mittal, Joint Managing Director & CEO (till 18 July 2019)
- iv) Mr. Sanidhya Mittal, Joint Managing Director (w.e.f 14 August 2019) (Executive Director till 13 August 2019)
- v) Mr. Manoj Tulsian, Joint Managing Director & CEO (w.e.f 11 February 2020)
- vi) Mr. V. Venkatramani, Chief Financial Officer (till 18 July 2019)
- vii) Mr. Mukesh Agarwal, Chief Financial Officer (w.e.f 14 August 2019)
- viii) Mr. Kaushal Kumar Agarwal, Company Secretary & Vice President - Legal

##### (ii) Non- executive Directors

- i) Mr. Susil Kumar Pal, Independent Director
- ii) Mr. Vinod Kumar Kothari, Independent Director
- iii) Mr. Anupam Kumar Mukerji, Independent Director
- iv) Mr. Upendra Nath Challu, Independent Director
- v) Ms. Sonali Bhagwati Dalal, Independent Director

##### (iii) Relatives of Key Management Personnel (KMP)

- i) Mrs. Chitwan Mittal (Wife of Mr. Shobhan Mittal) (till 18 July 2019)
- ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)

##### (iv) Enterprises controlled by Key Management Personnel or their relatives

- i) Prime Holdings Private Limited
- ii) Trade Combines (Partnership Firm)

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

- iii) RS Homcon Limited
- iv) Mastermind Shoppers Private Limited
- v) Greenlam Industries Limited
- vi) Greenpanel Singapore Pte. Limited, Singapore (Formally known as Greenply Trading Pte. Limited) (w.e.f 1 April 2018)
- vii) Greenpanel Industries Limited, India (w.e.f 1 April 2018)

### c) Related party transactions

Name of the related party	Nature of transaction	31 March 2020	31 March 2019
Greenpanel Singapore Pte. Limited, (Formerly known as (Greenply Trading Pte. Limited)	Commission on guarantee	-	10.68
Greenply Middle East Limited	Purchase of products	3,036.03	2,650.38
	Commission on guarantee	137.44	124.52
	Guarantee given	-	345.55
	Interest income	153.14	181.05
	Loan given	-	671.38
	Loan refund	280.35	215.82
Greenply Holdings Pte. Limited	Investment	-	2,385.09
Greenply Alkema (Singapore) Pte. Limited	Purchase of products	1,112.90	735.33
	Commission on guarantee	21.63	21.04
Greenply Gabon SA	Commission on guarantee	43.91	44.39
	Sale of stores and spares	28.76	66.53
Greenpanel Industries Limited	Purchase of products	82.81	4,416.03
Greenlam Industries Limited	Purchase of products	38.99	-
Mr. Rajesh Mittal	Remuneration	360.72	379.68
	Rent paid	4.17	-
	Security deposit given	2.50	-
Mr. Sanidhya Mittal	Remuneration	146.40	193.06
	Rent paid	4.17	-
Mr. Manoj Tulsian	Remuneration	29.81	-
Mr. Kaushal Kumar Agarwal	Remuneration	55.34	52.66
Mr. Mukesh Agarwal	Remuneration	66.98	-
Mr. Anupam Kumar Mukerji	Remuneration	16.75	16.50
Mr. Susil Kumar Pal	Remuneration	17.75	17.60
Mr. Upendra Nath Challu	Remuneration	17.50	17.10
Mr. Vinod Kumar Kothari	Remuneration	18.00	17.00
Ms. Sonali Bhagwati Dalal	Remuneration	12.20	11.80
Mrs. Karuna Mittal	Rent paid	4.17	-
Mrs. Surbhi Poddar	Remuneration	26.49	22.76
Prime Holdings Private Limited	Rent paid	-	4.81
	Security deposit refund	-	13.20
	Purchase of assets	578.09	-
RS Homcon Limited	Rent paid	12.65	10.60
	Security deposit given	-	1.07
Trade Combines	Rent paid	-	2.71
Mastermind Shoppers Private Limited	Rent paid	18.50	17.62

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### d) Outstanding balances

Name of the related party	Nature of transaction	31 March 2020	31 March 2019
Greenply Middle East Limited	Loan given	2,116.52	2,211.52
	Purchase of products	1,182.62	1,864.85
	Guarantee given	6,718.10	6,178.43
	Interest on Loan	36.90	43.64
	Commission on guarantee	33.59	30.47
Greenply Alkema (Singapore) Pte. Limited	Purchase of products	176.73	440.78
	Guarantee given	2,267.70	2,073.30
	Commission on guarantee	5.65	-
Greenply Gabon SA	Guarantee given	4,583.17	4,263.26
	Commission on guarantee	11.43	10.58
	Sale of stores and spares	28.76	65.31
Greenlam Industries Limited	Purchase of products	8.22	-
Greenpanel Industries Limited	Purchase of products	-	1,145.23
	Other receivables	114.07	-
Mr. Rajesh Mittal	Remuneration	-	146.02
	Security deposit given	2.50	-
Mr. Sanidhya Mittal	Remuneration	-	146.02
RS Homcon Limited	Security deposit given	2.57	2.57
Trade Combines	Security deposit given	-	2.40
Mastermind Shoppers Private Limited	Security deposit given	2.90	2.90

### e) Key Management Personnel compensation

Key management personnels compensation comprised of the following:

Nature of transaction	31 March 2020	31 March 2019
Short-term employee benefits	560.88	595.51
Other long-term benefits	98.37	29.89
<b>Total compensation paid to key management personnel</b>	<b>659.25</b>	<b>625.40</b>

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 is made in the ordinary course of business and 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 subsidiaries is fixed at arm length rate at 12 months USD Libor plus 500 basis points.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

The guarantee given to related parties is made in the ordinary course of business and 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 8).

#### (ii) Details of investments

Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 7A.

#### (iii) Details of guarantee given / (closed) during the year :

Name of the Company	Date of undertaking	Purpose	31 March 2020
Greenply Middle East Limited	25 January 2020	Short-term loan facility	755.90
Greenply Middle East Limited	04 December 2019	Short-term loan facility	(795.55)

Name of the Company	Date of undertaking	Purpose	31 March 2019
Greenply Middle East Limited	18 May 2018	Short-term loan facility	345.55

## 39. 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 Standalone Balance Sheet are as follows:

Financial assets at amortised cost	31 March 2020		31 March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Investments	4,222.22	4,222.22	4,222.22	4,222.22
Loans and deposits	2,576.05	2,576.05	2,502.53	2,502.53
Other financial assets	1,115.88	1,115.88	2,993.99	2,993.99
Trade receivables	30,792.56	30,792.56	28,337.23	28,337.23
Cash and cash equivalents	934.57	934.57	1,784.17	1,784.17
Bank balances other than cash and cash equivalents	31.00	31.00	26.03	26.03
	39,672.28	39,672.28	39,866.17	39,866.17
Financial assets at fair value through profit and loss				
Level 1				
Investments	0.24	0.24	0.49	0.49
Level 2				
Derivatives	137.00	137.00	-	-
Level 3				
Investments	209.00	209.00	-	-
	346.24	346.24	0.49	0.49
Total Financial Assets	40,018.52	40,018.52	39,866.66	39,866.66

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Financial liabilities at amortised cost				
Non-current				
Borrowings (including current maturities of non current borrowings)	14,308.80	14,308.80	14,364.39	14,364.39
Lease liabilities	1,145.24	1,145.24		
Other financial liabilities (excluding current maturities of non current borrowings)	1,309.22	1,309.22	2,485.85	2,485.85
Trade payables	21,841.10	21,841.10	24,148.91	24,148.91
	38,604.36	38,604.36	40,999.15	40,999.15
Financial liabilities at fair value through profit and loss				
Level 2				
Derivatives	-	-	88.54	88.54
	-	-	88.54	88.54
Total financial liabilities	38,604.36	38,604.36	41,087.69	41,087.69

## 40. 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 measurements are as follows:

	31 March 2020	31 March 2019
Financial assets - Level 1		
Investments	0.24	0.49
Financial assets - Level 2		
Derivatives	137.00	-
Financial assets - Level 3		
Investments	209.00	-
Financial liabilities - Level 2		
Derivatives	-	88.54

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits, commercial papers 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:

- The fair value of the quoted investments are based on market price at the respective reporting date.
- The fair value of forward foreign exchange contracts 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 on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

- (c) The fair value of unquoted investments included in level 3 are based on net asset value approach. There is no significant unobservable inputs used for fair value measurement.

There were no transfer of financial assets or liabilities measured at fair value between level 1 and level 3, or transfer into or out of level 3 during the year ended 31 March 2020 and 31 March 2019.

### 41. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### 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. Foreign currency options contract are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. 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 and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities.
Market risk	Committed commercial transaction Financial asset and liabilities not denominated in INR	Cash flow forecasting	Forward foreign exchange contracts.
Foreign exchange risk		Sensitivity analysis	
Interest rate	Borrowings at variable rates	Sensitivity analysis	The company has laid policies and guidelines to minimise impact of interest rate risk.
		Interest rate movements	

#### (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 Company receivables

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

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 2020	31 March 2019
Revenue from top customer	4.54%	4.04%
Revenue from top five customers	8.94%	8.58%

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 loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables. The said provision has been netted off under trade receivables.

Particulars	31 March 2020	31 March 2019
Balance at the beginning	504.63	915.44
Transferred pursuant to scheme of arrangement (refer note 36)	-	(229.48)
Net measurement of loss allowance	226.09	(181.33)
Balance at the end	730.72	504.63

#### (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, finding 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.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

31 March 2020	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	12,224.06	2,684.86	-	14,908.92
Trade payables	21,841.10	-	-	21,841.10
Lease liabilities*	255.89	919.06	344.87	1,519.82
Other financial liabilities	1,259.58	1.00	-	1,260.58
	35,580.63	3,604.92	344.87	39,530.42

31 March 2019	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	11,133.63	4,164.89	-	15,298.52
Trade payables	24,148.91	-	-	24,148.91
Other financial liabilities	1,688.50	785.21	-	2,473.71
Derivatives	88.54	-	-	88.54
	37,059.58	4,950.10	-	42,009.68

\* 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.

#### (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 2020		31 March 2019	
		Amount in F.currency (Lakhs)	₹ in Lakhs	Amount in F.currency (Lakhs)	₹ in Lakhs
<b>- Hedged exposures</b>					
Borrowings - Buyers credit	USD	20.60	1,557.37	11.96	826.26
			1,557.37		826.26
Trade payables	USD	25.28	1,910.65	51.97	3,591.66
			1,910.65		3,591.66
<b>- Unhedged exposures</b>					
Borrowings - Buyers credit	USD	0.98	74.45	-	-
			74.45		-
Trade payables	EURO	0.62	51.50	0.51	39.53
	USD	10.36	783.05	19.20	1,326.89
			834.55		1,366.42
Cash and cash equivalents	USD	0.06	4.69	-	-

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

			4.69		-
Loans to subsidiaries	USD	28.00	2,116.52	32.00	2,211.52
Trade receivables	USD	0.38	28.76	0.95	65.31

### 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	Nature	Effect	31 March 2020	31 March 2019
USD (1% Movement)	Profit or loss	Strengthening	12.92	1.24
		Weakening	(12.92)	(1.24)
	Equity, net of tax	Strengthening	9.67	0.81
		Weakening	(9.67)	(0.81)
EUR (1% Movement)	Profit or loss	Strengthening	(0.51)	(0.40)
		Weakening	0.51	0.40
	Equity, net of tax	Strengthening	(0.38)	(0.26)
		Weakening	0.38	0.26

### (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 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 2020	31 March 2019
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	(6,170.12)	(5,914.63)
	(6,170.12)	(5,914.63)
<b>Variable rate instruments</b>		
Financial assets	2,116.52	2,211.52
Financial liabilities	(7,488.68)	(7,549.75)
	(5,372.16)	(5,338.23)

### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

## Notes on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

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	Nature	Effect	31 March 2020	31 March 2019
Variable rate instruments	Profit or loss	Strengthening	(53.72)	(53.38)
		Weakening	53.72	53.38
	Equity, net of tax	Strengthening	(40.20)	(34.73)
		Weakening	40.20	34.73
Cash flow sensitivity (net)	Profit or loss	Strengthening	(53.72)	(53.38)
		Weakening	53.72	53.38
	Equity, net of tax	Strengthening	(40.20)	(34.73)
		Weakening	40.20	34.73

### 42 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 2020	31 March 2019
Total debt (Bank and other borrowings) (refer note 19 and 20)	14,308.80	14,364.39
Less: Cash and cash equivalents (refer note 12)	934.57	1,784.17
<b>Adjusted net debt</b>	<b>13,374.23</b>	<b>12,580.22</b>
Equity (refer note 17 and 18)	35,695.93	33,134.42
<b>Debt to Equity (net)</b>	<b>0.37</b>	<b>0.38</b>

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. The Company has complied with these covenants throughout the reporting period.

### 43. Segments information

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.

44. 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 on Standalone financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 45. Due to Micro enterprises and small enterprises

	31 March 2020	31 March 2019
(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	184.16	83.15
- Interest	-	-
(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;	-	-
(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;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(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.	-	-

46. 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 ₹ 460.78 lakhs (31 March 2019 ₹ 549.69 lakhs) and incentive against refund of excise duty for the unit set-up in Tizit, Nagaland till 31 March 2020 of ₹ Nil (31 March 2019 ₹ 253.54 lakhs).

### 47. Distribution made and proposed dividend

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash dividend on equity shares declared and paid</b>		
Final dividend for the year ended on 31 March 2019:	490.51	735.76
₹ 0.40 per share (31 March 2018: ₹ 0.60 per share)		
Dividend distribution tax on final dividend	100.83	151.24
<b>Total dividend paid</b>	<b>591.34</b>	<b>887.00</b>
<b>Proposed dividend on Equity shares</b>		
Final dividend for the year ended on 31 March 2020:	490.51	490.51
₹ 0.40 per share (31 March 2019: ₹ 0.40 per share)		
Dividend distribution tax on final dividend	-	100.85
<b>Total dividend proposed</b>	<b>490.51</b>	<b>591.36</b>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2020.

## Notes on Standalone financial statements for the year ended 31 March 2020

### 48. Exceptional items

	Year ended 31 March 2020	Year ended 31 March 2019
Provision for excise duty liability and interest {refer note 21(b)}	2,897.80	-
Excise duty refund receivable written off {refer note 21(b)}	2,099.25	-
	4,997.05	-

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No. 055757

Place : Kolkata  
Date : 27 June 2020

For and on behalf of Board of Directors of  
**Greenply Industries Limited**  
CIN: L20211AS1990PLC003484

**Rajesh Mittal**  
*Chairman cum Managing Director*  
DIN No. 00240900

**Mukesh Agarwal**  
*Chief Financial Officer*

Place : Kolkata  
Date : 27 June 2020

**Manoj Tulsian**  
*Joint Managing Director & CEO*  
DIN No. 05117060

**Kaushal Kumar Agarwal**  
*Company Secretary & Sr. VP-Legal*

# Consolidated Financial Statements



# Independent Auditors' Report

To  
The Members of  
**Greenply Industries Limited**

## Report on the Audit of 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 2020, 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 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 2020, 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 audit reports of the other auditors referred to in the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

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.

### Description of Key Audit Matter

Revenue recognition – dealers' incentives  
See note 3(k) and 25 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Holding Company gives incentives to its dealers through various schemes.  Due to various schemes and a large variety of contractual terms across dealers, the estimation of these incentives is complex and involves significant judgement. The amount of such incentive is also significant.  In view of the above, we 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: <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Holding Company's accounting policy relating to the incentives to its dealers;</li> <li>• Evaluated the design and implementation of key internal controls over computation of incentives and actual utilisation against the corresponding liability. We also tested the operating effectiveness of such controls for a sample of transactions with special reference to controls;</li> <li>• Evaluated the model used for estimating the liability and also assessed the relevance and reliability of underlying data and assumptions used for estimation;</li> <li>• Performed retrospective review of the management's estimate by comparing utilisation of incentives with previously recognised corresponding liability. We also considered the developments during the year and subsequent to the year-end (including the impact of COVID 19) that would significantly affect the measurement of the year end incentive liability.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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 our auditors' 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/ loss 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 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 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 is responsible for overseeing the financial reporting process of each company.

### Auditors' 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 auditors' 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 the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management & board of directors.
- Conclude on the appropriateness of 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 auditors' 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 auditors' 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 information 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 financial information of such entities. 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 believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' 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

We did not audit the financial statements / financial information of three (3) subsidiaries whose financial statements/financial information reflect total assets of ₹ 32,621.14 lakhs as at 31 March 2020, total revenue of ₹ 32,140.56 lakhs and net cash outflows of ₹ 2,744.73 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 income) of ₹ 49.26 lakhs for the year ended 31 March 2020, in respect of 2 joint ventures, whose financial statements/financial information have not been audited by us. These financial statements/financial information 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 audit reports of the other auditors.

These subsidiaries and joint ventures are located outside India whose financial statements/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 report 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

- 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 and joint ventures as were audited by other auditors, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
  - 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.
  - 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.
  - 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 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 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 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its joint ventures. Refer Note 37 (a) to the consolidated financial statements.
- ii. 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 2020.

- iii. 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 2020.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.
- C. With respect to the matter to be included in the Auditors' report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company 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) which are required to be commented upon by us.

For **B S R & Co. LLP**  
**Chartered Accountants**  
 Firm registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**  
**Partner**  
 Place: Kolkata Membership No.: 055757  
 Date: 27 June 2020 ICAI UDIN: 20055757AAAABT5820

## Annexure A to the Independent Auditors' report on the consolidated financial statements of Greenply Industries Limited for the year ended 31 March 2020

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 (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 the Group as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Greenply Industries Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such company 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 Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the 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 the Holding 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes 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 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 financial statements.

### Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 registration No.: 101248W/W-100022

**Jayanta Mukhopadhyay**  
**Partner**  
 Place: Kolkata Membership No.: 055757  
 Date: 27 June 2020 ICAI UDIN: 20055757AAAABT5820



## Consolidated Balance Sheet as at 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Note	31 March 2020	31 March 2019
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	27,839.43	24,570.47
(b) Capital work-in-progress	5	516.58	1,596.54
(c) Right of use assets	4(d)	2,916.66	-
(d) Intangible assets	6	671.85	617.83
(e) Intangible assets under development		-	134.76
(f) Investments accounted for using the equity method	7A	2,174.54	2,223.80
(g) Financial assets			
(i) Investments	7B	209.24	0.49
(ii) Loans and deposits	8	162.05	274.63
(iii) Other financial assets	15	-	2,230.66
(h) Non-current tax assets (net)	9	1,307.77	418.61
(i) Deferred tax assets (net)	34	1,048.28	410.95
(j) Other non-current assets	14	1,220.50	3,396.21
<b>Total non-current assets</b>		<b>38,066.90</b>	<b>35,874.95</b>
<b>(2) Current assets</b>			
(a) Inventories	10	17,710.08	16,943.71
(b) Financial assets			
(i) Trade receivables	11	35,651.39	30,504.96
(ii) Cash and cash equivalents	12	994.39	2,031.88
(iii) Bank balances other than cash and cash equivalents	13	31.00	26.03
(iv) Loans and deposits	8	331.82	44.65
(v) Derivatives	23	137.00	-
(vi) Other financial assets	15	1,045.39	678.64
(c) Other current assets	16	2,251.00	2,598.53
<b>Total current assets</b>		<b>58,152.07</b>	<b>52,828.40</b>
<b>Total assets</b>		<b>96,218.97</b>	<b>88,703.35</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	17	1,226.27	1,226.27
(b) Other equity	18	36,565.07	32,296.12
<b>Total equity</b>		<b>37,791.34</b>	<b>33,522.39</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	5,808.62	8,042.29
(ii) Lease liabilities	4(d)	909.62	-
(iii) Other financial liabilities	20	1.00	964.18
(b) Provisions	21	517.59	505.01
<b>Total non-current liabilities</b>		<b>7,236.83</b>	<b>9,511.48</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	17,902.60	14,115.21
(ii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		184.16	83.15
- Total outstanding dues of creditors other than micro and small enterprises		22,986.85	23,111.88
(iii) Lease liabilities	4(d)	235.62	-
(iv) Derivatives	23	-	88.54
(v) Other financial liabilities	20	5,130.28	5,717.66
(b) Other current liabilities	24	1,791.76	2,505.96
(c) Provisions	21	2,959.53	47.08
<b>Total current liabilities</b>		<b>51,190.80</b>	<b>45,669.48</b>
<b>Total liabilities</b>		<b>58,427.63</b>	<b>55,180.96</b>
<b>Total equity and liabilities</b>		<b>96,218.97</b>	<b>88,703.35</b>

### 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 No. 101248W/W-100022

**Jayanta Mukhopadhyay**

*Partner*

Membership No. 055757

For and on behalf of Board of Directors of

**Greenply Industries Limited**

CIN: L20211AS1990PLC003484

**Rajesh Mittal**

*Chairman cum Managing Director*

DIN No. 00240900

**Mukesh Agarwal**

*Chief Financial Officer*

Place : Kolkata

Date : 27 June 2020

**Manoj Tulsian**

*Joint Managing Director & CEO*

DIN No. 05117060

**Kaushal Kumar Agarwal**

*Company Secretary & Sr. VP-Legal*

Place : Kolkata

Date : 27 June 2020

## Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
<b>I. Revenue from operations</b>	25	<b>142,042.69</b>	<b>141,216.17</b>
<b>II. Other income</b>	26	<b>204.00</b>	<b>326.64</b>
<b>III. Total income (I+II)</b>		<b>142,246.69</b>	<b>141,542.81</b>
<b>IV. Expenses</b>			
Cost of materials consumed	27	54,521.15	58,353.07
Purchase of stock in trade	28	29,331.55	30,604.65
Changes in inventories of finished goods, work-in-progress and stock in trade	29	(304.13)	(3,655.94)
Employees benefits expense	30	16,291.55	15,147.89
Finance costs	31	2,079.39	1,863.48
Depreciation and amortisation expense	32	2,571.91	2,243.11
Other expenses	33	26,639.42	26,361.93
<b>Total expenses (IV)</b>		<b>131,130.84</b>	<b>130,918.19</b>
<b>V. Share of profit/(loss) of a joint venture</b>		<b>(49.26)</b>	<b>494.36</b>
<b>VI. Profit before exceptional items and tax (III-IV+V)</b>		<b>11,066.59</b>	<b>11,118.98</b>
<b>VII. Exceptional items</b>	49	<b>(4,997.05)</b>	<b>-</b>
<b>VIII. Profit before tax (VI-VIII)</b>		<b>6,069.54</b>	<b>11,118.98</b>
<b>Tax expense</b>	34		
Current tax		(1,945.87)	(2,292.90)
Deferred tax credit/(charge)		601.40	(858.92)
<b>IX. Tax expense</b>		<b>(1,344.47)</b>	<b>(3,151.82)</b>
<b>X. Profit for the year (VIII-IX)</b>		<b>4,725.07</b>	<b>7,967.16</b>
<b>XI. Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit (asset)		(142.78)	(10.10)
Income tax relating to items that will not be reclassified to profit or loss		35.93	3.53
<b>Other comprehensive income not to be reclassified subsequently to profit or loss (net of tax)</b>		<b>(106.85)</b>	<b>(6.57)</b>
Items that will be reclassified subsequently to profit or loss:			
Exchange differences in translating financial statements of foreign operations reclassified to profit or loss		-	388.74
Exchange differences in translating financial statements of foreign operations		242.07	(272.08)
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>242.07</b>	<b>116.66</b>
<b>Other comprehensive income for the year (net of tax)</b>		<b>135.22</b>	<b>110.09</b>
<b>XII. Total comprehensive income for the year attributable to owners of the company (X+XI)</b>		<b>4,860.29</b>	<b>8,077.25</b>
<b>XIII. Earnings per equity share</b>	35		
[Face value of equity share ₹ 1 each (previous year ₹ 1 each)]			
- Basic (₹)		3.85	6.50
- Diluted (₹)		3.85	6.50

### 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 No. 101248W/W-100022

**Jayanta Mukhopadhyay**

*Partner*

Membership No. 055757

For and on behalf of Board of Directors of

**Greenply Industries Limited**

CIN: L20211AS1990PLC003484

**Rajesh Mittal**

*Chairman cum Managing Director*

DIN No. 00240900

**Mukesh Agarwal**

*Chief Financial Officer*

Place : Kolkata

Date : 27 June 2020

**Manoj Tulsian**

*Joint Managing Director & CEO*

DIN No. 05117060

**Kaushal Kumar Agarwal**

*Company Secretary & Sr. VP-Legal*



## Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flows from operating activities</b>		
Profit before Tax	6,069.54	11,118.98
Adjustments for:		
Depreciation and amortisation expense	2,571.91	2,243.11
Finance costs	2,079.39	1,863.48
Loss on fair valuation of quoted investments	0.25	0.10
Loss allowance on trade receivables	397.93	(108.95)
Loss on sale/discard of property, plant and equipment	52.28	201.71
Interest income	(68.14)	(7.47)
Commission on guarantee given to joint venture	(21.63)	(31.72)
Unrealised foreign exchange fluctuations (net)	160.56	806.35
Share of (profit)/loss from a joint venture	49.26	(494.36)
<b>Cash generated from operation before working capital changes</b>	<b>5,221.81</b>	<b>4,472.25</b>
<b>Operating cash flows before working capital changes</b>	<b>11,291.35</b>	<b>15,591.23</b>
Working capital adjustments:		
(Increase) in trade receivables	(5,544.36)	(7,118.74)
Decrease/(Increase) in deposits, loans, other financial assets and other assets	2,077.66	(70.49)
(Increase) in inventories	(766.37)	(4,032.91)
Increase in trade payables, other financial liabilities, other liabilities and provisions	1,540.86	7,972.12
	(2,692.21)	(3,250.02)
Cash generated from operations	8,599.14	12,341.21
Income tax paid (net)	(2,835.03)	(2,558.02)
<b>Net cash generated from operating activities</b>	<b>5,764.11</b>	<b>9,783.19</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,592.88)	(8,283.83)
Acquisition of intangible assets including intangibles under development	(75.48)	(314.73)
Proceeds from sale of property, plant and equipment	75.55	188.17
Payments for purchase of investments	(280.00)	-
Proceeds from sale of investments	71.00	-
(Investment) in fixed deposits with banks (having maturity of more than 3 months)	(2.31)	(24.32)
Commission received on guarantee given to joint venture	15.98	31.72
Interest received	68.14	7.47
<b>Net cash used in investing activities</b>	<b>(5,720.00)</b>	<b>(8,395.52)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from non-current borrowings	201.00	5,558.62
Proceeds/(repayment) from current borrowings	2,841.54	(4,035.22)
Repayment of non current borrowings	(2,376.12)	(1,581.67)
Interest paid	(1,789.79)	(1,818.58)
Repayment towards lease liabilities including interest	(164.37)	-
Processing fees paid for non current borrowings	(19.92)	-
Dividend paid	(490.51)	(735.76)
Dividend distribution tax paid	(100.83)	(151.24)
<b>Net cash used in financing activities</b>	<b>(1,899.00)</b>	<b>(2,763.85)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,854.89)</b>	<b>(1,376.18)</b>

## Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash and cash equivalents at beginning of the year (less bank overdrafts) (refer note 12)	414.30	2,297.10
Less : Transferred pursuant to scheme of arrangement (refer note 36)	-	521.17
Effect of exchange rate fluctuations on cash held	(128.45)	14.55
<b>Cash and cash equivalents as at end of the year (refer note 12)</b>	<b>(1,569.04)</b>	<b>414.30</b>

### Notes:

- 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.
- Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
- Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.
- Change in liabilities arising from financing activities:

Particulars	As on 1 April 2019	Cash flows	Fair value changes	As on 31 March 2020
<b>Non-current Borrowings including current maturities (note 19)</b>	<b>10,887.14</b>	<b>(2,175.12)</b>	<b>126.49</b>	<b>8,838.50</b>
<b>Current Borrowings (note 19)</b>	<b>12,497.63</b>	<b>2,841.54</b>	<b>-</b>	<b>15,339.17</b>

Particulars	As on 1 April 2018	Transferred pursuant to scheme (refer note 36)	Cash flows	Fair value changes	As on 31 March 2019
Non-current Borrowings including current maturities (note 19)	51,464.38	(44,556.35)	3,976.95	2.17	10,887.14
Current Borrowings (note 19)	19,753.32	(3,220.47)	(4,035.22)	-	12,497.63

The following is the movement in lease liabilities during the year ended 31 March 2020

Particulars	As at 31 March 2020
<b>Balance as at 1 April 2019</b>	<b>-</b>
On account of adoption of Ind AS 116	1,001.86
Additions	185.09
Finance cost accrued during the period	124.26
Discarded	1.60
Payment of lease liabilities including interest	164.37
<b>Balance as at 31 March 2020</b>	<b>1,145.24</b>

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Jayanta Mukhopadhyay**  
Partner  
Membership No. 055757

For and on behalf of Board of Directors of  
**Greenply Industries Limited**  
CIN: L20211AS1990PLC003484

**Rajesh Mittal**  
Chairman cum Managing Director  
DIN No. 00240900

**Mukesh Agarwal**  
Chief Financial Officer

**Manoj Tulsian**  
Joint Managing Director & CEO  
DIN No. 05117060

**Kaushal Kumar Agarwal**  
Company Secretary & Sr. VP-Legal

Place : Kolkata  
Date : 27 June 2020

Place : Kolkata  
Date : 27 June 2020

## Consolidated Statement of changes in equity

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2018		1,226.27
Changes in equity share capital during the year	17	-
Balance as at 31 March 2019		1,226.27
Changes in equity share capital during the year	17	-
<b>Balance as at 31 March 2020</b>		<b>1,226.27</b>

### b) Other equity

Particulars	Note	Reserves and surplus			Items of OCI	Total attributable to owners of the company
		Securities premium	General reserve	Retained earnings		
Balance as at 1 April 2018		4,852.03	29,962.24	51,940.32	(230.32)	86,524.27
<b>Total comprehensive income for the year ended 31 March 2019</b>						
Profit for the year		-	-	7,967.16	-	7,967.16
Amount adjusted pursuant to scheme of arrangement (refer note 36)		(4,852.03)	(29,962.24)	(26,215.39)	-	(61,029.66)
Other comprehensive income (net of tax)		-	-	(395.31)	116.66	(278.65)
<b>Total comprehensive income</b>		(4,852.03)	(29,962.24)	(18,643.54)	116.66	(53,341.15)
<b>Transactions with owners, recorded directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Final dividend on equity shares	47	-	-	(735.76)	-	(735.76)
Dividend distribution tax on final dividend	47	-	-	(151.24)	-	(151.24)
<b>Total contributions by and distributions to owners</b>		-	-	(887.00)	-	(887.00)
<b>Total transactions with owners</b>		-	-	(887.00)	-	(887.00)
<b>Balance as at 31 March 2019</b>		-	-	32,409.78	(113.66)	32,296.12
Balance as at 1 April 2019		-	-	<b>32,409.78</b>	<b>(113.66)</b>	<b>32,296.12</b>
<b>Total comprehensive income for the year ended 31 March 2020</b>						
Profit for the year		-	-	4,725.07	-	4,725.07
Other comprehensive income (net of tax)		-	-	(106.85)	242.07	135.22
<b>Total comprehensive income</b>		-	-	4,618.22	242.07	4,860.29
<b>Transactions with owners, recorded directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Final dividend on equity shares	47	-	-	(490.51)	-	(490.51)
Dividend distribution tax on final dividend	47	-	-	(100.83)	-	(100.83)
<b>Total contributions by and distributions to owners</b>		-	-	(591.34)	-	(591.34)
<b>Total transactions with owners</b>		-	-	(591.34)	-	(591.34)
<b>Balance as at 31 March 2020</b>		-	-	36,436.66	128.41	36,565.07

## Consolidated Statement of changes in equity

for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### Description, nature and purpose of reserve:

- (i) **Securities premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.
- (ii) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes or as allowed by the Companies Act, 2013.
- (iii) **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.
- (iv) **Other comprehensive income (OCI):** It comprises of exchange differences in translating financial statements of foreign operations.

### 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 No. 101248W/W-100022

**Jayanta Mukhopadhyay**

*Partner*

Membership No. 055757

For and on behalf of Board of Directors of

**Greenply Industries Limited**

CIN: L20211AS1990PLC003484

**Rajesh Mittal**

*Chairman cum Managing Director*

DIN No. 00240900

**Mukesh Agarwal**

*Chief Financial Officer*

**Manoj Tulsian**

*Joint Managing Director & CEO*

DIN No. 05117060

**Kaushal Kumar Agarwal**

*Company Secretary & Sr. VP-Legal*

Place : Kolkata

Date : 27 June 2020

Place : Kolkata

Date : 27 June 2020

## Notes to the consolidated financial statements for the year ended 31 March 2020

### 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:

- Greenply Holdings Pte. Limited incorporated in Singapore. It has invested in a Joint Venture Company viz. Greenply Alkema (Singapore) Pte. Limited, incorporated in Singapore, is engaged in trading of veneers. Greenply Alkema (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.
- 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.

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 27 June 2020.

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

#### 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.

## Notes to the consolidated financial statements for the year ended 31 March 2020

### 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 the every period ended is included in the following notes:

- Note 4 – useful life and residual value of property, plant and equipment;
- Note 4(d) – measurement of lease liabilities and right to use assets;
- Note 30 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 – recognition of deferred tax assets;
- Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 40 – fair value measurement of investments;
- Note 41 – impairment of financial assets: key assumptions used in estimating recoverable cash flows.

### Estimation of uncertainties relating to the global health pandemic from COVID 19

In view of pandemic relating to COVID-19, the Group has considered internal and external information available up to the date of approval of these consolidated financial statement and has performed analysis based on current estimates in assessing the recoverability of its assets including trade receivables, inventories, investments, other financial and non-financial assets, for possible impact on these consolidated financial statement. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current indicators of future economic conditions, the Group expects to recover the carrying amounts of these assets and does not anticipate any material impact on these consolidated financial statement. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

### 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

## Notes to the consolidated financial statements for the year ended 31 March 2020

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.

Further information about the assumptions made in measuring fair values is included in note 40.

### f. Basis of consolidation

#### (i) Subsidiaries

These Consolidated financial statements are prepared in accordance with Ind AS on “Consolidated Financial Statements” (Ind AS - 110), 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 2020	31 March 2019
Greenply Holdings Pte. Limited	Singapore	100%	100%
Greenply Middle East Limited	Dubai	100%	100%
Greenply Gabob SA*	Gabon	100%	100%

\*wholly owned subsidiary of Greenply Middle East Limited

#### (ii) Loss of control

When the Group loses 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 up to the same reporting date i.e 31 March 2020

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 2020

Name of the Company	Country of Incorporation	Percentage of Holding (%)	
		31 March 2020	31 March 2019
Greenply Alkema (Singapore) Pte. Limited*	Singapore	50%	50%

\* includes its wholly owned subsidiary company - Greenply Industries (Myanmar) Private Limited, (Myanmar)

### 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:

- it is expected to be realised in, or is intended for sale or consumption in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the group does not have an unconditional right to defer settlement of the liability for atleast 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.

#### 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.



## Notes to the consolidated financial statements for the year ended 31 March 2020

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 and contract assets are initially recognised when they are originated, and are 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 plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### (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 (FVTPL).

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

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).

## Notes to the consolidated financial statements for the year ended 31 March 2020

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.

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 paramount, 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 liabilities: Classification, subsequent measurement and gains and losses

## Notes to the consolidated financial statements for the year ended 31 March 2020

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 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. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Consolidated Statement of Profit and Loss.

### (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

## Notes to the consolidated financial statements for the year ended 31 March 2020

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, 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.

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. Assets retired from active use and held for disposal are stated at the lower of their net book value and fair value less cost to sell and shown under 'Current assets'.

#### (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 using the straight line method, in the manner specified in Part C of Schedule II of the Act. The estimated useful lives of items of property, plant and equipment are consistent with the Schedule II of the Companies Act, 2013, which are follows:-

- Building - 3 to 60 years
- Plant and Equipments - 15 to 25 years
- Furniture and Fixtures - 10 years
- Vehicles - 8 to 10 years
- Office Equipments - 5 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

## Notes to the consolidated financial statements for the year ended 31 March 2020

### (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.

### (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.

The estimated useful lives are as follows:

- Trademarks	5 years
- Computer software	5 years
- Technical know-how	3 years

Useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### f. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, packing materials, 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, components and other supplies 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.

### g. Impairment

## Notes to the consolidated financial statements for the year ended 31 March 2020

### (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 writeoff. 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.

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

## Notes to the consolidated financial statements for the year ended 31 March 2020

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. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Consolidated Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Consolidated Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated Statement of Profit and Loss.

### 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 liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, 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, employees 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.

## Notes to the consolidated financial statements for the year ended 31 March 2020

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 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 Profit and Loss.

### (iv) Defined benefit plans

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.

### (v) 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 Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

### (vi) 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.



## Notes to the consolidated financial statements for the year ended 31 March 2020

### 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.

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 dispatch/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.

The products are often sold with various dealers' incentive such as retrospective 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 such as tours and travel packages etc. 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. Accumulated experience is used to estimate and provide for the discounts/claims/provisions, using the expected value method, and 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 that 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 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 consolidated financial statements for the year ended 31 March 2020

### m. Leases

With effect from 01 April 2019, the Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in Note 4(d).

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 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.

#### Policy applicable before 1 April 2019:

As per Ind AS 17, a lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are generally recognised as an expense in the statement of profit and loss on a straight line basis.

#### Policy applicable after 1 April 2019:

##### a) 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.

## Notes to the consolidated financial statements for the year ended 31 March 2020

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 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 is 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

## Notes to the consolidated financial statements for the year ended 31 March 2020

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.

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 off set 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 2020

### 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 overdraft are repayable on demand and form an integral part of an entity's cash management. Bank overdraft 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.

The Group's business activity fall within a single operating segment, namely 'plywood and allied products'.

### w. Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### (i) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL. Investments in quoted and unquoted equity instruments are measured at FVTPL.

## Notes to the consolidated financial statements for the year ended 31 March 2020

### (ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

### (iii) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

### (iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

### x. 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 discloses its existence in the consolidated financial statements.

### 3A. Standards issued but not yet effective

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 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
<b>Cost (Gross carrying amount)</b>							
Balance at 1 April 2018	9,852.82	14,878.61	52,603.99	2,554.56	6143.52	1,762.13	87,795.63
Transferred pursuant to scheme of arrangement (refer note 36)	(4,792.75)	(6,078.97)	(41,536.25)	(1,358.31)	(4307.00)	(944.19)	(59,017.47)
Additions	-	2,839.34	3,805.77	383.53	427.55	73.68	7,529.87
Disposals/ discard	-	(6.83)	(500.93)	(15.02)	(373.60)	(23.28)	(919.66)
Exchange differences on translation of foreign operations	(102.50)	(56.00)	(45.00)	(1.86)	(5.24)	(0.36)	(210.96)
Balance at 31 March 2019	4,957.57	11,576.15	14,327.58	1,562.90	1885.23	867.98	35,177.41
<b>Balance at 1 April 2019</b>	<b>4,957.57</b>	<b>11,576.15</b>	<b>14,327.58</b>	<b>1,562.90</b>	<b>1,885.23</b>	<b>867.98</b>	<b>35,177.41</b>
<b>Additions</b>	<b>827.38</b>	<b>1,463.10</b>	<b>2,096.62</b>	<b>183.41</b>	<b>303.90</b>	<b>120.61</b>	<b>4,995.02</b>
<b>Disposals/ discard</b>	<b>-</b>	<b>(123.84)</b>	<b>(176.19)</b>	<b>(16.01)</b>	<b>(163.18)</b>	<b>(15.88)</b>	<b>(495.10)</b>
<b>Exchange differences on translation of foreign operations</b>	<b>379.23</b>	<b>203.07</b>	<b>205.83</b>	<b>7.06</b>	<b>14.65</b>	<b>1.22</b>	<b>811.06</b>
<b>Balance at 31 March 2020</b>	<b>6,164.18</b>	<b>13,118.48</b>	<b>16,453.84</b>	<b>1,737.36</b>	<b>2040.60</b>	<b>973.93</b>	<b>40,488.39</b>
<b>Accumulated depreciation</b>							
Balance at 1 April 2018	-	3,402.59	23,396.93	939.55	1561.61	1,041.13	30,341.81
Transferred pursuant to scheme of arrangement (refer note 36)	-	(1,868.65)	(17,465.48)	(529.78)	(1008.59)	(517.90)	(21,390.40)
Depreciation for the year	-	390.72	1,320.09	125.79	169.92	201.75	2,208.27
Adjustments/ disposals	-	(6.48)	(313.80)	(2.88)	(196.11)	(13.94)	(533.21)
Exchange differences on translation of foreign operations	-	(5.43)	(12.07)	(0.38)	(1.55)	(0.10)	(19.53)
Balance at 31 March 2019	-	1,912.75	6,925.67	532.30	525.28	710.94	10,606.94
<b>Balance at 1 April 2019</b>	<b>-</b>	<b>1,912.75</b>	<b>6,925.67</b>	<b>532.30</b>	<b>590.87</b>	<b>645.35</b>	<b>10,606.94</b>
<b>Depreciation for the year</b>	<b>-</b>	<b>442.61</b>	<b>1,391.20</b>	<b>147.71</b>	<b>248.57</b>	<b>110.84</b>	<b>2,340.93</b>
<b>Adjustments/ disposals</b>	<b>-</b>	<b>(72.51)</b>	<b>(121.26)</b>	<b>(9.38)</b>	<b>(134.53)</b>	<b>(29.59)</b>	<b>(367.27)</b>
<b>Exchange differences on translation of foreign operations</b>	<b>-</b>	<b>19.37</b>	<b>41.54</b>	<b>1.34</b>	<b>5.64</b>	<b>0.47</b>	<b>68.36</b>
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>2,302.22</b>	<b>8,237.15</b>	<b>671.97</b>	<b>710.55</b>	<b>727.07</b>	<b>12,648.96</b>
<b>Carrying amounts (net)</b>							
Balance at 31 March 2019	4,957.57	9,663.40	7,401.91	1,030.60	1294.36	222.63	24,570.47
<b>Balance at 31 March 2020</b>	<b>6,164.18</b>	<b>10,816.26</b>	<b>8,216.69</b>	<b>1,065.39</b>	<b>1,330.05</b>	<b>246.86</b>	<b>27,839.43</b>

(b) For contractual commitment with respect to property, plant and equipment, refer note 37.

(c) Security

As at 31 March 2020, property, plant and equipment with a net carrying amount of ₹ 12,308.52 lakhs (31 March 2019: ₹ 9,751.50 lakhs) are subject to first charge to secured borrowings (see note 19).

#### (d) Right-of-use assets and leases

See accounting policy in note 3 (m)

The Group has adopted Ind AS 116 "Leases",effective from 1 April 2019 and applied the standard to its leases, under modified retrospective approach and on the date of transition recognised Right-of-use assets equal to lease liabilities. The Group has accordingly, recognised a right-of-use asset and a corresponding lease liability amounting to ₹ 233.15 lakhs as at 1 April 2019. Further, an amount of ₹ 2,675.09 lakhs has been reclassified from non-current/ current assets to right-of-use assets for upfront operating lease payments and lease premium payable of ₹ 768.71 lakhs from liability for capital goods

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

to lease liabilities as on the date of transition (1 April 2019).

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous years is now recognised as depreciation expense for the right of use assets and finance cost for interest accrued on lease liabilities. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

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 2 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 for the year ended 31 March 2020.

Particulars	Leasehold Land	Office premises/ godown	Vehicles	Total
<b>Balance as at 1 April 2019</b>	-	-	-	-
On account of adoption of Ind AS 116 as at 1 April 2019	2,690.87	-	217.37	2,908.24
Additions	-	104.27	80.82	185.09
Discarded	-	-	1.60	1.60
Depreciation	30.43	52.13	92.51	175.07
<b>Balance as at 31 March 2020</b>	<b>2,660.44</b>	<b>52.14</b>	<b>204.08</b>	<b>2,916.66</b>

The following is the movement in lease liabilities during the year ended 31st March 2020

Particulars	As at 31 March 2020
<b>Balance as at 1 April 2019</b>	-
On account of adoption of Ind AS 116	1,001.86
Additions	185.09
Finance cost accrued during the period	124.26
Discarded	1.60
Payment of lease liabilities	164.37
<b>Balance as at 31 March 2020</b>	<b>1,145.24</b>

The aggregate finance cost on lease liabilities is included under finance costs (refer note 31).

Particulars	As at 31 March 2020
Current lease liabilities	235.62
Non-current lease liabilities	909.62
<b>Total</b>	<b>1,145.24</b>

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Less than one year	255.89
One to five years	919.06
More than five years	344.87
<b>Total</b>	<b>1,519.82</b>



## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

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 ₹784.02 lakhs for the year ended 31 March 2020 towards expenses relating to short term leases and leases of low value assets included under Rent (refer note 33).

The total cash outflow for leases is ₹948.39 lakhs for the year ended 31 March 2020 including cash outflow for short term and leases of low value assets.

### 5. Capital work-in-progress

See accounting policy in note 3(d) and (g)

	31 March 2020	31 March 2019
At the beginning of the year	1,596.54	77,040.12
Transferred pursuant to scheme of arrangement (refer note 36)	-	(73,348.65)
Additions during the year	179.72	1,498.68
Capitalised during the year	(1,294.57)	(3,546.35)
Exchange differences on translation of foreign operations	34.89	(47.26)
<b>At the end of the year</b>	<b>516.58</b>	<b>1,596.54</b>

Notes:

- (a) As at 31 March 2020, properties under capital work-in-progress with a carrying amount of ₹ Nil (31 March 2019: ₹ 206.32 lakhs) are subject to first charge to secured borrowings (see note 19).

### 6. Intangible assets

See accounting policy in note 3(e) and (g)

#### Reconciliation of carrying amount

	Licenses (indefinite life)	Trade marks	Computer software	Total
<b>Cost (Gross carrying amount)</b>				
Balance at 1 April 2018	395.00	22.87	766.70	1,184.57
Transferred pursuant to scheme of arrangement (refer note 36)	-	-	(222.01)	(222.01)
Additions	175.35	-	4.62	179.97
Disposals/write-off	-	-	(6.28)	(6.28)
Exchange differences on translation of foreign operations	-	-	(0.18)	(0.18)
Balance at 31 March 2019	570.35	22.87	542.85	1,136.07
<b>Balance at 1 April 2019</b>	<b>570.35</b>	<b>22.87</b>	<b>542.85</b>	<b>1,136.07</b>
Additions	-	-	210.24	210.24
Adjustments*	(100.35)	-	-	(100.35)
Exchange differences on translation of foreign operations	-	-	0.65	0.65
<b>Balance at 31 March 2020</b>	<b>470.00</b>	<b>22.87</b>	<b>753.74</b>	<b>1,246.61</b>
<b>Accumulated amortisation</b>				
Balance at 1 April 2018	-	11.47	579.93	591.40
Transferred pursuant to scheme of arrangement (refer note 36)	-	-	(104.88)	(104.88)
Amortisation for the year	-	4.58	30.26	34.84
Adjustments/ disposals	-	-	(2.85)	(2.85)

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Licenses (indefinite life)	Trade marks	Computer software	Total
Exchange differences on translation of foreign operations	-	-	(0.27)	(0.27)
Balance at 31 March 2019	-	16.05	502.19	518.24
<b>Balance at 1 April 2019</b>	<b>-</b>	<b>16.05</b>	<b>502.19</b>	<b>518.24</b>
Amortisation for the year	-	4.58	51.33	55.91
Exchange differences on translation of foreign operations	-	-	0.64	0.64
<b>Balance at 31st March 2020</b>	<b>-</b>	<b>20.61</b>	<b>554.15</b>	<b>574.76</b>
<b>Carrying amounts (net)</b>				
Balance at 31 March 2019	570.35	6.82	40.66	617.83
<b>Balance at 31 March 2020</b>	<b>470.00</b>	<b>2.26</b>	<b>199.59</b>	<b>671.85</b>

#### Licenses (indefinite life):

For Licenses of the Group that are regarded to have indefinite useful lives represents license to set-up and operate wood peeling plant. 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.

\* Adjustment represents transfer of license for setting-up a medium density fibreboard plant and particle board plant in Hardoi, Uttar Pradesh from intangibles to capital advance. National Green Tribunal (NGT) vide its order dated 18 February 2020 has quash notice dated 1 March 2019 issued by the State of Uttar Pradesh (ministry of forest) for establishing new wood-based industries/ saw mills and all provisional licenses given in pursuance thereof. Order of NGT is challenged by the State of Uttar Pradesh (ministry of forest) in Supreme Court. As on 31 March 2020, the case is pending.

### 7A. Investments accounted for using the equity method

See accounting policy in note 3(f)

Unquoted	31 March 2020	31 March 2019
<b>Investments in joint venture</b>		
<b>3,750,000</b> (31 March 2019: 3,750,000) equity shares of Greenply Alkema (Singapore) Pte. Limited, (face value USD 1 each, fully paid-up)	<b>2,174.54</b>	2,223.80
Aggregate value of unquoted investments	<b>2,174.54</b>	2,223.80
Aggregate amount of impairment in value of investments	-	-
<b>Equity accounted investees</b>		
Interest in a joint venture	<b>2,174.54</b>	2,223.80

#### Joint Venture

Greenply Alkema (Singapore) Pte. Limited is a joint arrangement in which the Group has 50% ownership interest. It is one of the Group's strategic raw material supplier and is principally engaged in the business of trading and marketing of commercial veneers and panel products. Greenply Alkema (Singapore) Pte. Limited is not publicly listed.

Greenply Alkema (Singapore) Pte. Limited is structured as a separate legal entity and the Group has an interest in the net assets of Greenply Alkema (Singapore) Pte. Limited. Accordingly, the Group has classified its interest in Greenply Alkema (Singapore) Pte. Limited as a joint venture.

During the year ended 31 March 2019, there has been a realignment of the Group's holding in its step-down Joint Venture Company namely Greenply Alkema (Singapore) Pte. Ltd. [a joint venture company of the

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Holding Company through its wholly owned subsidiary Greenpanel Singapore Pte. Ltd., Singapore (formally known as Greenply Trading Pte. Ltd.) and Alkema! Singapore Pvt. Ltd., Singapore] whereby the Group's investment of USD 3,750,000 (37,50,000 ordinary shares of USD 1 each) in the said Joint-Venture Company, which was held through Greenpanel Singapore Pte. Ltd., Singapore (formally known as Greenply Trading Pte. Ltd.), is now being held through Greenply Holdings Pte. Ltd., Singapore, existing wholly owned subsidiary of the Holding Company.

Pursuant to the Scheme of arrangement, overseas subsidiary viz. Greenpanel Singapore Pte. Ltd., Singapore (formally known as Greenply Trading Pte. Ltd.) was transferred to Greenpanel Industries Limited and have ceased to be subsidiary of the Holding Company (refer note 36).

The following table summarise the financial information of Greenply Alkema! (Singapore) Pte. Limited and the carrying amount of the Group's interest in Greenply Alkema! (Singapore) Pte. Limited.

	31 March 2020	31 March 2019
<b>Percentage ownership interest</b>	<b>50%</b>	<b>50%</b>
Non-current assets	4,628.99	3,031.20
Current assets (including cash and cash equivalents – 31 March 2020: ₹ 90.20 lakhs, 31 March 2019: ₹ 165.29 lakhs)	2,949.17	3,234.23
	7,578.16	6,265.43
Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions– 31 March 2020: ₹ 1,244.76 lakhs, 31 March 2019: ₹ 1,700.45 lakhs)	(3,229.09)	(1,817.84)
	(3,229.09)	(1,817.84)
<b>Net assets</b>	<b>4,349.07</b>	<b>4,447.59</b>
Group's share of net assets	2,174.54	2,223.80
Carrying amount of interest in joint venture	2,174.54	2,223.80

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Percentage ownership interest</b>	<b>50%</b>	<b>50%</b>
Revenue	7,525.65	7,767.07
Depreciation and amortisation	(337.89)	(245.68)
Interest expense	(518.61)	(146.57)
Income tax expense	(2.32)	(5.34)
Profit/(Loss)	(98.52)	988.73
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss)	(98.52)	988.73
Group's share of Profit/(loss)	(49.26)	494.36
Group's share of other comprehensive income/(loss)	-	-
Group's share of total comprehensive income/(loss)	(49.26)	494.36

During the years ended 31 March 2020 and 31 March 2019, the Group did not receive dividends from the joint venture.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 7B. Investments

See accounting policy in note 3(c) and (g)

#### Non-current investments

Unquoted	31 March 2020	31 March 2019
<b>Equity instruments carried at fair value through profit and loss (FVTPL)</b>		
11,40,000 (31 March 2019: Nil) equity shares of Nemani Panels Private Limited (face value ₹10 each, fully paid-up)	114.00	-
9,50,000 (31 March 2019: Nil) equity shares of Panchjanaya ply & Board Private Limited (face value ₹10 each, fully paid-up)	95.00	-
<b>Quoted</b>	<b>209.00</b>	<b>-</b>
<b>Equity instruments carried at fair value through profit and loss (FVTPL)</b>		
3,400 (31 March 2019: 3,400) equity shares of Indian Overseas Bank Limited (face value ₹ 10 each, fully paid-up)	0.24	0.49
	209.24	0.49
Aggregate book value of quoted investments	0.24	0.49
Aggregate market value of quoted investments	0.24	0.49
Aggregate value of unquoted investments	209.00	-
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 40 and 41.

### 8. Loans and deposits

(Unsecured, considered good)

	31 March 2020	31 March 2019
<b>Non-current</b>		
Security deposits	116.47	242.16
Loan to employees	45.58	32.47
	162.05	274.63
<b>Current</b>		
Security deposits*	307.85	-
Loan to employees	23.97	44.65
	331.82	44.65
	493.87	319.28

\*For security deposit given to related parties refer note 38.

### 9. Non-current tax assets

See accounting policy in note 3(o)

	31 March 2020	31 March 2019
Advance income tax (Net of provision for tax ₹ 21,372.09 lakhs (31 March 2019: ₹ 19,426.22 lakhs))	1,307.77	418.61
	1,307.77	418.61

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 10. Inventories

(Valued at the lower of cost and net realisable value)

See accounting policy in note 3(f)

	31 March 2020	31 March 2019
Raw materials	6,615.03	6,582.14
[including in transit ₹ 650.90 lakhs (31 March 2019 ₹ 1,132.24 lakhs)]		
Work-in-progress	2,949.80	2,049.23
Finished goods	4,260.03	5,281.86
[including in transit ₹ 1,216.21 lakhs (31 March 2019 ₹ 1,536.67 lakhs)]		
Stock in trade	3,042.99	2,407.29
[including in transit ₹ 377.93 lakhs (31 March 2019 ₹ 1,245.03 lakhs)]		
Stores and spares	842.23	623.19
[including in transit Nil (31 March 2019 ₹ 71.66 lakhs)]		
	17,710.08	16,943.71

For carrying amount of inventories pledged as securities against borrowings, refer note 19.

The write-down of inventories to net realisable value during the year by the Group amounted to ₹ 172.63 lakhs (31 March 2019: ₹ Nil). These are recognised as expenses during the respective period and included in changes in inventories of stock-in-trade.

### 11. Trade receivables

	31 March 2020	31 March 2019
<b>Current</b>		
Unsecured		
- Considered good	36,380.19	30,993.37
- Credit impaired	1.92	16.22
	36,382.11	31,009.59
Less: Loss allowances	730.72	504.63
<b>Net trade receivables</b>	<b>35,651.39</b>	<b>30,504.96</b>

#### Notes:

- No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.
- Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 41.
- For terms and conditions of trade receivables owing from related parties, see note 38.
- For receivables secured against borrowings, see note 19.

### 12. Cash and cash equivalents

See accounting policy in note 3(s)

	31 March 2020	31 March 2019
Cash on hand	79.08	27.82
Cheques in hand	171.00	1,331.95
Balances with banks		
- On current accounts	243.57	672.11
- On deposit accounts (with original maturities up to 3 months)	500.74	-
<b>Cash and cash equivalents in balance sheet</b>	<b>994.39</b>	<b>2,031.88</b>
Bank overdrafts	(2,563.43)	(1,617.58)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>(1,569.04)</b>	<b>414.30</b>

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 13. Bank balances other than cash and cash equivalents

	31 March 2020	31 March 2019
Bank deposits due to mature after 3 months of original maturities but within 12 months from the reporting date*	24.44	22.13
Earmarked balances with banks for unpaid dividend accounts	6.56	3.90
	31.00	26.03

\*Pledged/lodged with various government authorities as security

### 14. Other non-current assets

(Unsecured, considered good)

	31 March 2020	31 March 2019
Capital advances	927.55	449.93
<b>Advances other than capital advances</b>		
Unmatured finance charges	-	27.10
Leasehold land prepayments (refer note below)	-	2,626.51
Deposits against demand under appeal and/or under dispute	126.42	52.94
Amount due from government authorities	140.52	213.72
Security deposits	26.01	26.01
	1,220.50	3,396.21

#### Note:

Leasehold land prepayments relate to land leases classified as operating as the title is not expected to transfer at the end of the lease term and considering that the land has an indefinite economic life. With effect from 01 April 2019 the Group has adopted Ind AS-116 'Leases' and accordingly upfront operating lease payments has been reclassified to right of use assets (refer note 4(d)).

### 15. Other financial assets

(Unsecured, considered good)

	31 March 2020	31 March 2019
<b>Non-current</b>		
Government grants receivable (refer note 21(b) and 49)	-	2,230.66
	-	2,230.66
<b>Current</b>		
Government grants receivable (refer note 15.1)	819.32	612.09
Insurance claim receivable	106.35	66.55
Other receivables (refer note 38)	114.07	-
Commision receivable from joint venture (refer note 38)	5.65	-
	1,045.39	678.64
	1,045.39	2,909.30

15.1 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 on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 16. Other current assets

(Unsecured, considered good)

	31 March 2020	31 March 2019
<b>To parties other than related parties</b>		
Advances to suppliers	1,201.54	1,640.60
Advances to employees	118.19	32.36
Prepaid expenses	600.42	723.99
Unmatured finance charges	-	32.48
Leasehold land prepayments (refer note below)	-	48.58
Amount due from government authorities	330.85	120.52
	<b>2,251.00</b>	<b>2,598.53</b>

#### Note:

Leasehold land prepayments relate to land leases classified as operating as the title is not expected to transfer at the end of the lease term and considering that the land has an indefinite economic life. With effect from 01 April 2019 the Group has adopted Ind AS-116 'Leases' and accordingly upfront operating lease payments has been reclassified to right of use assets {refer note 4(d)}.

### 17. Equity share capital

See accounting policy in note 3(q)

	31 March 2020	31 March 2019
<b>Authorised</b>		
160,000,000 (31 March 2019: 160,000,000) equity shares of ₹ 1 each	1600.00	1,600.00
<b>Issued, subscribed and fully paid-up</b>		
122,627,395 (31 March 2019: 122,627,395) equity shares of ₹ 1 each	1,226.27	1,226.27

#### (a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Balance at the beginning and at the end of the year	122,627,395	1,226.27	122,627,395	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.

#### Note:

##### Shares held in abeyance

In compliance with the provisions of the Companies Act, 2013, 3,020 equity shares of the Company held by 5 shareholders have been held in abeyance.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### (c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Equity shares of ₹ 1 each	31 March 2020		31 March 2019	
	Number	%	Number	%
S.M. Management Private Limited	32,715,641	26.68%	31,626,965	25.79%
Prime Holdings Private Limited	12,042,800	9.82%	12,042,800	9.82%
HSBC Bank (Mauritius) Limited - Jwalamukhi Investment Holdings	11,708,698	9.55%	11,787,720	9.61%
Shiv Prakash Mittal and Shobhan Mittal - Trade Combines	11,702,380	9.54%	11,702,380	9.54%
HDFC Trustee Company Limited	11,027,655	8.99%	10,425,455	8.50%

(d) The Holding Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

(e) The Holding Company for the period of five years immediately preceding the reporting date has not:

- Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
- Allotted fully paid up shares by way of bonus shares.
- Bought back any class of shares.

### 18. Other equity

	31 March 2020	31 March 2019
<b>Securities premium</b>		
Balance at the commencement of the year	-	4,852.03
Less: Amount adjusted pursuant to scheme of arrangement (refer note 36)	-	4,852.03
Balance at the end of the year	-	-
<b>General reserve</b>		
Balance at the commencement of the year	-	29,962.24
Less: Amount adjusted pursuant to scheme of arrangement (refer note 36)	-	29,962.24
Balance at the end of the year	-	-
<b>Retained earnings</b>		
Balance at the commencement of the year	32,409.78	51,940.32
Add: Profit for the year	4,725.07	7,967.16
Less: Amount adjusted pursuant to scheme of arrangement (refer note 36)	-	26,215.39
Less : Exchange differences in translating financial statements of foreign operations reclassified to profit or loss	-	388.74
Less: Dividend on equity shares	490.51	735.76
Less: Dividend distribution tax	100.83	151.24
Add: Remeasurements of the net defined benefit plans	(106.85)	(6.57)
Balance at the end of the year	36,436.66	32,409.78
<b>Other comprehensive income (OCI)</b>		
Balance at the commencement of the year	(113.66)	(230.32)
Exchange differences in translating financial statements of foreign operations reclassified to profit or loss	-	388.74
Exchange differences in translating financial statements of foreign operations	242.07	(272.08)
Balance at the end of the year	128.41	(113.66)
	<b>36,565.07</b>	<b>32,296.12</b>



## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### (a) Description, nature and purpose of reserve:

- (i) **Securities premium** : Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.
- (ii) **General reserve**: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes or as allowed by the Companies Act, 2013.
- (iii) **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.
- (iv) **Other comprehensive income (OCI)**: It comprises of exchange differences in translating financial statements of foreign operations.

### (b) Disaggregation of changes in items of OCI

	31 March 2020	31 March 2019
<b>Retained earnings</b>		
Exchange differences in translating financial statements of foreign operations	128.41	(113.66)
	128.41	(113.66)

## 19. Borrowings

See accounting policy in note 3 (c) and (p)

	31 March 2020	31 March 2019
<b>Non-current borrowings</b>		
<b>Secured</b>		
Term loans from banks		
Foreign currency loans	5,073.53	5,951.87
Rupee loans	3,297.81	4,396.19
	8,371.34	10,348.06
Less: Current maturities of non-current borrowings (refer note 20)	2,848.22	2,624.17
	5,523.12	7,723.89
Loan against vehicles	467.16	539.08
Less: Current maturities of loan against vehicles (refer note 20)	181.66	220.68
	285.50	318.40
	5,808.62	8,042.29
<b>Current borrowings</b>		
<b>Secured</b>		
From banks		
Foreign currency loan - buyers credit	1,631.82	826.26
Foreign currency loans	3,906.01	1,935.08
Bank overdraft	2,563.43	1,617.58
Rupee loans - repayable on demand	4,190.87	3,153.57
Rupee loans - bill discounting	3,339.99	3,418.93
	15,632.12	10,951.42
<b>Unsecured</b>		
From banks		
Channel finance assurance facility*	650.00	800.00
Foreign loans - bill discounting	889.33	1,133.43

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	31 March 2020	31 March 2019
Rupee loans - bill discounting	731.15	1,130.36
	2,270.48	3,063.79
From others		
Channel finance assurance facility*	-	100.00
	-	100.00
	17,902.60	14,115.21

\* 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 41.

### (A) Terms of repayment

Name of the lender	Interest rate	Repayment schedule	Year of maturity	31 March 2020	31 March 2019
<b>(i) Foreign currency term loans</b>					
Axis Bank Limited [USD 21.64 lakhs (31 March 2019: USD 28.30 lakhs)]	3 month Libor +2.75%	Repayable at quarterly rest: 13 of USD 1.67 lakhs	2023-24	1,636.15	1,956.16
Export-Import Bank of India [EURO 41.25 lakhs (31 March 2019: Euro 51.57 lakhs)]	3 month Euribor +3.25%	Repayable at quarterly rest: 12 of EURO 3.43 lakhs	2022-23	3,437.38	3,995.71
				5,073.53	5,951.87
<b>(ii) Rupee term loans</b>					
HDFC Bank Limited	3 year MCLR	Repayable at quarterly rest: 10 of ₹ 150.00 lakhs and 4 of ₹ 300.00 lakhs	2023-24	2,697.93	2,996.88
HDFC Bank Limited	1 year MCLR +0.60%	Repayable at quarterly rest: 3 of ₹ 200.00 lakhs	2020-21	599.88	1,399.31
				3,297.81	4,396.19
<b>Total</b>				8,371.34	10,348.05

### (B) Details of security

- (a) Term loan of Greenply Middle East Limited from Axis Bank Limited, Dubai of ₹ 1,636.15 lakhs (31 March 2019: ₹ 1,956.16 lakhs) is secured by Standby letter of credit issued by Axis Bank Limited India using fund based limit of the Holding company.
- (b) Term loan of Greenply Gabon SA from Export Import Bank of India of ₹ 3,437.38 lakhs (31 March 2019: ₹ 3,995.71 lakhs) is secured by exclusive charge on the movable project assets including current assets at Gabon and Corporate guarantee from the Holding Company. Pledge of 100% shares of the Greenply Gabon SA held by Greenply Middle East Limited U.A.E.
- (c) Rupee term loans of ₹ 3,297.81 lakhs (31 March 2019: ₹ 4,396.19 lakhs) are secured by:
  - i) First pari-passu charge on immovable fixed assets of the Holding Company situated at Kriparampur (West Bengal).
  - ii) First 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 all the current assets of the Holding Company.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

- (d) 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.
- (e) Working capital loans of ₹ 4,190.87 lakhs (31 March 2019: ₹ 3,153.57 lakhs) are secured by:
- First pari passu charge on all the current assets of the Holding Company.
  - Second pari passu charge on all movable fixed assets of the Holding Company, present and future, except assets specifically charged to other lenders.
  - Second pari-passu charge on immovable fixed assets of the Holding Company situated at Kriparampur (West Bengal).
- (f) Foreign currency loan repayable on demand of Greenply Middle East Limited of ₹ 3,906.01 lakhs (31 March 2019: ₹ 1,935.08 lakhs) and Bank overdraft of Greenply Middle East Limited of ₹ 2,563.43 lakhs (31 March 2019: ₹ 1,617.58 lakhs) are secured by Standby letter of credit issued by Axis Bank Limited, India and CITI Bank, India respectively on behalf of the Holding Company.
- (g) Foreign currency loan - buyers credit of ₹ 1,631.82 lakhs (31 March 2019: ₹ 826.26 lakhs) and Rupee loans - bill discounting of ₹ 3,339.99 lakhs (31 March 2019: ₹ 3,418.93 lakhs) is secured by standby letter of credit/letter of credit issued by banks using fund based limit of the Holding Company.

## 20. Other financial liabilities

	31 March 2020	31 March 2019
<b>Non-current</b>		
Security deposits from customers	1.00	195.47
Liability for capital goods	-	768.71
	1.00	964.18
<b>Current</b>		
Current maturities of non current borrowings (refer note 19)	2,848.22	2,624.17
Current maturities of loan against vehicles (refer note 19)	181.66	220.68
Interest accrued but not due on borrowings	117.87	39.35
Liability for capital goods	700.45	1,258.25
Employee benefits payable (refer note c below)	1,275.52	1,571.31
Unclaimed dividend	6.56	3.90
	5,130.28	5,717.66

- (a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2020.
- (b) Information about the Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 41.
- (c) It includes remuneration payable to related parties, refer note 38.

## 21. Provisions

See accounting policy in note 3(i) and (j)

	31 March 2020	31 March 2019
<b>Non-current</b>		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	-	104.79
Liability for compensated absences	517.59	400.22
	517.59	505.01
<b>Current</b>		
Provision for litigation {refer note (a) below}	2,897.80	-

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Provisions for employee benefits:		
Net defined benefit liability - gratuity	13.58	-
Liability for compensated absences	48.15	47.08
	2,959.53	47.08

### (a) Movement of provisions (Current)

	Provision for litigation
Balance as at 1 April 2018	-
Add: Provisions made during the year 2018-19	-
Less: Amount utilised/ reversed during the year 2018-19	-
Balance as at 31 March 2019	-
Add: Provisions made during the year 2019-20	2,897.80
Less: Amount utilised/ reversed during the year 2019-20	-
Balance as at 31 March 2020	2,897.80

- (b) The Hon'ble Supreme Court of India vide its Order dated 22 April 2020 upheld the Special Leave Petition filed by the Union of India & Others in Civil Appeal Nos.2256-2263 of 2020 arising out of S.L.P. (C) Nos.28194-28201/ 2010 in respect of availing of area based exemption under Central Excise. The Holding Company is one of the Respondents in the subject matter. Based on the management's assessment, the Holding Company may have to refund maximum principal amount of ₹ 2,709.36 lakhs in respect of excess refund received from the Excise Department for the period from 01.04.2008 to 30.06.2017. Further, the Holding Company has estimated an interest amount of ₹ 2,120.31 lakhs from the date of various refund till 31.03.2020 at the prescribed rate. However, the applicability of interest is litigative in nature. The Holding Company also draws 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, as per which the above principal amount along with interest, if any, shall be shared by Greenply Industries Limited and Greenpanel Industries Limited in the ratio of 60:40. Therefore, the Holding Company has recorded provision of its share of 60% for principal and interest amounting to ₹ 1,625.62 lakhs and ₹ 1,272.18 lakhs respectively. In addition to the above, the Holding Company has also written off amount of ₹ 2,099.25 lakhs in respect of pending refund receivable from the Excise Department for the period from 01.04.2008 to 16.05.2015, as appearing in the books. Accordingly, the total impact of the aforesaid judgment in the financial statements for the year ended 31 March 2020 is ₹ 4,997.05 lakhs.

Considering the nature and size of transaction, the Group has disclosed the above mentioned impact as an "exceptional items" in the financial statements for the year ended 31 March 2020. The Holding Company continues to work with its legal counsel on this matter and will take all the necessary steps as may be appropriate from time to time.

## 22. Trade payables

	31 March 2020	31 March 2019
Dues to micro and small enterprises (refer note 45)	184.16	83.15
Dues to other than micro and small enterprises	19,673.17	19,398.28
Dues to related parties (refer note 38)	184.95	440.78
Acceptances	3,128.73	3,272.82
	23,171.01	23,195.03

Information about the Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 41.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 23. Derivatives

See accounting policy in note 3(c)(v)

	31 March 2020	31 March 2019
<b>Derivative liability</b>		
Foreign exchange forward contracts	-	88.54
	-	88.54
<b>Derivative asset</b>		
Foreign exchange forward contracts	137.00	-
	137.00	-

Information about the Group's exposure to currency risks related to derivatives is disclosed in note 41.

### 24. Other current liabilities

	31 March 2020	31 March 2019
Statutory dues	1,212.73	1,987.49
Advance from customers*	579.03	518.47
	1,791.76	2,505.96

\*The advance from customers (contract liabilities) outstanding at the beginning of the year has been recognised as revenue during the year ended 31 March 2020.

### 25. Revenue from operations

See accounting policy in note 3(k) and (l)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue from contracts with customers</b>		
<b>Sale of products</b>		
Finished goods	105,995.53	105,586.88
Stock-in-trade	35,586.38	34,826.06
	141,581.91	140,412.94
<b>Other operating revenue</b>		
Government grants		
- Refund of goods and service tax and excise duty (refer note 46)	460.78	803.23
	460.78	803.23
	142,042.69	141,216.17

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Reconciliation of revenue from sale of products with the contracted price</b>		
Contracted price	149,840.23	147,017.44
Less : Reduction towards variable consideration components.	8,258.32	6,604.50
Sale of products	141,581.91	140,412.94

- a) The Group 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 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.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

- b) For contract balances i.e. trade receivables and advance from customers, refer note 11 and 24.  
c) For information on revenue from contracts with customers disaggregated on the basis of geographical region, refer note 43.

### 26. Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest on fixed deposits with banks and others	68.14	7.47
Income from related party:		
- Commission on guarantee given to joint venture (refer note 38)	21.63	31.72
Liabilities no longer required written back	77.67	110.64
Rental income from property	-	0.60
Foreign exchange fluctuations(net)	21.57	-
Miscellaneous income	14.99	176.21
	204.00	326.64

### 27. Cost of materials consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Inventory of raw materials at the beginning of the year	6,582.14	11,017.64
Balance transferred pursuant to scheme of arrangement (refer note 36)	-	(4,659.87)
Add: Purchases	54,554.04	58,577.44
Less: Inventory of raw materials at the end of the year	(6,615.03)	(6,582.14)
	54,521.15	58,353.07

### 28 Purchase of stock in trade

	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of stock-in-trade	29,331.55	30,604.65
	29,331.55	30,604.65

### 29. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening inventories</b>		
Work-in-progress	2,049.23	2,085.27
Finished goods	5,281.86	3,796.30
Stock in trade	2,407.29	3,858.79
Balance transferred pursuant to scheme of arrangement	-	(3,627.89)
(A)	9,738.38	6,112.47
<b>Closing inventories</b>		
Work-in-progress	2,949.80	2,049.23
Finished goods	4,260.03	5,281.86
Stock in trade	3,042.99	2,407.29
(B)	10,252.82	9,738.38
Effect of foreign exchange fluctuations	(C) 210.31	(30.03)
(A-B+C)	(304.13)	(3,655.94)

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 30. Employees benefits expense

See accounting policy in note 3(i)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries,wages and bonus	14,558.53	13,685.62
Contribution to provident and other funds	736.16	533.90
Expenses related to post-employment defined benefit plan	188.11	245.32
Expenses related to compensated absences	352.38	340.41
Staff welfare expenses	456.37	342.64
	16,291.55	15,147.89

Salaries, wages and bonus includes ₹ 2,997.15 lakhs (31 March 2019: ₹ 2,743.80 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 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 ₹ 690.90 lakhs (31 March 2019: ₹ 512.02 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 ₹ 45.26 lakhs (31 March 2019: ₹ 55.16 lakhs) has been charged to the Consolidated Statement of Profit and Loss in relation to the above defined contribution scheme.

- (b) **Defined benefit plan:** Holding company provides retirement benefits in the form of gratuity which 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.

#### (c) Actuarial valuation of gratuity liability

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Defined benefit cost</b>		
Current service cost	182.47	150.99
Interest expense on defined benefit obligation	96.58	94.33
Interest income on plan assets	(90.94)	-
<b>Defined benefit cost in Statement of Profit and Loss</b>	188.11	245.32
Remeasurements from financial assumptions	97.08	21.96
Remeasurements from experience adjustments	58.56	(3.11)
Remeasurements from financial assumptions on plan assets	(12.86)	(8.75)
<b>Defined benefit cost in Other Comprehensive Income (OCI)</b>	142.78	10.10
<b>Total defined benefit cost in Statement of Profit and Loss and OCI</b>	330.89	255.42
<b>Movement in defined benefit obligation</b>		
Balance at the beginning of the year	1,403.89	1,913.17
Interest cost	96.58	94.33
Current service cost	182.47	150.99
Actuarial losses/(gains) recognised in other comprehensive income	155.64	18.85

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Benefits paid	(48.36)	(170.80)
Transferred pursuant to scheme of arrangement (refer note 36)	-	(602.65)
<b>Balance at the end of the year</b>	1,790.22	1,403.89

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Movement in fair value of plan assets</b>		
Balance at the beginning of the year	1,299.10	-
Interest income	90.94	-
Employer contributions	422.10	1,461.15
Benefit paid from employer	(48.36)	(170.80)
Remeasurements from financial assumptions on plan assets	12.86	8.75
<b>Balance at the end of the year</b>	1,776.64	1,299.10
<b>Net asset/(liability) recognised in the Consolidated Balance Sheet</b>		
Present value of defined benefit obligation	(1,790.22)	(1,403.89)
Fair value of plan asset	1,776.64	1,299.10
<b>Net asset/(liability)</b>	(13.58)	(104.79)
<b>Sensitivity analysis for significant assumptions:</b>		
<b>Increase/(Decrease) in present value of defined benefit obligation at the end of the year</b>		
Salary escalation - Increase by 1%	144.89	117.45
Salary escalation - Decrease by 1%	(131.31)	(103.83)
Withdrawal rates - Increase by 1%	3.82	9.56
Withdrawal rates - Decrease by 1%	(8.36)	(11.07)
Discount rates - Increase by 1%	(124.70)	(98.40)
Discount rates - Decrease by 1%	139.29	112.61
<b>Actuarial assumptions</b>		
Mortality table	IALM 2006-2008	IALM 2006-2008
Discount rate (per annum)	7.00%	7.70%
Rate of escalation in salary (per annum)	6.00%	6.00%
Withdrawal rate	1% - 8%	1% - 8%
<b>Maturity profile of defined benefit obligation</b>		
Not later than 1 year	243.91	220.62
Later than 1 year and not later than 5 years	771.57	723.09
More than 5 years	2,308.05	522.24
<b>Weighted average duration of defined benefit obligation (in years)</b>	4.95	4.80



## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

(d) The major categories of plan assets as a percentage of the fair value of total plan assets

	Year ended 31 March 2020	Year ended 31 March 2019
	In %	In %
Fund with HDFC Life Insurance Company Limited	71.90%	66.01%
Fund with Kotak Mahindra Life Insurance Company Limited	28.10%	33.99%
	100.00%	100.00%

(e) The Group's expected contribution during next year is ₹ 169.60 lakhs (31 March, 2019 ₹ Nil)

### 31. Finance costs

See accounting policy in note 3(p)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost	1,865.58	1,815.54
Interest on lease liabilities {refer note 4(d)}	124.26	-
Other borrowing cost	89.55	71.79
Less: Finance cost capitalised (refer note 5)	-	(23.85)
	2,079.39	1,863.48

### 32. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment	2,340.93	2,208.27
Depreciation of right of use assets {refer note 4(d)}	175.07	-
Amortisation of intangible assets	55.91	34.84
	2,571.91	2,243.11

### 33. Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spares	1,386.19	1,419.81
Power and fuel	2,302.16	2,296.72
Rent {refer note 4(d)}	784.02	978.08
Repairs to:		
- Buildings	133.27	137.76
- Plant and equipment	602.19	511.37
- Others	592.04	480.85
Insurance	518.37	246.25
Rates and taxes	456.35	140.67
Travelling expenses	1,126.35	1,081.77
Freight and delivery expenses	6,567.51	6,845.21
Export expenses	2,594.41	2,410.99
Advertisement and sales promotion	5,109.82	5,888.62
Commission paid to independent directors	55.00	27.50
Directors sitting fees	27.20	16.50
Payment to auditors	71.49	64.00
Donation	7.60	17.48
Expenditure on corporate social responsibility	328.19	380.60
Loss on sale/discard of property, plant and equipment	52.28	201.71

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Amortisation of leasehold land prepayments	-	29.88
Loss on fair valuation of investments at fair value through profit and loss	0.25	0.10
Legal and professional fees	676.08	533.77
Commission expenses	784.19	247.02
Loss allowance and bad debts		
- Bad debts	171.84	205.32
- Loss allowance	226.09	397.93
Foreign exchange fluctuations (net)	-	460.66
Miscellaneous expenses	2,066.53	1,848.22
	26,639.42	26,361.93

### 34. Income tax and deferred tax assets (net)

See accounting policy in note 3(o)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>(a) Amount recognised in Profit and Loss</b>		
Current tax	1,945.87	2,292.90
<b>Income tax</b>	1,945.87	2,292.90
Deferred tax	(601.40)	707.09
Mat credit utilised	-	151.83
<b>Deferred tax</b>	(601.40)	858.92
<b>Tax expense recognised in Statement of Profit and Loss</b>	1,344.47	3,151.82
Deferred tax in other comprehensive income	(35.93)	(3.53)
<b>Tax expense in Total Comprehensive Income</b>	1,308.54	3,148.29
<b>(b) Reconciliation of effective tax rate for the year</b>		
<b>Profit before tax</b>	6,069.54	11,118.98
Applicable Income Tax rate	25.168%	34.944%
<b>Computed tax expense</b>	1,527.58	3,885.42
<b>Tax impact relating to:</b>		
Exempt income of subsidiaries	(381.20)	(469.50)
Share of (profit)/loss of joint venture	12.40	(172.75)
Additional deduction as per income tax	-	59.75
Impact of tax rate change	114.97	-
Non-deductible expenses for tax purposes	45.33	(148.58)
Other differences (net)	25.39	(2.52)
<b>Tax expense in Statement of Profit and Loss</b>	1,344.47	3,151.82

#### Impact of tax rate change

The Holding company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding company has recognised current tax expense for the year ended 31 March 2020 and remeasured it's deferred tax assets (net) basis the rate prescribed in the said section.

<b>(c) Movement in deferred tax liabilities and assets balances:</b>		
Deferred tax liabilities	291.21	312.41
Less: Deferred tax assets	(1,339.49)	(723.36)
<b>Net deferred tax (assets)/liabilities</b>	(1,048.28)	(410.95)

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### (d) Movement in deferred tax asset / liability

Movement in deferred tax asset / liability	1 April 2019	Movement through Statement of Profit and Loss	Movement through Other Comprehensive income	31 March 2020
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	312.41	(21.20)	-	291.21
<b>Deferred tax assets</b>				
Provisions for employee benefits	(197.31)	33.99	(35.93)	(199.25)
Expenses allowed for tax purposes when paid	(220.90)	(667.52)	-	(888.42)
Loss allowance on Trade receivables	(225.01)	11.81	-	(213.20)
Other temporary differences	(80.14)	41.52	-	(38.62)
	(410.95)	(601.40)	(35.93)	(1,048.28)

Movement in deferred tax asset / liability	1 April 2018	Balance transferred pursuant to scheme of demerger	Movement through Statement of Profit and Loss	Movement through Other Comprehensive income	31 March 2019
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	4,696.72	(4,440.56)	56.25	-	312.41
<b>Deferred tax assets</b>					
Provisions for employee benefits	(1,208.16)	438.31	576.07	(3.53)	(197.31)
Expenses allowed for tax purposes when paid	(220.90)	-	-	-	(220.90)
Loss allowance on Trade receivables	(392.26)	90.64	76.61	-	(225.01)
Other temporary differences	(78.38)	0.08	(1.84)	-	(80.14)
Minimum Alternate Tax (MAT) credit	(151.83)	-	151.83	-	-
	2,645.19	(3,911.53)	858.92	(3.53)	(410.95)

## 35. Earnings per share

	31 March 2020	31 March 2019
<b>Basic and diluted earnings per share</b>		
(i) Profit for the year, attributable to the equity shareholders	4725.07	7,967.16
(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	122,627,395	122,627,395
<b>Weighted average number of equity shares</b>	122,627,395	122,627,395
<b>Basic and diluted earnings per share (₹) [(i)/(ii)]</b>	3.85	6.50

## 36. Composite Scheme of Arrangement

### (a) Description

Pursuant to the Composite Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Guwahati Bench vide Order dated 28 June 2019 ("Order"), with effect from

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

the Appointed Date i.e., 1 April 2018, the Medium Density Fibreboards and allied products business of Chittoor unit, Andhra Pradesh and Medium Density Fiberboards, Plywood and allied products business of Pantnagar unit, Uttarakhand, branches/administrative and marketing offices of the above respective businesses of the Holding Company ('the transferred business') including investment in wholly owned subsidiary - Greenpanel Singapore Pte Ltd., Singapore (formerly known as Greenply Trading Pte. Limited), excluding investment of Greenpanel Singapore Pte. Limited in Greenply Alkema (Singapore) Pte. Limited (registered in Singapore) of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each), stands transferred into the "Greenpanel Industries Limited", wholly owned subsidiary ('the resulting company' or 'Greenpanel').

The consolidated financial statements of the Company for the year ended 31 March 2019 were approved by the Board of Directors at its meeting held on 30 May 2019 without giving effect to the Scheme pending receipt of the order from the NCLT and regulatory compliances. On receipt of the order dated 28 June 2019 from NCLT sanctioning the Scheme and upon filing the same with Registrar of Companies, Assam on 1 July 2019 the Scheme has become effective. Accordingly, the consolidated financial statements approved on 30 May 2019 as aforesaid has been revised by the Group to give effect to the aforesaid NCLT Order from the Appointed date of 1 April 2018.

As per the order, the Scheme has been considered in these consolidated financial statements by transferring the carrying amount of assets and liabilities pertaining to the transferred business with effect from the Appointed Date.

- (b) The whole of the assets and liabilities of the transferred business became the assets and liabilities of the resulting company and were transferred at their book value as per the Order, as appearing in the books of the Holding Company with effect from the appointed date (i.e. 1 April 2018). The details of assets and liabilities transferred to the resulting company are as under including the assets and liabilities of the wholly owned subsidiary - Greenpanel Singapore Pte. Limited transferred under the scheme:

	As at 01 April 2018
<b>Non-current assets</b>	
Property, plant and equipment (net of accumulated depreciation)	37,627.07
Capital work-in-progress	73,348.65
Other intangible assets (net of accumulated amortisation)	117.13
<b>Financial assets</b>	
Loans	1,194.27
Other non-current assets	2,319.98
	114,607.10
<b>Current assets</b>	
Inventories	10,298.48
<b>Financial assets</b>	
Trade receivables	5,064.97
Cash and cash equivalents	521.17
Bank balances other than cash and cash equivalents	33.65
Loans	81.44
Derivatives	125.97
Other financial assets	1,501.86
Other current assets	4,803.44
	22,430.98
<b>Total assets of transferred business (A)</b>	137,038.08
<b>Non-current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	41,712.87

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Other financial liabilities	1,057.53
Provisions	786.77
Deferred tax liabilities (net)	3,911.53
Other non-current liabilities	4,991.70
	52,460.40
<b>Current liabilities</b>	
Financial liabilities	
Borrowings	3,220.47
Trade payables	8,715.03
Other financial liabilities	7,812.17
Other current liabilities	3,603.65
Provisions	196.69
	23,548.02
<b>Total liabilities of transferred business (B)</b>	76,008.42
<b>Net amount adjusted through corresponding debit to other equity as per the Order (A-B)</b>	61,029.66

- (c) Pursuant to the Order, the difference between the book value of the assets and liabilities transferred to the resulting company (Greenpanel), has been debited to the following reserves of the the Holding Company:

Particulars	Amount
Securities premium	4,852.03
General reserve	29,962.24
Retained earnings	26,215.39
	61,029.66

- (d) Details of the contingent liabilities and commitments transferred to the resulting company are as under:

Particulars	Amount
Claims against the Group not acknowledged as debts:	
(i) Excise duty, sales tax and other indirect tax in dispute	983.39
<b>Capital and other commitments</b>	
(i) Estimated amount of export obligations to be fulfilled in respect of goods imported under advance license/ Export Promotion Capital Goods scheme (EPCG)	45,596.47
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,145.24

- (e) Pursuant to the Order, Greenpanel Industries Limited issued and allotted equity shares to the shareholders of the Holding Company whose name appears in the register of members of the Holding Company as on the record date (i.e. 15 July 2019), 1(one) equity share of ₹ 1 each in Greenpanel credited as fully paid up for every 1 (one) equity share of ₹ 1 each held by them in the Holding Company. Consequent to the allotment of new shares as per the Scheme, current investment of 10 lakhs equity shares of ₹ 1 each of the Greenpanel amounting to ₹ 10.00 lakhs held by the Holding Company stands cancelled. Greenpanel has ceased to be subsidiary of the Holding Company w.e.f 01 April 2018.
- (f) The transactions pertaining to the transferred business of the Holding Company from the appointed date upto the effective date (01 July 2019) of the Scheme have been deemed to be made by Greenpanel.
- (g) As per the Order, the immovable assets of the Holding Company stands free from all charges, mortgages and encumbrances relating to liabilities relating to transferred business which stands transferred to Greenpanel. The Holding Company had created charges over its immovable assets (including those which now belong to Greenpanel) under section 77 of the Companies Act, 2013 in respect of certain credit facilities taken from various banks for itself and for various undertakings of Greenpanel. Greenpanel enjoys credit facilities by the subsisting charges, mortgages and encumbrances over immovable assets retained by the Holding Company. Till creation/modification/satisfaction of Charges, as the case may be,

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

in favour of the various banks of the respective Companies in terms of the applicable provisions of the Companies Act, 2013, the banks of the Holding Company shall continue to hold their respective charge over the immovable assets of the Greenpanel and vice versa. Also as per the terms of the aforesaid scheme, amongst other things, Greenpanel has been operating and using certain bank accounts/ borrowing facilities with effect from 01 July,2019, post the demerger, which were hitherto maintained and operated by the Holding company.The Holding company is in process of changing the account holder name of these bank accounts/borrowing facilities in bank records, which are still in the name of Holding company.

### 37. Contingent liability and commitments

(to the extent not provided for)

	31 March 2020	31 March 2019
<b>Contingent liabilities</b>		
<b>(a) Claims against the Group not acknowledged as debts:</b>		
(i) Excise duty, sales tax and other indirect tax matters in dispute/ appeal	2,830.84	2,314.99
(ii) Consumer court cases in dispute	20.47	61.81

- 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 Holding company is awaiting clarification in interpreting aspects of the judgement with respect to effective date of its application from the government authorities. The Holding company will account for the impact of the judgement after such clarity and does not expect the impact to be material.

#### c) Guarantees outstanding

- (i) Guarantee given to bank in respect of financial assistance to a joint venture company

2,267.70 2073.3

#### Guarantee outstanding:

The Holding company had issued guarantee in favour of banker on behalf of its joint venture company - Greenply Alkema (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)

1,194.71 338.12

#### Claim against the Group 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.

### 38. Related party disclosure

#### a) Related parties where control exists

##### Company in which a subsidiary is a Joint Venture Partner:

- i) Greenply Alkema (Singapore) Pte. Limited, Singapore

(Joint venture of Greenply Holdings Pte. Limited, Singapore with Alkema Singapore Pte. Limited,

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Singapore) (w.e.f 16 October 2018)

(Joint venture of Greenpanel Singapore Pte. Limited, Singapore with Alkema Singapore Pte. Limited, Singapore) (till 15 October 2018)

- ii) Greenply Industries (Myanmar) Private Limited (Wholly owned subsidiary of Greenply Alkema (Singapore) Pte. Limited.)

### b) Related parties with whom transactions have taken place during the year.

#### (i) Key Management Personnel (KMP)

- i) Mr. Shiv Prakash Mittal, Executive Chairman (till 18 July 2019)
- ii) Mr. Rajesh Mittal, Chairman cum Managing Director (w.e.f 14 August 2019) (Managing Director till 13 August 2019)
- iii) Mr. Shobhan Mittal, Joint Managing Director & CEO (till 18 July 2019)
- iv) Mr. Sanidhya Mittal, Joint Managing Director (w.e.f 14 August.2019) (Executive Director till 13 August 2019)
- v) Mr. Manoj Tulsian, Joint Managing Director & CEO (w.e.f 11 February 2020)
- vi) Mr. V. Venkatramani, Chief Financial Officer (till 18 July 2019)
- vii) Mr. Kaushal Kumar Agarwal, Company Secretary & VP - Legal
- viii) Mr. Mukesh Agarwal, Chief Financial Officer (w.e.f 14 August 2019)

#### (ii) Non-executive Directors

- i) Mr. Susil Kumar Pal, Independent Director
- ii) Mr. Vinod Kumar Kothari, Independent Director
- iii) Mr. Anupam Kumar Mukerji, Independent Director
- iv) Mr. Upendra Nath Challu, Independent Director
- v) Ms. Sonali Bhagwati Dalal, Independent Director

#### (iii) Relatives of Key Management Personnel (KMP)

- i) Mrs. Chitwan Mittal (Wife of Mr. Shobhan Mittal) (till 18 July 2019)
- ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)

#### (iv) Enterprises controlled by Key Management Personnel or their relatives

- i) Prime Holdings Private Limited
- ii) Trade Combines (Partnership Firm)
- iii) RS Homcon Limited
- iv) Mastermind Shoppers Private Limited
- v) Greenlam Industries Limited
- vi) Greenpanel Singapore Pte. Limited, Singapore (Formally known as Greenply Trading Pte. Limited) (w.e.f 1 April 2018)
- vii) Greenpanel Industries Limited, India (w.e.f 1 April 2018)

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### c) Related party transactions

Name of the related party	Nature of transaction	31 March 2020	31 March 2019
Greenply Alkema (Singapore) Pte. Limited	Purchase of products	1,112.90	735.33
	Commission on guarantee	21.63	21.04
Greenpanel Industries Limited	Purchase of products	82.81	4,416.03
Greenlam Industries Limited	Purchase of products	38.99	-
Mr. Rajesh Mittal	Remuneration	360.72	379.68
	Rent paid	4.17	-
Mr. Sanidhya Mittal	Remuneration	146.40	193.06
	Rent paid	4.17	-
Mr. Manoj Tulsian	Remuneration	29.81	-
Mr. Kaushal Kumar Agarwal	Remuneration	55.34	52.66
Mr. Mukesh Agarwal	Remuneration	66.98	-
Mr. Anupam Kumar Mukerji	Commission and sitting fees	16.75	16.50
Mr. Susil Kumar Pal	Commission and sitting fees	17.75	17.60
Mr. Upendra Nath Challu	Commission and sitting fees	17.50	17.10
Mr. Vinod Kumar Kothari	Commission and sitting fees	18.00	17.00
Ms. Sonali Bhagwati Dalal	Commission and sitting fees	12.20	11.80
Mrs. Surbhi Poddar	Remuneration	26.49	22.76
Mrs. Karuna Mittal	Rent paid	4.17	-
Prime Holdings Private Limited	Rent paid	-	4.81
	Security deposit refund	-	13.20
RS Homcon Limited	Purchase of assets	578.09	-
	Rent paid	12.65	10.60
	Security deposit given	-	1.07
Trade Combines	Rent paid	-	2.71
Mastermind Shoppers Private Limited	Rent paid	18.50	17.62

### d) Outstanding balances

Name of the related party	Nature of transaction	31 March 2020	31 March 2019
Greenply Alkema (Singapore) Pte. Limited	Purchase of products	176.73	440.78
	Guarantee given	2,267.70	2,073.30
	Commission on guarantee	5.65	-
Greenlam Industries Limited	Purchase of products	8.22	-
	Other receivables	114.07	-
Greenpanel Industries Limited	Purchase of products	-	1,145.23
Mr. Rajesh Mittal	Remuneration	-	146.02
Mr. Sanidhya Mittal	Remuneration	-	146.02
RS Homcon Limited	Security deposit given	2.57	2.57
Trade Combines	Security deposit given	-	2.40
Mastermind Shoppers Private Limited	Security deposit given	2.90	2.90

### e) Key Management Personnel compensation

Key management personnels compensation comprised of the following:

Nature of transaction	31 March 2020	31 March 2019
Short-term employee benefits	560.88	595.51
Other long-term benefits	98.37	29.89
<b>Total compensation paid to key management personnel</b>	<b>659.25</b>	<b>625.40</b>



## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

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.

The guarantees given to related party is made in the ordinary course of business and 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.

## 39. 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 2020		31 March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets at amortised cost</b>				
Loans and deposits	493.87	493.87	319.28	319.28
Other financial assets	1,045.39	1,045.39	2,909.30	2,909.30
Trade receivables	35,651.39	35,651.39	30,504.96	30,504.96
Cash and cash equivalents	994.39	994.39	2,031.88	2,031.88
Bank balances other than cash and cash equivalents	31.00	31.00	26.03	26.03
	38,216.04	38,216.04	35,791.45	35,791.45
<b>Financial assets at fair value through profit and loss</b>				
<b>Level 1</b>				
Investments	0.24	0.24	0.49	0.49
<b>Level 2</b>				
Derivatives	137.00	137.00	-	-
<b>Level 3</b>				
Investments	209.00	209.00	-	-
	346.24	346.24	0.49	0.49
<b>Total Financial Assets</b>	<b>38,562.28</b>	<b>38,562.28</b>	<b>35,791.94</b>	<b>35,791.94</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings (including current maturities of non current borrowing)	26,741.10	26,741.10	25,002.35	25,002.35
Lease liabilities	1,145.24	1,145.24	-	-
Other financial liabilities (excluding current maturities of non current borrowing)	2,101.40	2,101.40	3,836.99	3,836.99
Trade payables	23,171.01	23,171.01	23,195.03	23,195.03

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	31 March 2020		31 March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	53,158.75	53,158.75	52,034.37	52,034.37
<b>Financial liabilities at fair value through profit and loss</b>				
<b>Level 2</b>				
Derivatives	-	-	88.54	88.54
<b>Total Financial Liabilities</b>	<b>53,158.75</b>	<b>53,158.75</b>	<b>52,122.91</b>	<b>52,122.91</b>

## 40. 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:

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 2020	31 March 2019
<b>Financial assets - Level 1</b>		
Investments	0.24	0.49
<b>Financial assets - Level 2</b>		
Derivatives	137.00	-
<b>Financial assets - Level 3</b>		
Investments	209.00	-
<b>Financial liabilities - Level 2</b>		
Derivatives	-	88.54

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:

- The fair value of the quoted investments are based on market price at the respective reporting date.
- The fair value of forward foreign exchange contracts 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.
- The fair value of unquoted investments included in level 3 are based on net asset value approach. The changes in fair values due to changes in unobservable inputs will not be material to the financial statements.

There were no transfer of financial assets or liabilities measured at fair value between level 1 and level 3, or transfer into or out of level 3 during the year ended 31 March 2020 and 31 March 2019.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### 41. 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 and the concentration of risk from the top few customers. 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.

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 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	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Interest rate	Non current borrowings at variable rates	Sensitivity analysis Interest rate movements	The Group 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group 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

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

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 2020	31 March 2019
Revenue from top customer	4.06%	3.68%
Revenue from top five customers	8.15%	7.82%

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 and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the credit loss allowance for trade receivables. The said provision has been netted off under trade receivables. The movement of expected credit loss provision is as follows:

	31 March 2020	31 March 2019
Balance at the beginning	504.63	915.44
Transferred pursuant to scheme of arrangement (refer note 36)	-	(229.48)
Net measurement of loss allowance	226.09	(181.33)
<b>Balance at the end</b>	<b>730.72</b>	<b>504.63</b>

#### (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.

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

31 March 2020	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	21,477.29	6,272.86	-	27,750.15
Trade payables	23,171.01	-	-	23,171.01
Lease liabilities*	255.89	919.06	344.87	1,519.82
Other financial liabilities	1,982.53	1.00	-	1,983.53
	46,886.72	7,192.92	344.87	54,424.51

31 March 2019	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	17,214.67	7,787.68	-	25,002.35
Trade payables	23,195.03	-	-	23,195.03
Other financial liabilities	2,872.81	964.18	-	3,836.99
Derivatives	88.54	-	-	88.54
	43,371.05	8,751.86	-	52,122.91

\* 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 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 2020		31 March 2019	
		Amount in Foreign currency in Lakhs	₹ in Lakhs	Amount in Foreign currency in Lakhs	₹ in Lakhs
- Hedged exposures					
Borrowings - Buyers credit	USD	20.60	1,557.37	11.96	826.26
			1,557.37		826.26
Trade payables	USD	25.28	1,910.65	51.97	3591.66
			1,910.65		3,591.66
- Unhedged exposures					
Borrowings	USD	11.77	889.69	-	-
			889.69		-
Borrowings - Buyers credit	USD	0.98	74.45	16.40	1,133.43
			74.45		1,133.43

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Trade payables	EURO	0.62	51.50	0.51	39.53
	USD	10.50	793.63	19.24	1,329.44
			845.13		1,368.97
Cash and cash equivalents	EURO	0.04	3.33	-	-
	USD	0.06	4.69	0.09	6.38
			8.02		6.38
Trade receivables	EURO	17.95	1,495.78	-	-
	USD	3.30	249.45	0.96	66.29
			1,745.23		66.29

### 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	Nature	Effect	31 March 2020	31 March 2019
USD (1% Movement)	Profit or loss	Strengthening	(15.04)	(59.82)
		Weakening	15.04	59.82
	Equity, net of tax	Strengthening	(9.30)	(38.92)
		Weakening	9.30	38.92
EUR (1% Movement)	Profit or loss	Strengthening	(15.51)	(9.94)
		Weakening	15.51	9.94
	Equity, net of tax	Strengthening	(0.39)	(6.47)
		Weakening	0.39	6.47

### (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 2020	31 March 2019
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	(8,848.94)	(7,048.06)
	(8,848.94)	(7,048.06)
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	(17,242.16)	(17,054.29)
	(17,242.16)	(17,054.29)

### 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 on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Nature	Effect	31 March 2020	31 March 2019
Variable rate instruments	Profit or loss	Strengthening	(172.42)	(170.54)
		Weakening	172.42	170.54
	Equity, net of tax	Strengthening	(153.57)	(110.95)
		Weakening	153.57	110.95
Cash flow sensitivity (net)	Profit or loss	Strengthening	(172.42)	(170.54)
		Weakening	172.42	170.54
	Equity, net of tax	Strengthening	(153.57)	(110.95)
		Weakening	153.57	110.95

### 42. 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 2020	31 March 2019
Total debt (Bank and other borrowings) (refer note 19 and 20)	26,741.10	25,002.35
Less: Cash and cash equivalents (refer note 12)	994.39	2,031.88
<b>Adjusted net debt</b>	<b>25,746.71</b>	<b>22,970.47</b>
Equity (refer note 17 and 18)	37,791.34	33,522.39
<b>Debt to Equity (net)</b>	<b>0.68</b>	<b>0.69</b>

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. The Group has complied with these covenants throughout the reporting period.

### 43. Operating segments

#### 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 is exclusively engaged in the business of 'plywood and allied products'. As per Ind AS 108 "operating segment, specified under section 133 of the companies Act, 2013 there are no reportable segment applicable to the Group.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:-

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

### A. Geographical information

Particulars	Within India		Outside India		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
External revenue by location of customers	132,984.60	128,340.16	9,058.09	12,876.01	142,042.69	141,216.17
Non current assets other than financial assets and deferred tax assets.	26,336.74	25,059.72	10,310.59	7,898.50	36,647.33	32,958.22

### B. Major customer

The Group does not receive 10% or more of its revenues from transactions with any single external customer.

44. 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.

### 45. Dues to Micro and small enterprises

	31 March 2020	31 March 2019
(a) The amounts remaining unpaid to Micro and Small suppliers as at the end of each accounting year		
- Principal	184.16	83.15
- Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-



## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

46. 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 ₹ 460.78 lakhs (31 March 2019 ₹ 549.69 lakhs) and incentive against refund of excise duty for the unit set-up in Tizit, Nagaland till 31 March 2019 of ₹ Nil (31 March 2018 ₹ 253.54 lakhs).

### 47. Distribution made and proposed dividend

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash dividend on equity shares declared and paid</b>		
Final dividend for the year ended on 31 March 2019:	490.51	735.76
₹ 0.40 per share (31 March 2018: ₹ 0.60 per share)		
Dividend distribution tax on final dividend	100.83	151.24
<b>Total dividend paid</b>	<b>591.34</b>	<b>887.00</b>
<b>Proposed dividend on equity shares</b>		
Final dividend for the year ended on 31 March 2020:	490.51	490.51
₹ 0.40 per share (31 March 2019: ₹ 0.40 per share)		
Dividend distribution tax on final dividend	-	100.83
<b>Total dividend proposed</b>	<b>490.51</b>	<b>591.34</b>

Proposed dividends on equity shares are subject to approval at the ensuing annual general meeting and are not recognised as a liability as at 31 March 2020.

### 48. 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
<b>Holding Company</b>				
Greenply Industries Limited	94.46%	35,695.93	68.99%	3,259.70
<b>Subsidiaries:</b>				
<b>Foreign</b>				
Greenply Holdings Pte. Limited	0.01%	2.85	-0.20%	(9.41)
Greenply Middle East Limited ^	6.13%	2,319.85	32.25%	1,524.04
<b>Joint venture:</b>				
<b>Foreign</b>				
Greenply Alkema (Singapore) Pte. Limited	-0.60%	(227.29)	-1.04%	(49.26)
<b>Non-controlling interests in all subsidiaries</b>	0.00%	-	0.00%	-
<b>At 31 March 2020</b>	<b>100.00%</b>	<b>37,791.34</b>	<b>100.00%</b>	<b>4,725.07</b>

## Notes on Consolidated financial statements for the year ended 31 March 2020

(All Amount in ₹ Lakhs, unless otherwise stated)

	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
<b>Holding Company</b>				
Greenply Industries Limited	-79.02%	(106.85)	64.86%	3,152.85
<b>Subsidiaries:</b>				
<b>Foreign</b>				
Greenply Holdings Pte. Limited	0.41%	0.56	-0.18%	(8.85)
Greenply Middle East Limited ^	178.61%	241.51	36.33%	1,765.55
<b>Joint venture:</b>				
<b>Foreign</b>				
Greenply Alkema (Singapore) Pte. Limited	0.00%	-	-1.01%	(49.26)
<b>Non-controlling interests in all subsidiaries</b>	0.00%	-	0.00%	-
<b>At 31 March 2020</b>	<b>100.00%</b>	<b>135.22</b>	<b>100.00%</b>	<b>4,860.29</b>

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

### 49. Exceptional items

	Year ended 31 March 2020	Year ended 31 March 2019
Provision for excise duty liability and interest {refer note 21(b)}	2,897.80	-
Excise duty refund receivable written off {refer note 21(b)}	2,099.25	-
	<b>4,997.05</b>	<b>-</b>

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Jayanta Mukhopadhyay**  
*Partner*  
Membership No. 055757

Place : Kolkata  
Date : 27 June 2020

For and on behalf of Board of Directors of  
**Greenply Industries Limited**  
CIN: L20211AS1990PLC003484

**Rajesh Mittal**  
*Chairman cum Managing Director*  
DIN No. 00240900  
  
**Mukesh Agarwal**  
*Chief Financial Officer*

Place : Kolkata  
Date : 27 June 2020

**Manoj Tulsian**  
*Joint Managing Director & CEO*  
DIN No. 05117060  
  
**Kaushal Kumar Agarwal**  
*Company Secretary & Sr. VP-Legal*

Notes

Corporate Information

Board of Directors

Mr. Rajesh Mittal,  
*Chairman cum Managing Director*  
Mr. Manoj Tulsian,  
*Joint Managing Director & CEO*  
*(appointed w.e.f. 11.02.2020)*

Mr. Sanidhya Mittal,  
*Joint Managing Director*

Mr. Susil Kumar Pal

Mr. Vinod Kumar Kothari

Mr. Anupam Kumar Mukerji  
*(resigned w.e.f. 01.04.2020)*

Ms. Sonali Bhagwati Dalal

Mr. Upendra Nath Challu

Audit Committee

Mr. Susil Kumar Pal, Chairman

Mr. Vinod Kumar Kothari

Mr. Upendra Nath Challu

Mr. Rajesh Mittal

Stakeholders Relationship Committee

Mr. Susil 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

Corporate Social Responsibility Committee

Mr. Vinod Kumar Kothari

Mr. Upendra Nath Challu

Mr. Rajesh Mittal

Mr. Sanidhya Mittal

Operational Committee

Mr. Rajesh Mittal

Mr. Sanidhya Mittal

Mr. Susil Kumar Pal

Mr. Vinod Kumar Kothari

Chief Financial Officer

Mr. Mukesh Agarwal (w.e.f. 14.08.2019)

Chief Investor Relations Officer

Mr. Mukesh Agarwal, CFO

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.

IDBI 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.

34/1A, Sudhir Chatterjee Street

Kolkata - 700 006

Phone: (033)-2219-4815/6797

Fax: (033)-2219-4815

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

