Greenply/2022-23
August 25, 2022

**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 2021-22**

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 2021-22.

The aforesaid Annual Report has also been placed on the website of the Company viz. 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

# QUEST FOR THE NEXT

ANNUAL REPORT
**2021-22**

# CONTENT



To download or view this report online, please visit **www.greenply.com**

**Forward-looking statements**

In this annual report, we are presenting some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. the achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

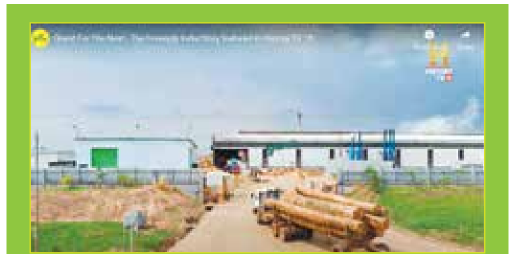
## GREENPLY INDUSTRIES LIMITED (GIL) IS IN THE MIDST OF A NEW SURGE OF OPTIMISM. THE TRANSFORMATIONAL ROADMAP ON WHICH WE HAD EMBARKED A FEW YEARS AGO HAS REINFORCED OUR FOUNDATIONS. IT IS POWERING OUR QUEST FOR THE NEXT LEVEL OF GROWTH AND EXPANSION.

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

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

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

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



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

# GIL - AS IT LOOKS NOW

**35+**
Years of experience in delivering quality plywood products

**1,100+**
Cities, towns & villages of distribution network

**27 & 6**
States & UTs of presence respectively

**2,300+**
Network of channel partners

**48.4**
Million sq. mtrs. p.a.
Plywood capacity *

**2,450+**
Total no. of employees

(as on March 31, 2022)
*(as on June 30, 2022)

**₹1,573 Cr**
Total Income

**6.1%**
PAT Margin

**₹160 Cr**
EBITDA

**₹235**
Av. Realisation per Sq. Metre

**₹95 Cr**
PAT

**₹7.72**
Earnings Per Share

**10.2%**
EBITDA Margin

(during FY2022 on consolidated basis)

# GIL - BUILT FOR THE 'NEXT'

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

**Listed**
On NSE & BSE

**E-0**
India's first Zero Emission plywood brand

**Rated AA (-)**
Long-Term Debt

**Rated A1 +**
Short-Term Facilities (CARE & India Ratings)

**Great Place to Work**
Three times in a row (2020, 2021 & 2022)

Great Place To Work® Certified APRIL 2022 - APRIL 2023 INDIA™

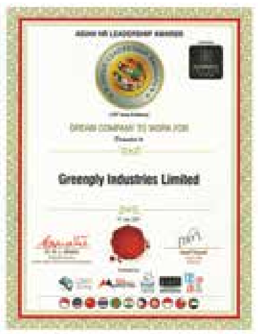
**Rated**

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


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

- **Pride of India Brand,** e4m, 2022

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









*Visitor's lounge at Rajkot Facility, Gujarat*

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

### Qualities that equips us to scale the Next

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

## OUR VALUE DRIVERS

- Nurturing a growth-oriented environment where passionate and skilled problem-solvers can unleash their potential
- Offering right products through a deep understanding of consumer requirements
- Adopting ground-breaking measures that reshaped the plywood industry

## OUR MISSION

- Ensure on-time delivery of high-quality products
- Create a cordial atmosphere within the organisation
- Implement environmentally and socially considerate decisions for ourselves and the community

## Our Core Strengths

### Brand reputation & expanding brand reach

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

### Innovation-led product portfolio

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

### Enhancing capacities

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

### Nurturing sustainability

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

### Digitization & automation enabled growth

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

### Strategic locations

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

### Management bandwidth and people capabilities

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





## Our Product Suite

### Plywood & Block Board

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

### Doors

**BRANDS**
- Green
- Optima G
- Ecotec

### Specialty Plywood

**BRANDS**
- Green Compressed Wood Plate
- Cali-Form Plywood

### Decorative Veneers

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

### PVC Products

**BRANDS**
- Green Ndure

**PRODUCTS**
- Boards
- Doors
- Plastic Section

### Upcoming Products Medium Density Fibre (MDF) Boards

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

## Our Presence in India

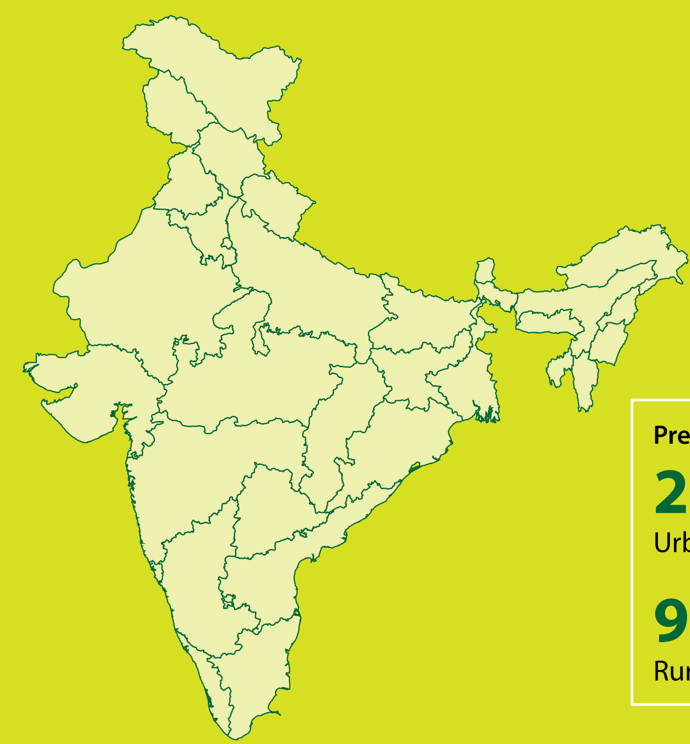
**56**
Branch Offices

**19**
Hubs & Godowns

**4**
Existing Manufacturing Facilities*

**1**
Upcoming Manufacturing Facility at Vadodara

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



Presence in Cities

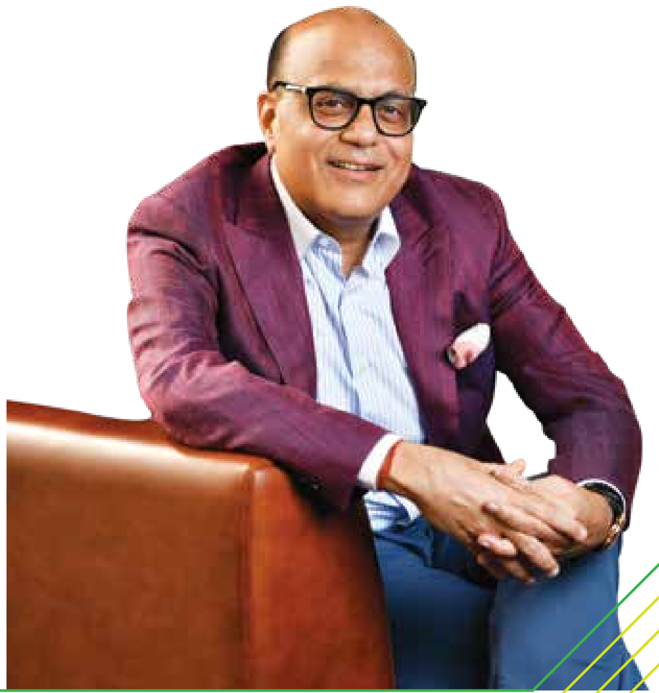
**200+**
Urban

**900+**
Rural & Semi-Urban

*Map not to scale. For illustrative purposes only*

# FROM THE CHAIRMAN'S DESK

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



## Dear Shareholders

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

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

### Performing well in challenging environment

FY2022 began on a dampening note for the Indian economy as well as our business, with the pandemic effects still impacting the day-to-day life. As the situation eased after the second and more severe COVID Delta virus wave, we moved ahead with agility and improved our performance. I am happy to share that in spite of inflationary environment and supply chain issues constraining our growth trajectory, we reported a strong financial performance, driven by improving demand scenario. Our consolidated total income was up by 34% to ₹ 1,573 crore for the year, while net profit rose 56% to ₹ 95 crore.

### Renewed demand for real estate supporting our growth

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

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

### A year of building on the 'Now'

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

### Scaling to be Next-ready

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

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

### Strategising for the 'Next'

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

**₹1,573 CRORE**

**TOTAL INCOME** (consolidated)

34% Y-o-Y growth in FY2022

*CMD sharing business prospects with Channel Partners*

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

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

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

**RAJESH MITTAL**

Chairman cum Managing Director

# JT. MD & CEO REVIEW

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

### How has the Company performed over the last year?

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

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

The consumer shift towards branded products, increased preference for readymade furniture and environment-friendly products, backed by an improving real estate sector will continue to drive industry growth prospects. GIL, with its strong brand position of eco-friendly and durable products designed to cater to both premium and value segments, is well positioned to leverage the growth opportunity. Our manufacturing prowess, extensive and well-built channel partner network, pan-India reach, and continued investments in building our people capabilities will further help us chart the next level of progression.

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

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





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

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

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

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

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

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

*CEO inaugrating "Samagam"- a platform for dealers interaction*

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

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

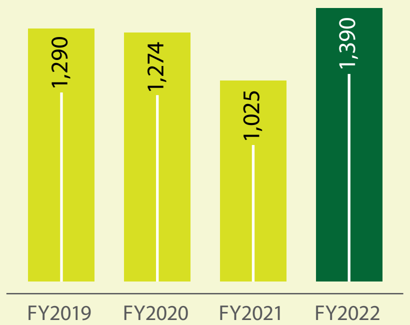
### How are you taking the sustainability initiative ahead? What are your plans?

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

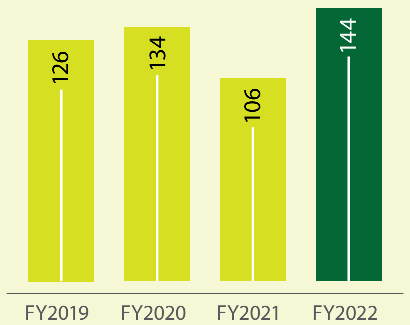
**MANOJ TULSIAN**
**Joint MD & CEO**

# OUR FINANCIAL PERFORMANCE IN FY2022

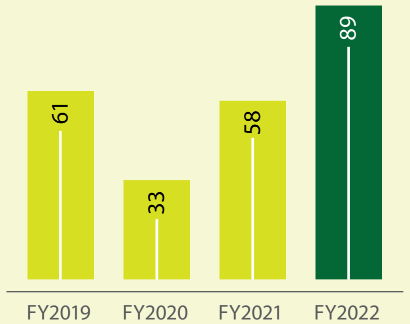
**Total Income** (₹ Crore)



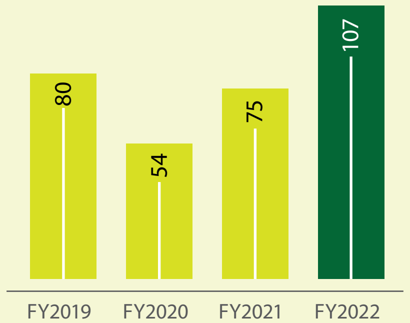

**EBITDA** (₹ Crore)



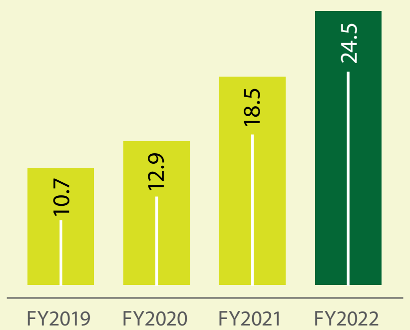

**PAT** (₹ Crore)



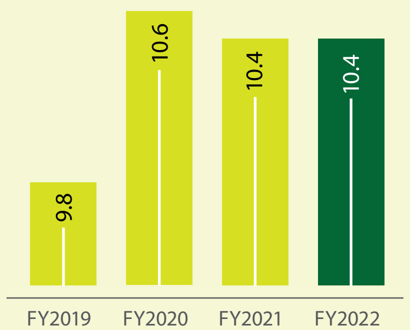

**Cash Profits** (₹ Crore)




**ROCE – Pre-tax*** (%)

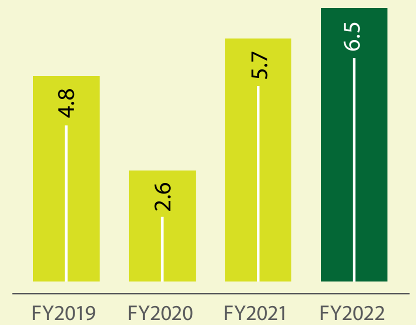



**EBITDA Margin**** (%)

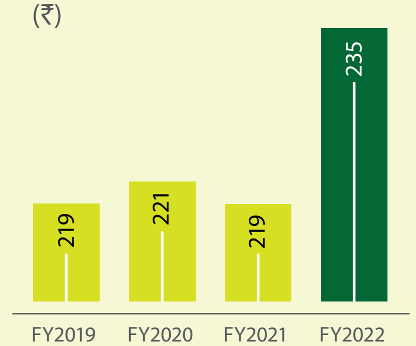



Note:
* ROCE taken on average capital employed
**Margins taken on revenue from operations

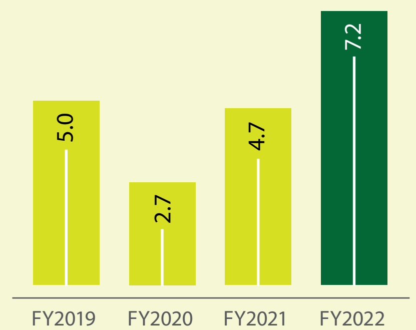
**PAT Margin**** (%)




**Average Realisation per sq metre** (₹)




**Earnings Per Share** (₹)




# EXPANDING CAPACITIES TO PREPARE FOR THE 'NEXT'

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

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

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

### Strong Manufacturing Footprint

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

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

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





## Face Veneer Peeling Location

Gabon, West Africa

**96,000 Capacity (CBM/pa)**

## Plywood & Allied Location (Domestic Partnership)

Bareilly, Uttar Pradesh

**~10.00 Capacity (Mn Sq. M pa)**

### Expanding manufacturing capacities

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

**Plywood capacity expansion - Started commercial production recently**

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

## Plywood Manufacturing Location

Sandila (Lucknow), Uttar Pradesh (WOS)

**13.50 Capacity (Mn Sq. M pa)**

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

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

*Greenfield MDF board manufacturing unit, Vadodara, Gujarat*

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

## Upcoming MDF Manufacturing Location

Vadodara, Gujarat

**800 Capacity (CBM/day)**

### Leveraging our manufacturing partnerships

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

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

# ON THE DIGITALISATION TRAJECTORY TOWARDS THE 'NEXT'

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

### Key initiatives during FY2022

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

- **Leveraging IT to transform Logistics**
The deployment of SaaS platform has catalysed a positive transformation in our Logistics function. The key areas of this transformation include:
  - Bidding for transporters
  - Turnaround and retention at origin
  - Live tracking of the vehicle in transit for all despatches with alerts
  - Proof of Delivery (POD) confirmation by transporter/dealers
  - Visibility and transparency for Sales, Commercial teams, as well as all our business partners
  - Dashboard & MIS for cost optimisation, Turn Around Time (TAT), Transporter performance etc.

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

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

### Our vision for the future

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

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

*Sandila Facility, Uttar Pradesh*





# QUEST FOR A SUSTAINABLE FUTURE

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

- Enabling easy and uninterrupted access to key raw materials
- Ensuring compliance with India's Forest Conservation Act which prohibits companies from taking over forest land
- Upliftment of farmers' community
- Maintaining ecological harmony

### Building on today's legacy

Led by our sustainability-oriented approach, we have been undertaking extensive plantation activities in catchment to our manufacturing units over the past several decades.

- We are the first player in the Indian panel industry to receive the prestigious FSC ® – FM accreditation for our plantation in Nagaland's MON district, endorsing our responsible management of forest resources as benchmarked to global standards
- We are the first to bring Zero-emission plywood (E-0) to the Indian market. E-0 is one of the highest formaldehyde emission standards for plywood along with California Air Resources Board (CARB) certification issued by Environment Protection Agency (EPA)
- We are one of the first companies in India to promote the use of Okoume – a natural timber harvested under the Sustainable Forest management plan
- In our upcoming MDF unit under a WOS at Vadodara, we launched plantation activities two years before commercial production, in order to meet our raw material requirement seamlessly

**> 12 million**
**Saplings planted so far**

**>17,000 acres**
**Total area covered so far**

*Plantation Programme, Kripampur, West Bengal*

**GIL is also collaborating with the various Government research organisations in India to update on the latest technology for its plantation activities for the benefit of farmers.**

### Renewable Power Sourcing

Renewable power sourcing is an important focus area for the Company. We have been undertaking activities to reduce emissions and move towards renewable energy generation.

- Moving to cleaner sources of energy and reduce CO2 emissions
- Installed rooftop solar panels at all the manufacturing facilities
- Installing EV charging vehicles with forklift at the manufacturing units





### A win-win proposition

The catchment concept of our plantations around our manufacturing units make our investments in this direction a win-win proposition for GIL and the local farmers. Besides environmental protection, this helps maintain the sustainability and financial viability of the eco-system, and also generates employment for the local inhabitants. With 200 man-days of employment created in each acre, the employment potential is significant. Sharing of technical know-how with the farmers and providing them subsidised or free-of-cost inputs for cultivation further contributes to the progress of the local farmers.

For the Company, these plantations translate into uninterrupted supply of raw material, backed by quick and cost-effective transportation to the manufacturing facilities.

Our vision is to maintain our plantations effectively to promote the Company's growth and ensure long-term sustainability for the nation, enabling it to meet its sustainability development goals and targets.

**3,000**
**Farmers benefited during FY2022**


*Plantation Programme, Tizit, Nagaland*

*CMD at Farmer's Meet, Vadodara*

Greenply drives sustainability in Tizit, Nagaland

Our value chain interventions extended to the area of health, water and other CSR activities. We provide medical support to the local residents in our farm forestry areas through medical mobile vans, labs and dedicated doctors. We have installed RO water plant inside a school campus at a village in Vadodara to ensure clean drinking water supply.


*RO installation in presence of CMD at a school in Vadodara, Gujarat*

*Health Check-up camp, Malda, West Bengal*

# PARTNERED BY OUR PEOPLE IN OUR QUEST FOR THE 'NEXT'

**While building capacities is vital to drive our agenda of pushing the frontiers of our growth, we also believe it is equally important to augment the organisational capabilities for succeeding in our quest to drive long-term value-creation for the Company and its stakeholders. We strongly believe in the alignment of our people to our vision for the successful realisation of our goals.**

### Great Place to Work

For the third year in a row, GIL secured the Great Place to Work certification in 2020, 2021 & 2022, underlining our strong commitment to building a favourable workplace to nurture employee growth, welfare, well-being and career progression. With the respondent population also showing a marked increase, the foundations have clearly been laid to build a futuristic organisation powered by satisfied employees.

### A year of record hiring

During FY2022, we expanded our management bandwidth with significant additions at the senior level, embracing a wider talent base to steer our journey to the 'Next'. We also augmented our workforce through hiring of quality and experienced people across levels, to cater to the needs of our new business segments, facilities and product lines.

### Nurturing talent

Our employee-centric focus is manifested in our efforts to promote internal talent to future leaders. It is also evident in our leadership succession planning, which we are now in the process of formalising as a structured policy for career progression.

### Incentivising a culture of growth

At GIL, we are committed to infuse the organisation with a culture of growth. During FY2022, we:

- Launched 'Khul Ke Kamao' incentive scheme, aimed at pushing the ability of our people to earn incentives
- Resumed Chairman's Club, giving families of top achievers and performers the opportunity to get recognised and rewarded


*Inauguration of Veneer Showroom - by CMD & CEO at Nagpur, Maharashtra*


*Navodaya Boot Camp*





**In addition to steering a cultural transformation across the organisation, we remain focused on enabling the digital transformation of our workforce to empower them for future growth.**


*COVID-19 Vaccination Centre at the Head Office, Kolkata*

### Caring for our People

Our People philosophy is rooted in our 'care' approach and driven by our sustained focus on ensuring the well-being and welfare of our employees. Our employee-centric initiatives during the year included:

- Unique gratuity policy for demise of employees before completion of 5 years at GIL
- COVID-support measures
  - Mammoth vaccination drive for employees and their families, as well as channel partners through nation-wide tie-up with Apollo Group
  - Safety protocols, including use of private vehicles
  - Work-from-home facilities
  - Web meetings in place of physical interaction

**Our employee engagement proposition is centred around physical safety, financial stability, financial reward mechanism, national festival celebration at all locations, birthday/anniversary celebrations and group learning activities (such as annual team-outs), among others.**

*Diwali Celebration at the Head Office, Kolkata*

# CONNECTIVITY TO THE NEW-AGE CUSTOMER

**Our brand investments and initiatives are crafted to sustain and grow our brand connect, which we believe to be central to our customer-centric value proposition. During FY2022, we created and drove several innovative brand campaigns, to connect with our evolving consumers as we surged forward in our quest to deliver effectively to their evolving needs.**

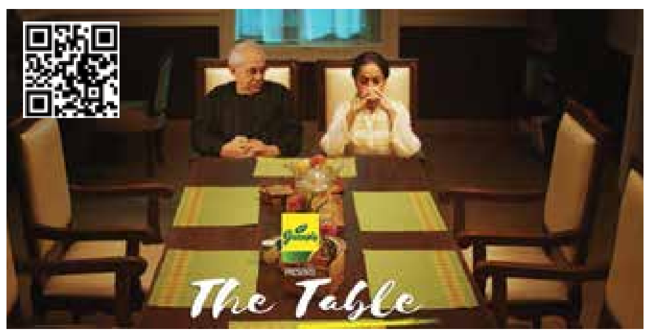
### Mission Zero Emission

### Celebrating one million breathe easy furniture

The E-0 innovation has reached over one million household and we continue to build on the awareness amongst end consumers through relevant and multiple touchpoints. To boost our dealer and influencer connect, we held the one million celebration at approx. 200 dealer outlets. Dissemination of 'How to Buy Ply' guide was also undertaken as part of the campaign, which prepared dealers/contractors better to pitch the product. TV, radio and outdoor campaigns were also part of the drive.


*E-0 amplification - reaching one million households*


*Strengthening the #E-0 - 'Khul ke saans lo' campaign*




*Showcasing the quality and strength of Greenply with the digital film*

### #YahanRishteBasteHain

Our digital film centred on the dining table is winning hearts of the young and the old. The film connects with the Greenply ethos of a brand that, with its durability and quality as core promise, survives the family's ups and downs and eventually becomes more than a piece of furniture to them. Launched on Diwali 2021, the film had garnered over 2.2 million views by March 31, 2022.





### #SaferisStronger

This social media campaign was designed to exhort the people of West Bengal to get their second dose of vaccination (Dwitiya). In partnership with Big FM Radio and Radio Misty, it engaged the audience by asking them to share their vaccination reports and tag the brand on social media to get rewarded.


### #Jalwadikhega

Towards the close of FY2022, Greenply announced its IPL association with the first ever league team from Uttar Pradesh - Lucknow Super Giants (LSG), as associate sponsor of the franchise. The partnership is aimed at strengthening our focus on strategic investments in the Uttar Pradesh market to expand our business operations. As part of the collaboration, we have also launched a special anthem led campaign, "Jalwa Dikhega", to connect with the regional pride of Uttar Pradesh. The anthem was launched digitally, and flash mob activity was undertaken in various cities of U.P. for amplification via PVR Cinemas and the media net.

*Flash Mob activation for association with Lucknow Super Giants (LSG)*

*CMD and CEO at the Press Conference of Lucknow Super Giants (LSG)*

Associated with special Chunnavi Express programmes

Distributed air purifying plants amongst the trade fraternity spreading awareness about E-0 products


Association with Mega Movie premier "Golandaaz" targeting the audiences of West Bengal

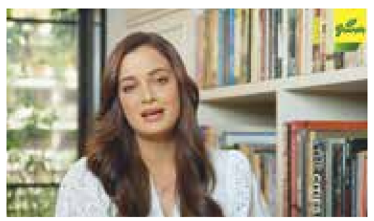
## Endorsing and spreading awareness on our E-0 range of plywood

Our E-0 emission range of plywood is amongst the most trusted in creating safer and reliable indoor spaces and meet the global standards. We conducted influencer campaigns during the year where the most renowned and eminent personalities endorse our products and the way it helps create safe and sustainable interiors.

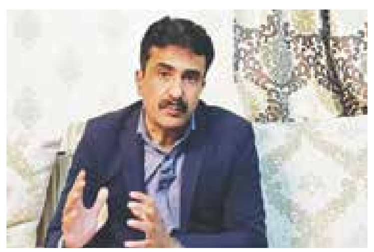

*Ace fashion designer duo Abu Jani and Sandeep Khosla on Greenply's E-0 range of plywood and blockboard for safer interior doors*


*Benefits of E-0 emission range of products from ace interior designer Gauri Khan*


*Promotion of E-0 emission plywood by Design Pataki*



*Famous celebrity Dia Mirza talking about the benefits of Greenply E-0 emission plywood*



*Scan and know more on the health effects and benefits about purchasing plywood in this video from Interior Dost*





# MANAGEMENT DISCUSSION & ANALYSIS

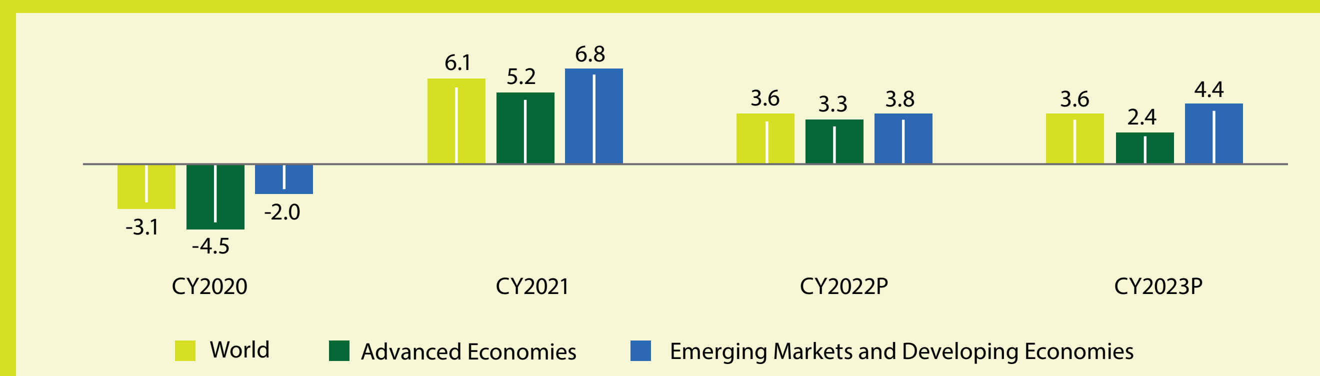
## ECONOMY OVERVIEW

### Global Economy

The global economic situation was fragile in CY2020 owing to the negative impact of COVID-19 outbreak and as a result, the world economic output declined by 3.1%. This situation has improved in CY2021 as consumer spending re-started, lower interest regime helped uplift the investment cycle, and international trade began to comeback. Vaccination programmes were quick and effective in most developed economies but took longer in many emerging and developing economies. The rising inflationary environment, supply chain issues, and gradual withdrawal of fiscal stimulus started to negatively impact the global economic activities.

The economic damage from the ongoing Russia-Ukraine conflict and unprecedented volatility in commodity costs is likely to impact global growth in CY2022.

**World Economic Outlook (%)**




P - Projected

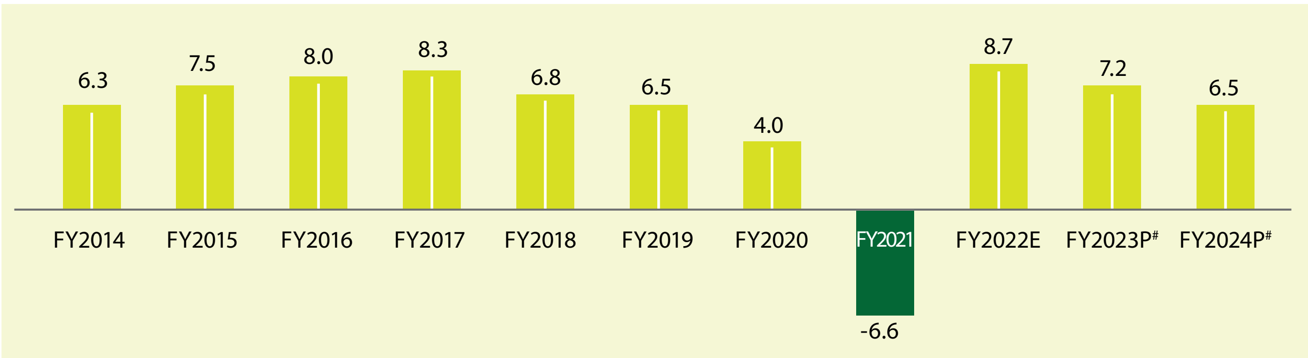
*Source: IMF World Economic Outlook April 2022*

However, the emerging markets and developing economies are still projected to outgrow the global growth. As per IMF, the world economic growth is likely to be soft at 3.6% in CY2022 and at similar rate in CY2023. Risks to the economic outlook as a whole have increased significantly, making policy trade-off decisions for the governments worldwide more complicated.

### Indian Economy

India was a major contributor to the global economic recovery post COVID-19 pandemic. Given its strong democracy and strategic ties, India is anticipated to become one of the top three economic powers in the near future and has become the world's fastest-growing major economy. The COVID-19 outbreak led to India's GDP decline by 6.6% in FY2021.

**Indian Economic Outlook** (%)




P - Projected E-Estimated

*Source: National Statistics Office 2nd Advance Estimates dated May 31, 2022, #RBI SPF report as on June 8*

The Government of India and the Reserve Bank of India (RBI) have acted swiftly to help offset the pandemic-induced disruptions. To enhance liquidity in the economy and improve the credit scenario, the RBI reduced the policy repo rates significantly. The government also implemented a sizeable fiscal stimulus package to support lives and livelihoods.

India's economy is likely to grow by 8.7% in FY2022 as the manufacturing business conditions have improved, financial markets have stabilised, and the resultant consumer demand has grown. At the same time, the annual inflation rates jumped to 7.0% in March 2022, the highest level since October 2020, mainly driven by rising fuel and food prices. This situation has necessitated RBI to take measures to curb inflation. The latest 50 basis point rise in the policy repo rate to 4.90% is likely to represent the beginning of a period of rising interest rates. According to the RBI assessment, the impact of ongoing inflationary trend is likely to slow down India's GDP growth rate to 7.2% in FY2023 and to 6.5% in FY2024.

The outlook for the private sector investment remains favourable, and the financial system is well positioned to support the recovery of the economy. The Indian real estate sector is likely to benefit from the continuous focus of the government towards infrastructure development and industrial expansion. This was evident in the FY2023 Budget, which continued emphasis on infrastructure, investments, manufacturing sector developments, enhancing logistic capabilities, support for MSMEs, environment, digitalisation, and strengthening banking system.





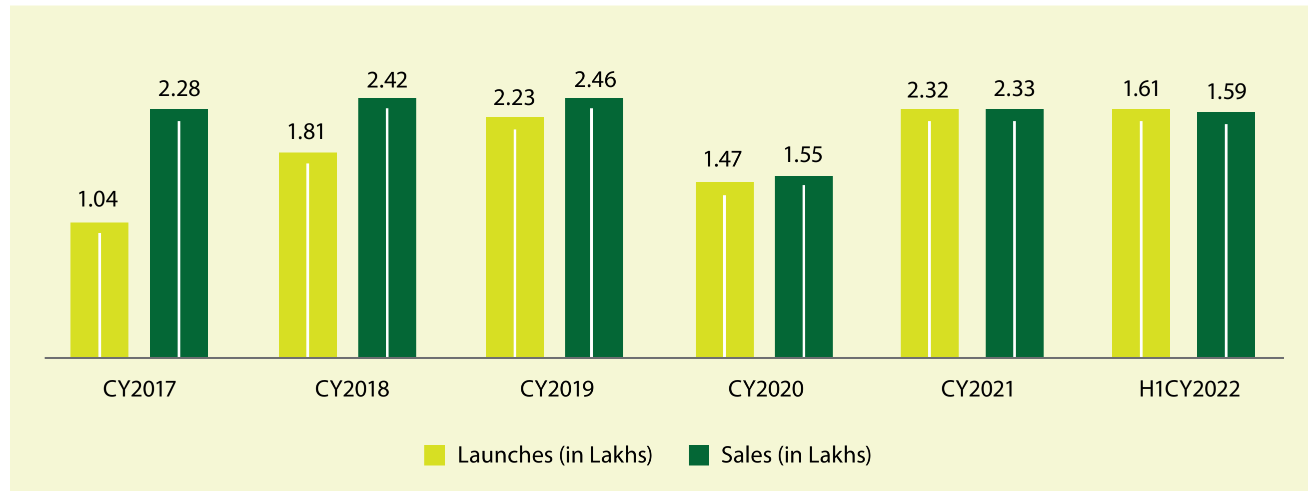
## INDUSTRY OVERVIEW

### Indian Real Estate Industry

The real estate industry contributes significantly to the country's gross domestic product and the sector employs maximum manpower only next to the agriculture sector. In terms of direct, indirect, and induced effects on all economic sectors, the construction industry ranks third among the 14 major industries. The low cost of capital has spurred housing and other real estate developments. In 2021, home affordability in India reached its highest level in a decade. In the last five to six years, residential prices have remained relatively stable, resulting in improved affordability which was further aided by lower interest rates on housing loans.

In addition, several government programmes also contributed to the sector's development. The housing market has seen structural changes on both the demand and supply sides during the past decade. This has made the environment for purchasing a home very appealing and secure. This results in an increase in demand for interior and furniture products. Despite the pandemic's effects on business, the industry saw a significant resurgence. The initial wave of COVID-19 in India temporarily halted the sector. However, by the fourth quarter of 2020, the market had begun to accelerate, driven by rising residential demand.

**Pan-India Launches and Sales (Housing Units in Lakhs)**




*Source: Knight Frank*

In CY2021, the launches and sales of housing units across India increased by 58.0% and 51.0%, to 2.33 lakh and 2.32 lakh units, respectively. In H1CY2022, launches and sales increased by 56% and 60% YoY to 1.61 lakh and 1.59 lakh units, respectively. Sales in H12022 have convincingly broken through and reached the highest level since H12013. Low interest rates and comparatively low home prices along with the renewed need for home ownership sparked by the pandemic, have been the primary drivers for this growth. The COVID-19 pandemic-driven boom in remote working has also increased affordability and inclination for larger dwellings.

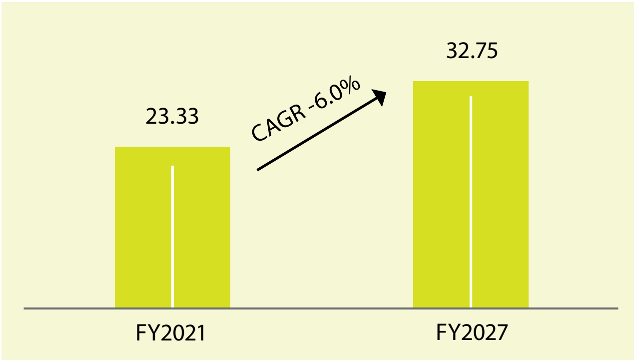
### Outlook

Despite the input cost pressures on the supply side, the demand is expected to be robust. Sales momentum is expected to improve in CY2022 as prospective homebuyers would continue to prefer larger homes, better amenities and attractive pricing would keep them interested. The demand for leased commercial space emanating from the information technology sector is likely to drive the growth for the commercial office markets. All of these factors will bode well for the furniture demand and help drive the growth for the interior infrastructure segment.

### Indian Furniture Industry

India is the fifth largest producer and the fourth largest consumer of furniture. The Indian Furniture Market stood at US$ 23.33 billion in FY2021 and is growing at a CAGR of 6.0% to reach US$ 32.75 billion by FY2027 as per a report published by Research & Markets.

### Indian Furniture Market (in US$ billion)




*Source: Research and Markets*

The growth of the real estate market coupled with co-working business spaces drives the development of the furniture sector. As the Indian economy recovers from the impact of COVID-19, India's furniture market is on an upward trajectory. The Indian furniture business is noted for its fine craftsmanship, traditional art, and elegance. The sentiments are very positive because the consumers have started placing more emphasis on their home, especially with respect to furniture and furnishing. The rise of the middle class, increasing urbanisation and preference for branded products would contribute to the growth of Indian furniture market. The market is dominated by a large number of small and local manufacturers but as a result of the changing consumers preference for quality products along with increased formalisation of the economy due to implementation of GST, organised players' market share is expanding.

India's share in global furniture exports is meagre in size. The global demand for furniture is growing while there are capacity bottlenecks in key furniture exporting countries such as Vietnam. Globally, there is an increased thrust to reduce dependency on China which is also another key furniture exporting country. All of these factors could help the Indian furniture industry in gaining significant share within the furniture exports market. Currently, India's top furniture export destination includes US, Germany, France, UK, Netherlands, and Australia. In addition, the government's emphasis on making India an export hub will create significant export growth potential.

### Online Space

The advent of e-commerce platforms has led to the Indian furniture market broadening its reach. The market players are now capable of providing 3D image options of furniture using the online sales channel and exploit internet to showcase their designs. This is helping consumers to choose the best furniture for their needs. The growing popularity of online and mobile shopping in India is expected to boost online furniture demand. The category has witnessed massive growth over the past few years, with the pandemic accelerating this shift. While the Indian online furniture market currently constitutes only 3.0% of the overall organised furniture sector, it has been growing at a strong pace for the past few years.

### Factors contributing to the growth of the furniture market in India are:

- About 2.5x increase in per capita income from 2016 to 2027
- Changing consumer preference
- Consumption expenditures to reach $4 trillion by 2025
- Growth in hospitality and tourism
- Rise in nuclear families
- Urbanisation





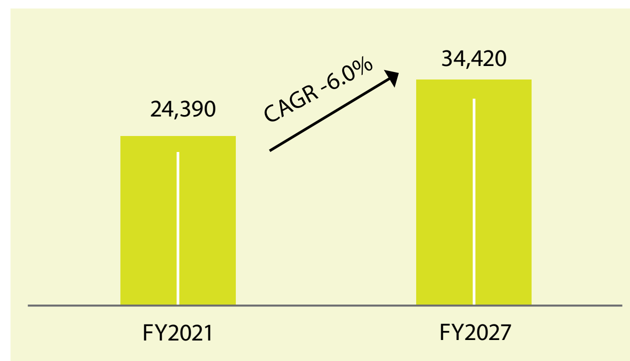
### Indian Wood Panel Industry

The surging real estate business and resultant demand for furniture is likely to help the wood panel industry grow in the near future. The COVID-19 pandemic had resulted into a temporary slowdown in the furniture manufacturing activity in the country. However, the industry was quick to rebound with increased customer demand resulting from work from home trend which emerged during COVID-related lockdowns. The wood panel industry is anticipated to grow further due to robust underlying demand and increase in home remodelling activities.

### Indian Plywood Industry

The Indian plywood market is estimated to be valued at ₹ 24,390 crore in 2021 and expected to reach ₹ 34,420 crore by 2027, exhibiting a CAGR of 6.0%. India's annual capacity for plywood is estimated at 10 million CBM compared to China's annual capacity of 200 million CBM as per industry reports. Hence, there is huge penetration opportunity for the Indian plywood industry. In the past decade, the expenditure on furniture per household has increased due to rise in income level, increasing urbanisation and improved consumer propensity to invest in real estate etc. Moreover, the introduction of new designs and diverse product range of furniture have further helped in boosting demand among the consumers. Expanding distribution network and exclusive outlets of furniture manufacturers also have helped in influencing the market for plywood.

### Indian Plywood Market (In ₹ Crore)



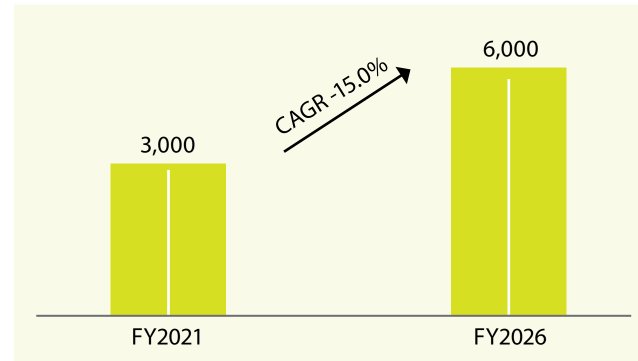

*Source: Businesswire*

Increased demand for branded products would allow organised players to outperform the industry. The unorganised players are likely to face difficulties in the near term driven by increased formalisation of the economy due to implementation of GST and challenges associated with sustained rise in input costs and higher working capital requirements.

### Indian MDF (Medium Density Fibreboard) Segment

With the increase in awareness and application of MDF, there has been a substantial growth in the consumption of MDF in India. The Indian MDF industry was estimated to be ₹ 3,000 crore in 2021 and is expected to grow at a CAGR of 15%-20% to ₹ 6,000 crore by 2026.

### Indian MDF Market (In ₹ Crore)




*Source: Niveshaay*

*Gabon Facility, West Africa*

According to the industry experts, Indian work from home (WFH) furniture market was US$ 2.22 billion in FY2021 and is expected to be US$ 3.49 billion by FY2026 which would lead to higher demand for MDF. Also, higher input cost and GST compliance issues have made MDF prices very competitive against the low-cost plywood market. At present, 60.0% of the consumption of MDF is for commercial use while it is now gaining popularity in the residential segment too. MDF has a small share of 7.0% -8.0% in the Indian furniture market, as compared to 70.0% in developed countries, which indicates a strong potential for MDF products.

Key applications of MDF –

- Shoe Heels
- Laminate Flooring Substrate
- Embossed Panels for Wall Cladding
- Kitchen Shutters
- Decorative Display Panels
- Railway Cushion Base
- Automotive Internal panels
- Gift boxes
- Toys
- Electronic circuit board
- Sound proofing boxes
- Blockboards/ painting easles
- Theatre set construction

## Growth Drivers for the organised furniture market

- **Increased penetration opportunity for organised players:** The organised plywood players are expected to witness higher volume growth due to increase in demand from real estate and shift of market from unorganised players. The price difference between unorganised and organised players has come down due to stricter implementation of GST regulations. Also, higher raw material prices have increased the working capital requirement, impacting the unorganised players adversely.

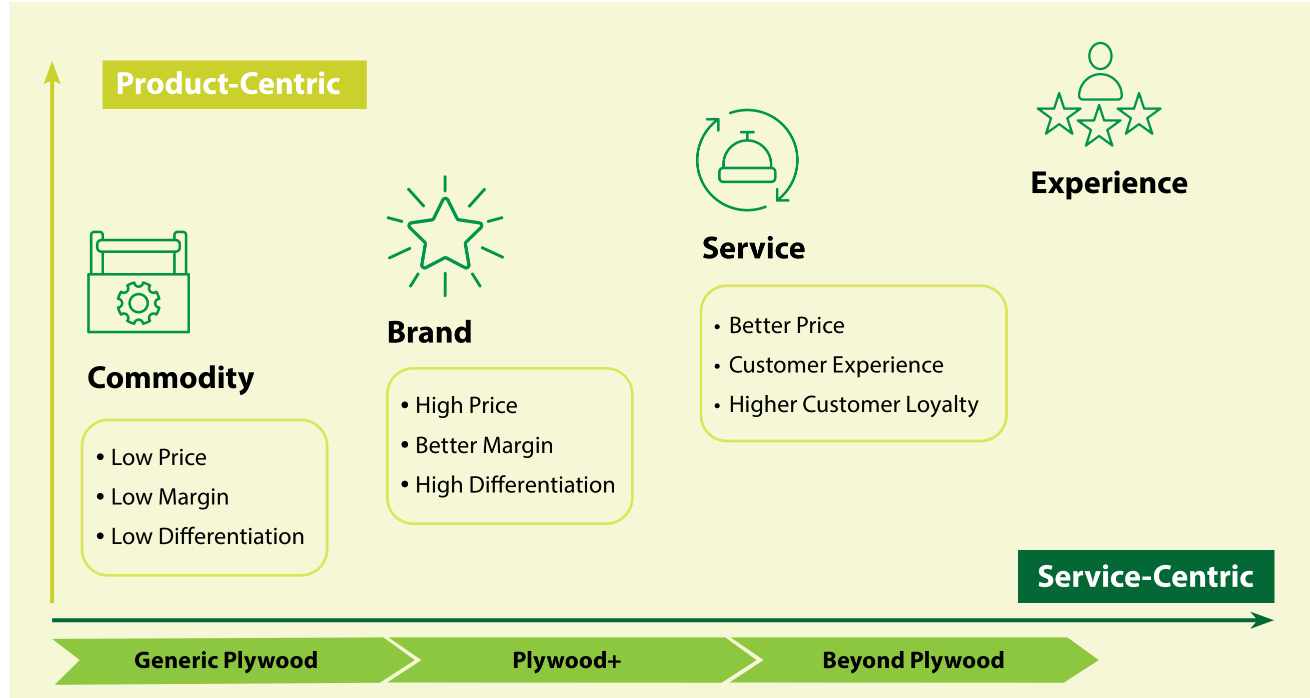
- **Development of furniture clusters to promote economies of scale:** The government's focus on making India an export hub provides strong export growth opportunities for the Indian furniture industry. For instance, Tamil Nadu Industrial Guidance and Export Promotion Bureau's plan for setting up a furniture park in Thoothukudi, Tamil Nadu is a welcome step in this direction. Being one of the major ports in India, it would help compete in the international furniture market connected to hubs like Singapore, China, Indonesia, and Sri Lanka, having witnessed large number of timber imports and timber yards and mills.

- **Consumer's preference for brand:** Plywood in India has matured from commodity to brand. Currently, Indian plywood industry is at a stage of consolidation with better pricing and customer experience.

*Plywood Facility, Kriparampur, West Bengal*








*Source: Industry Reports*

## Government Initiatives

- The Indian government, in partnership with state governments, has taken significant efforts to support sector development. For example, the Smart City Project to construct 100 smart cities benefiting the real estate sector. In addition, the Union Cabinet has approved ₹ 25,000 crore alternative investment fund (AIF) to revive over 1,600 delayed housing projects across the country
- India's 'Housing for All' project is expected to attract US$ 1.3 trillion in housing investment by 2025. For Housing Finance Companies (HFC) microfinance, the government has established an Affordable Housing Fund (AHF) at the National Housing Bank (NHB) with an initial corpus of ₹ 10,000 crore
- The government has allocated ₹ 48,000 crore for building 80 lakh houses under PMAY (Pradhan Mantri Awas Yojana) both rural and urban during the next fiscal
- The Department for Promotion of Industry and Internal Trade (DPIIT) is in discussion with other ministries and states to rollout a scheme to make India self-reliant in furniture manufacturing through incentives such as tax breaks. India imported US$ 592 million of furniture in the April-November period of FY2021, more than half of which came from China

*Source: imarc Industry Reports, www.investindia.gov.in*

*Rajkot Facility, Gujarat*

# COMPANY OVERVIEW

## Company Background

Greenply Industries Limited (hereafter referred to as "the Company" or "Greenply") is a leading brand of plywood, blockboard, doors, decorative veneers, and other allied products for interior infrastructure. The Company has been continuously driving product innovation ensuring a steady supply of healthy and safe products to its consumers.

The Company has four state-of-the-art plywood manufacturing plants across the country. It also has a face veneer peeling factory in Gabon that exports to India, Europe, Middle East and Southeast Asian markets. The Company has a strong distribution network of over 2,300 dealers spread across over 1,100 cities, towns and villages in 27 states and 6 union territories serving through 56 branches.

## Products & Brands

Greenply's product line is diverse to meet the needs of its customers. The Company's extensive product line comprises plywoods and blockboards, decorative veneers, flush doors, speciality plywood, and Polyvinyl Chloride (PVC) products.

The Company offers its products in various brand names as follows:

| Plywoods and Blockboards | Decorative Veneers | Flush Doors | Speciality Plywoods | PVC Products |
|---|---|---|---|---|
| **BRANDS** | **BRANDS** | **BRANDS** | **BRANDS** | **BRANDS** |
| • Green<br>• Flexiply<br>• Optima G<br>• Ecotec<br>• Bharosa<br>• Jansathi | • Wood Crests<br>• Burma Teak<br>• Royal Crown<br>• Kohl Forest<br>• Engineered Veneers | • Green<br>• Optima G<br>• Ecotec | • Green Compressed Wood Plate<br>• Cali-Form Plywood | • Green Ndure<br>**PRODUCTS**<br>• Boards<br>• Doors<br>• Plastic Section |

### Plywoods & Blockboards

Greenply provides a selection of plywoods and blockboards under the brand names Green, Optima G, Ecotec, Bharosa and Jansathi. These brands operate at various price points, appealing to a large customer base.

Greenply makes eco-friendly and zero-emission plywood in an effort to reduce its carbon footprint. The Company is the first to introduce E-0 grade plywood in India. The entire line of zero-emission plywood, the first-of-its-kind in India, is protected by Virashield to assure health and safety of its consumers. Also, Greenply was the first Indian Company to provide a lifetime warranty on premium plywood products such as Green Club and Green Club Plus.

### Decorative Veneers

Greenply offers a wide range of teak, natural and decorative veneers under the brand names Wood Crests, Kohl Forest, Royal Crown, Burma Teak and Engineered Veneers.

Greenply veneers are comprised of exotic species from all over the world, including North America, South America, Europe, and Africa. The veneers are environmentally friendly because they conform to Forest Stewardship Council-FSC®, Indian Green Building Council-IGBC, and E-1 emission standards.

### Flush Doors

Under the brand names Green, Optima G, and Ecotec, the Company provides a variety of flush doors. The dimensional stability and strong impact resistance of Greenply flush doors provide security, protection and privacy. These doors are offered in three varieties: one-sided decorative, both-sided decorative and non-decorative hardwood flush doors.

### Speciality Plywoods

Greenply manufactures speciality plywood for varied applications, including railways, automobiles, and construction-specific architectural structures. Due to its excellent quality and performance, the super-strong, highly compressed plywood can be used in a variety of industries.

### PVC Products

Greenply markets PVC/ Wood Plastic Composite (WPC) boards, PVC/ Unplasticised (uPVC) Doors and plastic section under the brand name Green Ndure. PVC boards are lighter, economical and an eco-friendly sustainable interior solution. PVC products are lead-free, making it a safe choice for the interiors as well as the environment at large.





## Manufacturing Facilities

The Company owns four plywood and allied product manufacturing facilities in India. It also has a face veneer manufacturing facility in Gabon through a wholly-owned subsidiary. The Company's four modern plywood facilities in Bamanbore (Gujarat), Kriparampur (West Bengal), Tizit (Nagaland) and Sandila (Uttar Pradesh) under a WOS can produce 48.4 million sq. mtrs. of plywood annually. In addition, the Company has an existing facility in Bareilly (Uttar Pradesh) with annual capacity of approximately 10.0 million sq. mtrs. and is adding another in Hapur (Uttar Pradesh) with the capacity of 7.5 million sq. mtrs. p.a. as partnership units through investments in equity. The Company is expanding its capacity through a combination of in-house and partner manufacturing to address the rising demand in the plywood category.

Moreover, the Company has an upcoming greenfield MDF board production facility under a Wholly Owned Subsidiary (WOS) with the capacity of 800 CBM per day near Vadodara, Gujarat. The facility will produce all sub-categories including Exterior, Interior, HDHMR (High Density High Moisture Resistance), BWR (Boiling Water Resistance) with thin & thick, pre-lam and other value-added products.

## Business Strengths

**Leadership position and strong brand equity:** Greenply is a well-established brand with more than three decades of rich experience in the plywood industry. It enjoys a strong brand recall with consistent positioning in the minds of consumers.

**Strategically located manufacturing facilities:** The Company's operations are strategically positioned near the raw material sources. This provides appropriate raw material availability at a competitive price. The upcoming MDF unit in Vadodara under WOS is also located near the port to provide cost advantage.

**Pan-India distribution network:** The Company has a strong dealer network of over 2,300 dealers spread across over 1,100 cities, towns and villages in 27 states and 6 union territories serving through 56 branches prudently balanced between urban and new-age construction hubs. This makes it possible for the Company's products to be marketed across the country.

**Serving all consumer segments:** The Company has a wide range of product basket that spans at every price point catering from premium to mass segment. Greenply's presence in the premium segment is denoted through brands such as Green, Club and Optima G. The Company is serving mid and mass market segment through brands like Ecotec, Bharosa and Jansathi.

**Innovative and eco-friendly products:** The firm invests in cutting-edge technologies that foster product innovation and quality excellence. The Company is the first to introduce E-0 plywood certified by the California Air Resources Board (CARB) issued by Environment Protection Agency (EPA). This emphasises the Company's ongoing efforts to launch differentiated products on the market to acquire a competitive advantage.

**Sustainable operations:** Greenply is committed towards leading a sustainable way of growth and is engaged in plantation activities in catchment to each of its manufacturing units. This has enabled the Company to source uninterrupted raw material supply and provide long-term inclusive growth. As part of the initiative, the Company has planted more than 12 million saplings covering over 17,000 acres of area under plantation. Greenply is the first player in the Indian panel industry to receive the prestigious FSC ® – FM accreditation for its plantation in Nagaland's MON district.

## Business Strategies

### 1. Balanced in-house and asset-light business approach

The Company has adopted a balance approach of in-house and partnership manufacturing. This has allowed the Company to expand its scale while conserving capital.

### 2. Diversifying by entering into new segments

Greenply's foray into MDF boards segment under WOS would help the Company to diversify its product portfolio. The MDF industry is expected to grow rapidly given its versatile application and customisation. The Company has a potential to capture substantial market share with the leadership position in the western untapped market.

### 3. Emphasis on Zero-Emission range of Products

With customer inclination towards non-hazardous plywood products, the Company has introduced Zero emission plywood that comply with E-0 grade emission regulations and is focussed towards enhancing its range. The Company has attained first mover advantage in launching zero emission plywood products in the country which is gaining wider acceptance. The Company is thus capitalising on this competitive edge.

### 4. Rural & Semi-Urban Penetration

The Company has a vast pan-India distribution network. Rural and Semi-Urban region is a lucrative market for plywood due to its increased affordability which has prompted the Company to expand its rural footprint. Towards this strategy, the Company has expanded its footprint to additional 190 cities, towns and villages during FY2022 in these regions to reach over 900 mark and is continuously working to further expand the same.

### 5. Automation & Digitisation

Greenply has upgraded its systems and processes to move swiftly with the unparalleled speed in the new-age environment. Towards this effort, the significant emphasis would be on automation to enhance supply chain and manufacturing capabilities leading to smart functioning by the Company at all levels. The Company expects these prospects to consolidate and manifest in its future business performance.

### 6. People

Greenply values its employees and promotes a culture of learning and development. The Company has been recognised as a Great Place to Work for three consecutive years i.e., 2020, 2021 and 2022. Greenply is persistently committed to fostering an engaging work environment and culture. In addition to virtual and classroom instruction, skill augmentation are accomplished through on-the-job trainings.

*Sandila Facility, Uttar Pradesh*





# FINANCIAL OVERVIEW

## Standalone

### Income Statement Analysis

- Total income increased to ₹ 1,390.06 crore in FY2022 compared to ₹ 1,024.49 crore in FY2021, depicting a growth of 35.7% on YoY basis
- EBITDA increased to ₹ 143.6 crore in FY2022 compared to ₹ 106.0 crore in FY2021, depicting a growth of 35.4% on YoY basis
- EBITDA margin was 10.4% in FY2022, at similar level with FY2021
- Profit after tax increased to ₹ 88.8 crore in FY2022 compared to ₹ 57.9 crore in FY2021, depicting a growth of 53.3% on YoY basis
- PAT margin increased to 6.5% in FY2022 from 5.7% in FY2021

### Balance Sheet Analysis

- Total debt stood at ₹ 43.7 crore as on March 31, 2022 compared to ₹ 58.5 crore as on March 31, 2021
- Net debt stood at ₹ 23.2 crore as on March 31, 2022
- Net debt-equity is 0.05 times as on March 31, 2022
- Net working capital days at 29 days as on March 31, 2022 compared to 34 days as on March 31, 2021
- Return on Capital Employed (Pre-tax) stood at 24.5% as on March 31, 2022 compared to 18.5% as on March 31, 2021
- Return on Equity stood at 19.3% as on March 31, 2022 compared to 15.1% as on March 31, 2021

### Key Operating metrics - Plywood

| Particulars | FY2022 | FY2021 |
|---|---|---|
| Annual Capacity (million sq. mtrs.) | 34.9* | 24.9 |
| Production (million sq. mtrs.) | 31.3 | 26.8 |
| Sales Volume (million sq. mtrs.) | 57.5 | 45.6 |
| Capacity Utilisation | 90% | 77% |

**Note: Re-assessed and revised basis the Chartered Engineer Certificate.*
*Added Sandila with the capacity of 13.5 million square metre p.a. as on June 30, 2022*

### Details of significant change in key financial ratios

| Key Ratios | FY2022 | FY2021 |
|---|---|---|
| Debt Equity ratio (times)* | 0.09 | 0.14 |
| Debt Service Coverage ratio (times) | 5.3 | 2.89 |
| Return on Equity ratio (%) | 19.3% | 15.1% |
| Trade Receivables Turnover ratio (times) | 8.51 | 4.29 |
| Trade Payables Turnover ratio (times) | 5.29 | 3.7 |
| Net Working Capital Turnover ratio (times) | 20.63 | 5.97 |
| Return on Investments (%) | 14.9% | 7.5% |
| EBITDA/Net Interest (times) | 24.84 | 9.59 |
| Return on Capital Employed (ROCE) (%)** | 24.5% | 18.5% |

*Note:*
**Total debt includes long-term and short-term borrowing*
*** ROCE taken at average capital employed*

## BUSINESS OUTLOOK

The Company foresees robust growth marked by resurgence in demand from the real estate sector. This will be driven by consumer shift towards branded and eco-friendly products, rising affordability and urbanisation. Although the volatility in raw material costs prevails, the Company is resilient of its outlook towards the growth trajectory.

In order to meet the increasing demand for plywood, the Company is expanding its capacity and increasing the penetration level. In addition, the Company is diversifying into futuristic MDF product to cater to the larger consumer base. As the Company prepares for a new level of horizons by expanding its capacity, entering new business lines, enhancing brand visibility and management bandwidth across all areas to achieve its long-term growth objectives.

## RISK MANAGEMENT

| RISK | Impact | Mitigation Plan |
|---|---|---|
| **EXTERNAL RISK** | | |
| Prolonged COVID-19 outbreak risk | If pandemic and related lockdowns continue for an extended period of time, supply chain and consumer demand could be negatively impacted. | In recent years, the Company has enlisted many vendors and set up plants in diverse places to reduce geographical concentration risk and balance trading, partnership and in-house manufacturing. |
| **OPERATIONAL RISK** | | |
| Logistics/Supply chain risk | Logistics and supply chain management plays an important role in product distribution. Any inefficiency in the same can impact the business operations. | The Company's well-structured logistics management processes starting from raw material procurement to final product delivery to customers ensures uninterrupted operations.<br>During FY2022, the Company has introduced and implemented an integrated material tracking system for seamless logistics management. Enhancing transparency and efficiency at every step of supply chain cycle. |
| Attrition risk | High attrition especially in salesforce could impact the business. | The Company is enhancing its management capacity with a new process and system that incorporates regular performance reviews based on a shared set of leadership behaviours, abilities, and competencies. The Company has planned to upskill and reskill personnel for future employment. |
| Reputation risk | Any negative publicity or event can adversely impact the brand image. | The Company keeps the track of all its media communications. The Company's code of conduct is designed to ensure that all its stakeholders adhere to its values and standards. |





| RISK | Impact | Mitigation Plan |
|---|---|---|
| **STRATEGIC RISK** | | |
| Competition risk | An increasing number of players could intensify competition and impact market share. | On the back of the decades-old industry experience, the Company possesses extensive scale, strong brand recall and operational efficiency that has enabled it to attain a leadership position in the industry. Strong dealer network and wide range of products across plywood and allied product categories has helped the Company to deepen its market penetration. Moreover, focus on product innovation is expected to result in growth across the market segment. |
| Regulatory & compliance risk | Wood is a key raw material for plywood. Any regulatory restrictions on sourcing of wood or face veneer would impact the business operations. | The Company is engaged in forestry plantation, conservation of natural resources and timber with no deforestation. Adhering to local laws, one of the manufacturing units of the Company is FSC® – FM (Forest Management Certification) certified. The Company is an ethical player, responding with a sense of governance and adheres to all regulations. It deploys a dedicated team to monitor new regulatory compliance or any shift in it and takes corrective action whenever required. |
| **BUSINESS RISK** | | |
| Counterfeit risk | The fake product manufactured in Company's brand name can dampen its reputation. | The QR coding system implemented by the Company would help to check the counterfeiting of its world-class products. Use of QR code provides an end-to-end tracking through the entire supply chain and customers would be assured of excellence in all products manufactured at the Company's facilities. |
| Raw material cost risk | Volatile raw material costs could impact margins. | The Company's manufacturing units are proximate to the sources of raw material, and it procures raw materials from multiple suppliers at competitive price.<br>The Company has been passing on the increased cost to the consumers to maintain the margin. |
| Raw material availability risk | Limited sourcing of raw material can impact Company's operations to meet the growing demand. | The Company promotes largescale plantations in catchment to each of its manufacturing facilities.<br>It enabled the Company to ensure sustained, long-term raw material supply, while protecting the environment for the local communities. So far, the Company has planted more than 12 million seedlings and covered more than 17,000 acres of area under plantation. The Company had set up a manufacturing facility in Gabon for commercial production of face veneer that would help in securing supply of face veneer for the Company. |

## INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

Greenply has created robust internal control mechanisms commensurate with its size and operations. The Company believes that implementing proper internal controls and standardising operational procedures is the key to safeguarding assets and maximising corporate effectiveness. The internal control and risk management system is established and implemented in accordance with the organisation's corporate governance policy, principles and requirements.

Compliance with these rules and procedures is a component of the management review method. Internal auditors routinely examine the adequacy and effectiveness of these internal controls using a risk-based audit plan. The audit plan encompasses the essential functions, including factories, depots, and other facilities. It involves a variety of employees who execute their various roles in synchronisation. The Board of Directors offers direction and strategic oversight to the management, monitoring, and support committees.

The process owners are informed of suggestions to further strengthen or improve the processes, and adjustments are made as necessary. The audit scope, methodology to be used and reporting framework are defined well in advance, subject to consideration of the Audit Committee of the Company. The Internal Auditors evaluates the effectiveness and adequacy of internal control system, its compliance with operating systems, policies of the Company and accounting procedures at all the locations of the Company. Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

## IT CONTROL SYSTEM

The Company has always been at the forefront of embracing new technology and is inculcating a digital ecosystem to another level in which larger structure of data and patterns emerge enhancing efficiency at all levels. The Company has implemented an integrated material tracking system for seamless logistics management. A single mobility platform is introduced to increase the efficiency of workforce that allows better customer to connect with proactive business executions.

## HR INITIATIVES

Greenply's proactive human resource practices contributed to maintain the Company's leadership position in the sector. Multiple talent engagement efforts were implemented for both campus and lateral talent pools to attract top-tier talent. The Company provides its employees with formal and informal training sessions, as well as on-the-job training, thereby helping them improve their skills and knowledge, and enabling career advancement. Several learning programmes and unique initiatives were taken with both internal as well as external faculty, assist employees in developing their business acumen, perspective, and holistic approach towards the business and its success.

Greenply believes that employee engagement is one of the most crucial facets to retention of its key talent. It promotes an engaging work environment which enables higher employee productivity. The Company's employee retention rate is among the highest in the industry, and it continues to focus on leadership development to promote organisational growth. As of March 31, 2022, the Company employs over 2,450 people.

*Veneer training participants with CMD*





## HSE INITIATIVES

Greenply emphasises that health, safety, and environment (HSE) management is essential for the sustainability of an organisation. The Company's environmental and social responsibility actions aim to benefit the staff, the public, and the environment. Its HSE objectives include compliance with all applicable industry-specific requirements.

These are the aims of HSE management:

- Compliance with all applicable laws and pertinent industry practices
- Raising the environmental, health, and safety standards of equipment and services
- Assigning responsibility and accountability for HSE to all employees, from entry-level to management

The Company's HSE measures are as follows:

- The health and safety of every individual working in the plant area is the management's top priority. Accordingly, the required safety precautions are implemented in the area
- The entire operational surface of the electrical panel is covered with rubber matting. This prevents from occurring electrical shocks during operation and maintenance
- All pipes and equipment with a hot surface are insulated to ensure the safety of the human body
- Appropriate work platforms and ladders are provided for operations and maintenance of the components located at heights
- At specific locations, warning signs are posted for the awareness of the operation team. Earplugs, safety goggles, shoes, helmets, gloves, masks, and other personal protective equipment (PPE) are provided to employees for safe working conditions
- All our facilities are equipped with first-aid kits for the treatment of minor injuries. In addition, ambulance and doctor on call is available 24 hours a day in the event of an emergency

## CSR INITIATIVES

The Company strives to make a difference in the lives of people with a special focus on local areas near the Company's manufacturing locations. The Company has implemented various CSR programmes which have helped make positive impacts mainly in the areas of healthcare, education, and social relief. During the year under review, the CSR programmes initiated by the Company includes taking steps for girl child education, preventive health care etc. near the manufacturing facilities, contributing to the collective life amenities of the community at large.

### Education

Greenply engages in providing education by supporting 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'.

The Company also engages towards contribution for the education of tribal and rural children under the Ekal Abhiyan movement of Friends of Tribals Society (FTS).

*Udayan Shalini Fellowship Programme, Kolkata, West Bengal*

*Ekal Abhiyan, Odisha, West Bengal*

### Healthcare

As a continuous effort towards healthcare initiatives, Mobile Medical Van (MMV) is set up to provide basic diagnostic, medicine, curative, referral, and counselling services to the rural population. We aim at 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. The Company also provides sanitation facilities in three schools in Bamanbore, Gujarat.

*Healthcare Project through Mobile Medical Van (MMV), Tizit, Nagaland*


*Pathology Laboratory for medical diagnose Tizit, Nagaland*

## SUSTAINABILITY INITIATIVES

### PLANTATION

Plantation activities are undertaken in catchment to each of the manufacturing locations that ensures self-sufficiency of raw materials and enables development of communities by providing livelihood.

*Plantation Programme, Vadodara, Gujarat*

*Plantation Programme Kriparampur, West Bengal*

- A nursery and clonal propagation centre are set up with each of the manufacturing units to make available genetically superior planting material
- Quality planting material is made available to local farmers

## CAUTIONARY STATEMENT

The Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events discussed in the 'Management Discussion and Analysis' are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Several factors including though not limited to global and domestic economic conditions, successful implementation of devised strategies, R&D, growth and expansion plans, technological advancements, changes in laws and regulations that apply to the Company, rising competition in and the conditions of its customers, suppliers, and the overall industry, are likely to impact the Company's performance due to which the final results may vary materially from those expressed or implied. Any subsequent development, new information or future events or otherwise that may impact any forward-looking statements, need not be publicly updated, amended, modified, or revised by the Company except as required by applicable law.





# DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their 32nd 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, 2022.

### Financial highlights

The financial performance of your Company, for the year ended March 31, 2022 is summarized below:

(₹ in lacs)

| Particulars | 2021-22 | | 2020-21 | |
|---|---|---|---|---|
| | Standalone | Consolidated | Standalone | Consolidated |
| Turnover | **1,37,145.18** | **1,55,736.75** | **1,01,167.46** | **1,16,162.74** |
| Profit before Exceptional items, Finance charges, Tax, Depreciation/Amortization (PBITDA) | 14,356.00 | 16,016.37 | 10,599.73 | 12,347.74 |
| Less: Finance Charges | 578.03 | 1,193.15 | 1,104.86 | 1,664.97 |
| Profit before Exceptional items, Depreciation/ Amortization (PBTDA) | 13,777.97 | 14,823.22 | 9,494.87 | 10,682.77 |
| Less: Depreciation | 1,860.72 | 2,584.60 | 1,654.62 | 2,307.89 |
| Net Profit before Exceptional items & Taxation (PBT) | 11,917.25 | 12,238.62 | 7,840.25 | 8,374.88 |
| Exceptional items | - | - | - | - |
| Net Profit before Taxation (PBT) | 11,917.25 | 12,238.62 | 7,840.25 | 8,374.88 |
| Provision for taxation | 3,035.92 | 3,026.32 | 2,047.13 | 2,047.13 |
| Profit/(Loss) after Taxation (PAT) | 8,881.33 | 9,212.30 | 5,793.12 | 6,327.75 |
| Share of profit/(loss) of Joint Venture | N.A | 260.27 | N.A. | (236.53) |
| Profit/(Loss) after Taxation and share of profit/(loss) of Joint Venture | 8,881.33 | 9,472.57 | 5,793.12 | 6,091.22 |
| Profit/(Loss) after Taxation for the year | 8,881.33 | 9,472.57 | 5,793.12 | 6,091.22 |

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

During the year under review, your Company posted a stable performance with revenue of ₹ 1,37,145.18 Lakhs as against ₹ 1,01,167.46 Lakhs in the previous year. Profit for the year 2021-2022 was ₹ 8,881.33 lacs as against ₹ 5,793.12 lacs in the previous year.

As per the consolidated financial statements, the revenue and profit for the year 2021-2022 were ₹ 1,55,736.75 Lakhs and ₹ 9,472.57 lakhs respectively as against ₹ 1,16,162.74 lacs and ₹ 6,091.22 lacs in the previous year.

The Company's product line is diverse to meet the needs of its customers. The Company's extensive product line comprises of plywoods and blockboards, decorative veneers, flush doors, speciality plywood, and Polyvinyl Chloride (PVC) products. The Company has been continuously driving product innovation ensuring a steady supply of healthy and safe products to its consumers. Plywood in India has matured from commodity to brand. Currently, Indian plywood industry is at a stage of consolidation with better pricing and customer experience. The Company has a wide range of product basket that spans at every price point catering from premium to mass segment.

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 makes eco-friendly and zero-emission (emits insignificant quantities of formaldehyde as per E-0 and E-1 formaldehyde emission criteria) plywood in an effort to reduce its carbon footprint. The Company is the first to introduce E-0 grade plywood in India. The entire line of zero-emission plywood, the first of its kind in India, is protected by Virashield to assure health and safety of its consumers. Greenply manufactures specialty plywood for varied applications, including railways, automobiles, and construction-specific architectural structures. Due to its excellent quality and performance, the super- strong, highly compressed plywood can be used in a variety of industries

### COVID-19 pandemic:

The industry scenario has been challenging over the past couple of years, with the COVID pandemic hampering business continuity and raw material cost issues further aggravating the crisis. Fortunately, however, the real estate sector is slowly but surely getting back on its feet and showing progressive demand. The market is seeing a clear shift away from the unorganised sector, paving the way for the growth of the organised players.

The physical and mental wellbeing of employees continues to be Company's top priority. The Company issued COVID-19 alert as per guidelines of WHO/Government of India and adopted suitable policies to safe guard employees and for smooth functioning of Company's operations. Adequate safety measures including vaccination, reduction of physical attendance of employees at workplace, work from home, social distancing, wearing masks within office premises and multiple levels of sanitization have been implemented.

### Outlook and expansion

The Company's outlook remains favourable on account of its product integration capabilities, increasing brand visibility, product portfolio 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 Board of Directors of the Company at its meeting held on 10th May, 2021 approved incorporation of a wholly owned subsidiary of the Company in India and setting-up of a new unit in Sandila Industrial Area, Sandila, Dist.- Hardoi, Uttar Pradesh, for manufacturing of plywood and its allied products by the said new wholly owned subsidiary considering proximity of principal raw material i.e. agro forestry timber, availability of workers, growing demand in northern and central markets of India and to secure seamless supply of plywood and its allied products. Accordingly, on 24th May, 2021 a company named Greenply Sandila Private Limited was incorporated as a wholly owned subsidiary of the Company.

The said wholly owned subsidiary has commenced commercial production of plywood and its allied products in its unit situated at Sandila Industrial Area, Sandila, Dist.- Hardoi, Uttar Pradesh.

Further, the Board of Directors of the Company at their meeting held on 4th August, 2021, had approved acquisition of M/s. Baahu Panels Pvt. Ltd. as a wholly owned subsidiary of the Company for setting-up of a new unit in Village: Sherpura, Taluka: Savli, District: Vadodara, Gujarat for manufacturing of Medium Density Fibreboard (MDF) under the said Wholly Owned Subsidiary. The civil construction work, arriving and installation of machineries are in progress for the said new production line of Medium Density Fibreboard (MDF)..

Pursuant to the approval of the Board of Directors of the Company at its Meeting held on 14.02.2022, the Company has entered into an agreement for investment of ₹1.90 crore (i.e. 19%) in the equity share capital of M/s. Hapur Plywood Private Limited (a newly incorporated company for setting-up a manufacturing unit of Plywood and allied products at Hapur, U.P.). The Company will procure materials from them for its businesses.

The Company foresees robust growth marked by resurgence in demand from the real estate sector. This will be driven by consumer shift towards branded and eco-friendly products, rising affordability and urbanisation. Although the volatility in raw material costs prevails, the Company is resilient of its outlook towards the growth trajectory.

### 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 Alkemal (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. Also, your Company has two Indian wholly owned subsidiary namely Greenply Sandila Private Limited and Baahu Panels Private Limited.





Greenply Sandila Private Limited was incorporated on 24th May, 2021 for manufacturing of plywood and its allied products and Baahu Panels Pvt. Ltd. was acquired on 4th August, 2021 as a wholly owned subsidiary of the Company with objective for setting-up of a new unit in Village: Sherpura, Taluka: Savli, District: Vadodara, Gujarat for manufacturing of Medium Density Fibreboard (MDF).

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 Alkemal (Singapore) Pte. Ltd. (a joint venture company of Greenply Industries Limited, India through its wholly owned subsidiary Greenply Holdings Pte. Ltd., Singapore and Alkemal 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 (U.A.E.), Greenply Gabon S.A. (West Africa) (wholly owned subsidiary of Greenply Middle East Limited), Baahu Panels Private Limited (India) and Greenply Sandila Private Limited (India) and Greenply Alkemal (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 liabilities) | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of consolidated net assets | ₹ in Lakhs | As % of consolidated profit or loss | ₹ in Lakhs |
| **Holding Company** | | | | |
| Greenply Industries Limited | 94.40% | 50,804.82 | 93.76% | 8,881.33 |
| **Subsidiaries:** | | | | |
| Indian | | | | |
| Greenply Sandila Private Limited | -0.05% | (28.70) | -0.30% | (28.70) |
| Baahu Panels Private Limited | -0.30% | (161.68) | -1.71% | (161.68) |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | -0.02% | (12.29) | -0.08% | (7.49) |
| Greenply Middle East Limited ^ | 6.35% | 3,417.90 | 5.58% | 528.84 |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | -0.38% | (203.55) | 2.75% | 260.27 |
| **Non-controlling interests in all subsidiaries** | 0.00% | - | 0.00% | - |
| **At 31 March 2022** | 100.00% | 53,816.50 | 100.00% | 9,472.57 |

| | 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 |
| **Holding Company** | | | | |
| Greenply Industries Limited | -20.53% | 30.01 | 95.55% | 8,911.34 |
| **Subsidiaries:** | | | | |
| Indian | | | | |
| Greenply Sandila Private Limited | 0.00% | - | -0.30% | (28.70) |
| Baahu Panels Private Limited | 0.00% | - | -1.71% | (161.68) |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | 0.21% | (0.30) | -0.08% | (7.79) |
| Greenply Middle East Limited ^ | 120.32% | (175.87) | 3.75% | 352.97 |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | 0.00% | - | 2.79% | 260.27 |
| **Non-controlling interests in all subsidiaries** | 0.00% | - | 0.00% | - |
| **At 31 March 2022** | **100.00%** | **(146.16)** | **100.00%** | **9,326.41** |

*^ includes a 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, Greenply Middle East Limited, Dubai (UAE), Greenply Sandila Private Limited, India and Baahu Panels Private Limited, India. 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/investors. 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/investors. Shareholders interested in obtaining a physical 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- |
| CARE | Banking Facilities – Short Term | CARE A1+ |
| 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 50% i.e. Re. 0.50 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 12,28,63,895 equity shares of Re. 1/- each for financial year 2021-2022. The final dividend on the equity shares, if approved by the members as above, would involve an outflow of ₹614.32 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 February 8, 2019. The Dividend Distribution Policy of the Company is annexed to this Report and also has been 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

## Transfer to Reserves

No amount has been proposed to be transferred to the General Reserve during the Financial Year 2021-22.

## Details of the transfer(s) to the IEPF

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 |
|---|---|---|
| 31.03.2015 | 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 |
| 31.03.2020 | 30.09.2020 | 05.11.2027 |
| 31.03.2021 | 15.09.2021 | 21.10.2028 |

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 15th September, 2021 (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.

Further, as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (hereinafter referred to as the IEPF Rules, 2016) read with Section 124 of the Companies Act, 2013, in addition to the transfer of the unpaid or unclaimed dividend to Investor Education and Protection Fund (hereinafter referred to as "IEPF"), the Company shall be required to transfer the underlying shares on which dividends have remained unpaid or unclaimed for a period of seven consecutive years to IEPF Demat Account. Accordingly 37,799 equity shares, as detailed below, in respect of which dividend was unpaid or unclaimed for a consecutive period of seven (7) years or more had been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government. During the year, one shareholder, whose shares were transferred to the De-mat account of IEPF Authority, claimed and received his 2000 shares from IEPF Authority.

| Month & Year of Transfer of Equity Shares to IEPF | No. of Equity Shares Transferred to IEPF | No. of shares claimed from IEPF | Balance lying in IEPF De-mat account |
|---|---|---|---|
| November, 2017 | 30,185 | 2000 | 35799 |
| October, 2019 | 7,000 | | |
| February, 2021 | 614 | | |
| **Total** | **37,799** | **2000** | **35799** |

Details of above shares are available in the Company's website and can be viewed at www.greenply.com

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 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.

## Share Capital

During the year under review, there were no changes in the Share Capital of the Company. However, the Nomination and Remuneration Committee of the Board of Directors of the Company issued and allotted 1,89,250 and 47,250 equity shares of face value of Re. 1/- each (fully paid-up) on 16.05.2022 and 05.08.2022 respectively to the eligible employees of the Company for cash at a price of ₹ 55/- per equity share (including a premium of ₹54/- per share), aggregating to ₹1,30,07,500/- under Greenply Employee Stock Option Plan 2020 ("ESOP 2020"/ "Plan"). Accordingly the equity share capital of the Company was increased from ₹12,26,27,395/- (12,26,27,395 equity shares of Re.1 each) to ₹ 12,28,63,895 /- (12,28,63,895 equity shares of Re.1 each).

## De-mat Suspense Account/Unclaimed Suspense Account

The details with respect to de-mat 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, 2021; | 5 | 3020 |
| 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 | NIL | NIL |
| 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, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

## Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh Mittal (DIN: 00240900), Chairman cum Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The details of Mr. Rajesh Mittal [DIN: 00240900] as required under Listing Regulations and SS-2 has been provided in the notice of 32nd AGM and Corporate Governance Report.

Members of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approved the appointment of Mrs. Vinita Bajoria (DIN: 02412990) as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from the conclusion of 31st Annual General Meeting (AGM) of the Company, i.e. September 15, 2021 to 14th September, 2026, on such terms and conditions and remuneration as mentioned in the AGM Notice dated August 4, 2021.

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 10th May, 2022 received from a Practising Company Secretary Ms. Nidhi Bagri, Proprietor of Nidhi Bagri & Company 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. 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 whereas Mr. Upendra Nath Challu and Ms. Vinita Bajoria has successfully qualified the online proficiency self-assessment test for Independent Director's Databank. Further, in the opinion of the Board of Directors, the Independent Directors of the Company are persons of integrity and possess relevant expertise and experience.

## Declaration by Independent directors

For the financial year 2021-22, 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

Seven (7) Board Meetings were held during the financial year ended 31st March, 2022. 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 16th March, 2022 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 overall recommendations based on the evaluation were discussed by the Board. It was noted that the Board Committees function professionally and smoothly, and besides the Board Committees' terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees. Progress on recommendations from last year and the current year's recommendations were discussed. Apart from the other key matters, the aspects of succession planning and committee composition were also discussed.

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 2021-22;

| Name | Designation | Ratio to median remuneration of employees |
|---|---|---|
| Mr. Rajesh Mittal | Chairman cum Managing Director | 282.08 |
| Mr. Sanidhya Mittal | Joint Managing Director | 112.53 |
| Mr. Manoj Tulsian | Joint Managing Director & Chief Executive Officer | 246.09 |
| Mr. Susil Kumar Pal | Independent Director | 7.10 |
| Mr. Vinod Kumar Kothari | Independent Director | 7.10 |
| Ms. Sonali Bhagwati Dalal | Independent Director | 7.10 |
| Mr. Upendra Nath Challu | Independent Director | 7.10 |
| Ms. Vinita Bajoria | Independent Director | 3.85 |

(b) percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22;

| Name | Designation | % Increase |
|---|---|---|
| Mr. Rajesh Mittal | Chairman cum Managing Director | 61% |
| Mr. Sanidhya Mittal | Joint Managing Director | 73% |
| Mr. Manoj Tulsian | Joint Managing Director & Chief Executive Officer | 84% |

| Name | Designation | % Increase |
|---|---|---|
| Mr. Susil Kumar Pal | Independent Director | 0% |
| Mr. Vinod Kumar Kothari | Independent Director | 0% |
| Ms. Sonali Bhagwati Dalal | Independent Director | 0% |
| Mr. Upendra Nath Challu | Independent Director | 0% |
| Ms. Vinita Bajoria* | Independent Director | N.A. |
| Mr. Mukesh Agarwal$ | Chief Financial Officer | N.A. |
| Mr. Nitinkumar Dagdulal Kalani# | Chief Financial Officer | N.A. |
| Mr. Kaushal Kumar Agarwal | Company Secretary & Vice President-Legal | -8% |

** The % change in remuneration is not comparable as the said director held the position for a part of the year due to her appointment w.e.f. 15.09.2021*
*$ Employed for the part of the year as resigned w.e.f. 16.01.2022 hence not applicable.*
*# Employed for the part of the year as appointed w.e.f. 14.02.2022 hence not applicable.*

(c) percentage increase in the median remuneration of employees in the financial year 2021-22;

-0.14%

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

2549

(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;

11.40 % (non-Managerial personnel) 61.78% (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.

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

## 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 to be held in Financial Year 2022.

As per the provisions of Section 139 of the Companies Act 2013, the term of office of B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Company has received a letter from B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) confirming, inter alia, their eligibility under Section 139 of the Companies Act, 2013 read with allied rules and that the appointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013. The Board of Directors of the Company, subject to the approval of the Members, has recommended the re-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 pursuant to Section 139 of the Companies Act, 2013 for further period of 5 (Five) years. Members' attention is drawn to a Resolution proposing the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company which is included at Item No. 4 of the Notice convening 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 Statutory Auditor's Report for Financial Year ended March 31, 2022 does not have any qualification and adverse remark.

## Cost Auditors

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

## Internal Auditor

The Company has in-house Internal Audit team headed by qualified and experienced Executives. 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 2021-2022. The Secretarial Audit Report of M/s. Nidhi Bagri & Company, Practising Company Secretary, in Form MR-3, for the financial year ended 31st March, 2022, is annexed to this report. The Secretarial Auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

## Disclosure on Employee Stock Option Plan/Scheme

The members of the Company, with a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, passed the resolutions through postal ballot including e-voting on 15th October, 2020 and 23rd December, 2020 for introducing 'Greenply Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan").

The resolutions also accorded approval to the Board of Directors / Nomination and Remuneration Committee of the Company to create, grant and vest from time to time, in one or more tranches, not exceeding 54,00,000 (Fifty-four lakhs only) employee stock options, to or for the benefit of such person(s) who are in permanent employment of the Company and its subsidiary company(ies).

The Nomination and Remuneration Committee at its meeting held on 17th March 2021, approved the grant of 13,44,500 stock options exercisable into 13,44,500 Equity Shares of Re.1/- each of the Company to the eligible employees. Further, the Nomination and Remuneration Committee at its meeting held on 16th March 2022, approved the grant of 10,00,000 stock options exercisable into 10,00,000 Equity Shares of Re.1/- each of the Company to the Joint Managing Director & CEO of the Company. ESOP 2020 is in compliance with the applicable provisions of the Companies Act, 2013 and the Rules issued thereunder, SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and other applicable regulations, if any.

The disclosures as required under Companies (Share Capital and Debentures) Rules, 2014 and Employee Benefit Regulations as on 31st March 2022 is as under:

| | | |
|---|---|---|
| Number of Options outstanding at the beginning of the year (01.04.2021) | | 13,35,000 |
| Options granted during the financial year 2021-22 | | 10,00,000 |
| Options vested during the financial year 2021-22 | | 5,01,000 |
| Options exercised during the financial year 2021-22 | | 1,89,250 |
| The total number of shares arising as a result of exercise of option during the year 2021-22 | | 1,89,250 |
| Options lapsed during the year 2021-22 (9,500 options lapsed during 2020-21) | | 33,000 |
| Exercise Price (Rs.) | | 55 |
| Variation of terms of options during the year 2021-22 | | No variation |
| Money realized by exercise of options during the year 2021-22 | | INR 1,04,08,750 |
| Number of options outstanding at the end of the year 31.03.2022 | | 21,12,750 |
| Number of options exercisable at the end of the year 31.03.2022 | | 3,11,750 |
| Employee wise details of options granted to: | | |
| 1. | Senior managerial personnel: | |
| | a) Mr. Manoj Tulsian, Joint Managing Director & CEO (KMP) | 10,00,000 |
| 2. | Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year 2021-22 | |
| | Mr. Manoj Tulsian, Joint Managing Director & CEO (KMP) | 10,00,000 |
| 3. | Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant during the year 2021-22. | NIL |

There have been no material changes to the ESOP 2020 during the Financial Year, and the scheme is in compliance with the said regulations.

The certificate from M/s. Nidhi Bagri & Company, Practising Company Secretary (Membership No. ACS 24765/COP No.9590), Kolkata, Secretarial Auditors of the Company, confirming that the scheme has been implemented in accordance with the aforesaid regulations and in accordance with the resolution passed by the Members of the Company through postal ballot including e-voting, would be placed before the Members at the ensuing Annual General Meeting. A copy of the same will be available for inspection at the

Company's website and can be accessed on the weblink www.greenply.com/investors

The disclosures on the scheme, details of options granted, changes to the scheme, if any, etc. are placed on the website of the Company as required under Employee Benefit Regulations read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 and can be accessed on the weblink https://www.greenply.com/assets/investor_esops/5/original/ESOP-Disclosure_under_SEBI_%28SBEB_and_Sweat_Equity%29_Regulations__2021.pdf?1660979154.

In line with the Indian Accounting Standards ("Ind AS") 102 on 'Share Based Payments' issued by the Ministry of Corporate Affairs in consultation with Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India ("ICAI") and the National Advisory Committee on Accounting Standards, your Company has computed the cost of equity settled transactions by using the fair value of the options at the date of the grant and recognized the same as employee compensation cost over the vesting period. Further details as required under SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 are disclosed in the notes to the financial statements forming part of the Annual Report.

## Audit Committee

As on 31st March, 2022, 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 Director 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. During 2021-2022, seven meetings of the Audit Committee were held i.e. on 10th May, 2021, 14th June, 2021, 4th August, 2021 and 9th November, 2021, 21st December, 2021, 14th February, 2022 and 16th March, 2022

## Vigil mechanism

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013 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/592/original/Vigil_Mechanism_Policy.pdf?1645006769

## Nomination and Remuneration Committee

As on 31st March, 2022, the Company's Nomination and Remuneration Committee comprises of four Non-Executive Independent Directors viz. Mr. Susil Kumar Pal, Mr. Vinod Kumar Kothari, Mr. Upendra Nath Challu, Ms. Vinita Bajoria and one Executive-Promoter Director Mr. Rajesh Mittal (Chairman cum Managing Director). The terms of reference and other details of the Nomination and Remuneration Committee has also been provided in the Corporate Governance Report. During 2021-2022, five meetings of Nomination and Remuneration Committee were held i.e. on 14th June, 2021, 4th August, 2021, 9th November, 2021, 14th February, 2022 and 16th March, 2022

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

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-

a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;

b) 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;

c) 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 assessments for Functional Heads are done on the basis of below parameters by the concerned interview panel of the Company -

a) Competencies

b) Capabilities

c) Compatibility

d) Commitment

e) Character

f) Strong interpersonal skills

g) 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 -

i. 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;

ii. 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;

iii. 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, 2022, the Stakeholders Relationship Committee comprises two executive Promoter Directors viz. Mr. Rajesh Mittal and Mr. Sanidhya Mittal, and 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. During 2021-2022, four meetings of Stakeholders Relationship Committee were held on 14th June, 2021, 4th August, 2021, 9th November, 2021 and 14th February, 2022

## Risk Management Policy

The Company recognizes that risk is inherent to any business activity and that managing risk effectively is critical for the immediate and future success of any organisation. Pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') the Company has a Risk Management Policy to identify, evaluate risks and opportunities. This framework seeks to create transparency, minimize the adverse consequence of risks on business objectives, enhance the Company's competitive advantage and assist in decision making process. 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.

## Risk Management Committee

The Members of the Audit Committee at its Meeting held on 11th February, 2021 recommended to the Board to form a Risk Management Committee to give proper attention and time on the evaluation of Risk Management System/Policy of the Company.

Accordingly on 11th February, 2021 the Risk Management Committee was constituted, comprising of two executive directors Mr. Manoj Tulsian, Joint Managing Director & CEO, Mr. Sanidhya Mittal, Joint Managing Director and the Chief Financial Officer of the Company. Further, considering the SEBI (LODR) (Second Amendment) Regulations, 2021 issued on 5th May, 2021 bringing in various amendments in SEBI LODR, the Board of Directors had re-constituted the Risk Management Committee on 14th June, 2021. The Company's Risk Management Committee currently comprises of, one Executive - Non Promoter Director, one Executive - Promoter Director, two Non-Executive Independent Directors and the Chief Financial Officer (CFO) of the Company. The Board of Directors also defined the terms of reference of the said Committee. During 2021-22, two meetings of the Risk Management Committee held on 9th November, 2021 and 14th February, 2022

## Annual Return

The Annual Return as required under section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in available on the Company website at https://www.greenply.com/pdfs/annual-return-2022.pdf.

## Material changes and commitments and change in the nature of business

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, 2022 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:

1. 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.
2. 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.
3. 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.
4. The existing assets of the Company are verified/checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. 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 disclosed in the financial statements attached to this annual report.

Amount outstanding as at 31st March, 2022

| Particulars | Amount (₹ in lacs) |
|---|---:|
| Loans given | 1,894.50 |
| Investments made | 22,423.22 |
| Guarantee given | 57,862.62 |

## Public Deposits

During the financial year 2021-2022, 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 2021-22 have been duly paid.

## Related party transactions

There have been no materially significant related party transactions undertaken 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_14022022.pdf?1646389354

## Corporate Governance

Your Company is committed to observe good Corporate Governance practices. The report on Corporate Governance for the financial year ended March 31, 2022, 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 Prevention of 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 the 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.

## Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

As on 31st March, 2022, no application has been made or no proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

## Corporate Social Responsibility

As on 31st March, 2022, the Corporate Social Responsibility Committee (CSR Committee) comprises two executive Promoter Directors viz. Mr. Rajesh Mittal and Mr. Sanidhya Mittal and three Non-Executive Independent Directors viz. Mr. Vinod Kumar Kothari, Mr. Upendra Nath Challu and Ms. Vinita Bajoria. The terms of reference of the Committee have been provided in the Corporate Governance Report. During 2021-22, five meetings of CSR Committee were held i.e. on 14th June, 2021, 4th August, 2021, 9th November, 2021, 14th February, 2022 and 31st March, 2022. The 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/518/original/Corporate_Social_Responsibility_Policy.pdf?1627109345

The salient features of the CSR Policy of the Company are as below:

1. Vision: The Company's CSR Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.
2. Mission: The Company's CSR Mission is primarily to pursue initiatives directed towards enhancing welfare of society based on long term social and environmentally sustainable CSR activities.
3. The Company recognises the need to carry business in accordance with principles of sustainability, balance and equity. It strives to enhance corporate value while achieving a stable and long-term growth for the benefit of stakeholders. The Company also encourages its directors and employees to recommend meaningful CSR projects that may be taken up by the Company.
4. The CSR activities carried by the Company are either identified by the CSR Committee of the Company or as recommended by various stakeholders. The Company either undertakes the activities itself or through some external agency in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (CSR Policy) Rules, 2014.
5. The CSR Committee shall periodically monitor and evaluate the performance of the Projects and seek statements and reports from the CSR Cell on the progress of each of CSR projects from time to time. A certificate shall be obtained from CFO or the person responsible for financial management that the funds disbursed have been utilised for the purpose and in the manner as approved. In case of Ongoing Projects, the Board of the Company shall monitor the implementation of the Project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
6. The Company has chosen some of the projects as mentioned in Schedule VII of the Companies Act, 2013 as its Priority Projects which are as below:
   a) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
   b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
   c) 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;
   d) 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;
   e) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
   f) disaster management, including relief, rehabilitation and reconstruction activities.
7. The Company shall approve Annual Action Plan every year covering list of activities to be undertaken, manner of execution, utilisation of funds, monitoring etc. Impact assessment of CSR activities will be undertaken if the conditions specified in the Policy and under the Companies (CSR Policy) Rules, 2014 in this regard is fulfilled.

Further, the CSR activities carried out during the Financial Year ended 31st March, 2022 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 including amendment thereof, 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, 2022, 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, 2022 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 provides a quarterly certification on financial results while placing the financial results before the Board for approval 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, 2022. The 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 2021-2022, 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

*Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-*

I. Details of Employees employed throughout the financial year who were in receipt of the remuneration for that year which, in aggregate, was not less than ₹1.02 Crore are: 5

II. Employees employed for a part of the financial year and who were in receipt of the remuneration during for that financial year at a rate not less than ₹8,50,000 per month: 1

III. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None

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 the 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.

## General Disclosure

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

a. issue of equity shares with differential rights as to dividend, voting or otherwise;

b. raising of funds through preferential allotment or qualified institutions placement;

c. instance of one-time settlement with any bank or financial institution.

## 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: August 5, 2022 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** | | **₹ in Lacs** |
|---|---|---|
| 1. | Name of the subsidiary | Greenply Holdings Pte. Ltd., Singapore |
| 2. | Reporting period for the subsidiary | 01.04.2021 - 31.03.2022 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | USD / INR = 75.78 |
| 4. | Share Capital | 2879.64 |
| 5. | Reserves & Surplus | -236.15 |
| 6. | Total Assets | 7.59 |
| 7. | Total Liabilities | 19.88 |
| 8. | Investments* | 2655.79 |
| 9. | Turnover | NIL |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | 257.46 |
| 11. | Provision for taxation | - |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | 257.56 |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

**Including ₹ 260.27 Lacs towards share of profit from investment in the Joint Venture Company, Greenply Alkemal (Singapore) Pte. Ltd., Singapore*

| **Part "A": Subsidiaries** | | **₹ in Lacs** |
|---|---|---|
| 1. | Name of the subsidiary | Greenply Middle East Ltd., Dubai, UAE |
| 2. | Reporting period for the subsidiary | 01.04.2021 - 31.03.2022 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | USD / INR = 75.78 |
| 4. | Share Capital | 2064.85 |
| 5. | Reserves & Surplus | -220.11 |
| 6. | Total Assets | 8202.07 |
| 7. | Total Liabilities | 8923.78 |
| 8. | Investments | 2566.45 |
| 9. | Turnover | 22980.05 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | 604.43 |
| 11. | Provision for taxation | - |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | 604.43 |
| 13. | Proposed Dividend | Nil |
| 14. | % of shareholding | 100% |

| Part "A": Subsidiaries | | ₹ in Lacs |
|---|---|---|
| 1. | Name of the subsidiary | Greenply Gabon SA, Gabon |
| 2. | Reporting period for the subsidiary | 01.04.2021 - 31.03.2022 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | USD / INR = 75.78 |
| 4. | Share Capital | 2556.59 |
| 5. | Reserves & Surplus | 3548.12 |
| 6. | Total Assets | 21259.65 |
| 7. | Total Liabilities | 15118.94 |
| 8. | Investments | 0.00 |
| 9. | Turnover | 18448.44 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | 40.08 |
| 11. | Provision for taxation | 0.00 |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | 40.08 |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

| Part "A": Subsidiaries | | ₹ in Lacs |
|---|---|---|
| 1. | Name of the subsidiary | GREENPLY SANDILA PRIVATE LIMITED |
| 2. | Reporting period for the subsidiary | 01.04.2021 - 31.03.2022 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | N.A |
| 4. | Share Capital | 3500.00 |
| 5. | Reserves & Surplus | 3467.18 |
| 6. | Total Assets | 12,889.67 |
| 7. | Total Liabilities | 9,418.39 |
| 8. | Investments | 0.00 |
| 9. | Turnover | 0.00 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | (28.72) |
| 11. | Provision for taxation | 0.00 |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | (28.72) |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |





| Part "A": Subsidiaries | | ₹ in Lacs |
|---|---|---|
| 1. | Name of the subsidiary | BAAHU PANELS PRIVATE LIMITED |
| 2. | Reporting period for the subsidiary | 01.04.2021 - 31.03.2022 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year | N.A. |
| 4. | Share Capital | 14,701.00 |
| 5. | Reserves & Surplus | 14,539.32 |
| 6. | Total Assets | 17,334.61 |
| 7. | Total Liabilities | 2,795.29 |
| 8. | Investments | 0.00 |
| 9. | Turnover | 0.00 |
| 10. | Profit / (Loss) before taxation (including Other Comprehensive Income) | (161.68) |
| 11. | Provision for taxation | 0.00 |
| 12. | Profit / (Loss) after taxation (including Other Comprehensive Income) | (161.68) |
| 13. | Proposed Dividend | NIL |
| 14. | % of shareholding | 100% |

**Notes:**

1. Names of subsidiaries which are yet to commence operations – (1) Baahu Panels Pvt. Ltd. and (2) Greenply Sandila Pvt. Ltd.
2. 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 Alkemal (Singapore) Pte. Ltd., Singapore |
| 2. | Latest audited Balance Sheet Date | 31.03.2022 |
| 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 | ₹ 4396.57 lacs |
| 7 | Profit / (Loss) for the year (including Other Comprehensive Income) | ₹ 520.54 lacs |
| i | Considered in Consolidation | ₹ 260.27 lacs |
| ii | Not Considered in Consolidation | ₹ 260.27 lacs |

**Notes:**

1. Names of associates or joint ventures which are yet to commence operations - N.A.
2. 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: August 5, 2022

**Nitinkumar Dagdulal Kalani**
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)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis: 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: August 5, 2022

**Nitinkumar Dagdulal Kalani**
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 31.03.2022 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. | Ms. Sonali Bhagwati Dalal, Independent Director | 01105028 | 11.07.2007 |
| 7. | Mr. Upendra Nath Challu, Independent Director | 05214065 | 31.08.2012 |
| 8. | Ms. Vinita Bajoria, Independent Director | 02412990 | 15.09.2021 |

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: May 10, 2022
Place: Kolkata
UDIN A024765D000299666





## MR-3
## Secretarial Audit Report

**For the Period from April 1, 2021 to March 31, 2022**

[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, 2021 to March 31, 2022 (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, 2022 and as shown to us during our audit, according to the provisions of the following laws:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. Secretarial Standards 1 and 2 issued by ICSI;
3. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
4. The SEBI (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-Laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; (**FEMA**)
6. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) viz :-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI LODR**");
   e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014];
   f) 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;
   g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008– **Not applicable during the Audit Period**;
   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021– **Not applicable during the Audit Period**; and
   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018– **Not applicable during the Audit Period**.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

7. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
   a) Environment Protection Act, 1986
   b) 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 Audit Period, 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.

**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 Audit Period 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) **Incorporation of new WOS under the name and style 'Greenply Sandila Private Limited' under the jurisdiction of RoC, Kolkata for setting up a manufacturing unit in Sandila, Hardoi, UP for plywood and its allied products**

   Considering proximity of principal raw material i.e. agro forestry plantation timber, availability of workers, growing demand in northern and central markets of India and to secure seamless supply of plywood and its allied products, the Company proposed to set-up a unit in Sandila Industrial Area, Plot No. H-2, Phase-II, Sandila, Hardoi, Uttar Pradesh.

   The Board, at its meeting held on 10.05.2021, discussed to set-up the new manufacturing unit for plywood and its allied products in Sandila Industrial Area, Sandila, Hardoi, U.P. under a wholly owned subsidiary. Accordingly, Greenply Sandila Private Limited WOS has been incorporated on 24.05.2021 as a WOS of the Company.

b) **Acquisition of 'Baahu Panels Private Limited', an existing company, as new WOS of the Company for setting up MDF manufacturing unit in Sherpura, Vadodara, Gujarat**

   Considering proximity of principal raw material i.e. agro forestry plantation timber, availability of workers, proximity to Sea Port and National Highways, experience of the management in wood panel Industry and growing demand of MDF in India and Overseas, the Company proposed to set-up a manufacturing unit in Village: Sherpura, Taluka: Savli, District: Vadodara, Gujarat for manufacturing of Medium Density Fibreboard (MDF).

   The Board, at its meeting held on 04.08.2021, discussed to acquire 'Baahu Panels Private Limited' an existing Company incorporated under the jurisdiction of RoC, Kolkata as its WOS and to set-up the new MDF manufacturing unit under the newly acquired WOS. Accordingly, Baahu Panels Private Limited was acquired w.e.f. 04.08.2021.

c) **Equity investment in Hapur Plywood Private Limited, a newly incorporated company, for setting up a manufacturing unit in Hapur, UP for plywood and its allied products**

   The Board, at its meeting held on 14.02.2022, approved to invest ₹ 1.90 crore (i.e. 19%) in the equity share capital of Hapur Plywood Private Limited (a newly incorporated company for setting-up a manufacturing unit of Plywood and allied products at Hapur, U.P.) including procurement of materials from the same for Company's businesses.

### 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, 2022 of even date is to be read along with the annexure to this letter.

Thanking you,

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

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

Date: June 4, 2022
Place: Kolkata
UDIN A024765D000463390
Peer Review Cert No. 2103/2022

## 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, 2022 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 4, 2022
Place: Kolkata
UDIN A024765D000463390
Peer Review Cert No. 2103/2022





## 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) Steps taken or impact on conservation of energy:

- Water Pump House operation controlled under auto systemwith 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.
- Energy conservation measures stated above have resulted ease in operations.
- All high capacity motors are driven by variable frequency drives which utilizes optimum energy.
- All lights across the factory are replaced with LEDs.
- Auto feed system introduced in thermic fluid heaters which has resulted in running of the thermic fluid heater with only inhouse peeling wastes. No coal is used for running the same. The auto feed system is also interlocked with temperature controllers so that the start & stop of the feed can be controlled thereby controlling excess feed of fuel.

(b) Steps taken for utilising alternate sources of energy:

The Company is exploring feasibility of utilising alternate source of energy at its manufacturing units. Ex: Hybrid (solar and wind) electricity

(c) Improvement and Optimisation of Resources:

Your Company is continuously working on improvement and optimization of resources in various areas of operations. Introduction of fali composer machine to utilize short sized cores thereby increasing the raw material usage.

(d) Capital Investment on energy conservation equipment:

Apart from routine maintenance expenditure, there was no major capital investment made on energy conservation during the year under review.

B. Technology absorption

1. The efforts made towards technology absorption:
   - 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.

2. The benefits derived like product improvement, cost reduction, product development or import substitution:
   - 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.
   - Producing Zero Emission Plywood

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

   a. the details of technology imported: The Company did not have the need to import technology or foreign technical collaborations, but the Company had guidance from technical experts.

   b. the year of import: Not Applicable

c. whether the technology been fully absorbed: Not Applicable

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

4. Expenditure Incurred on R&D

(₹ in lacs)

| | |
|---|---|
| Capital | - |
| Revenue | - |
| Total | - |
| Total R&D expenditure as a percentage of net turnover (%) | - |

## 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:

(₹ in lacs)

| | 2021-22 | 2020-21 |
|---|---|---|
| **Earnings on account of:** | | |
| a) FOB value of exports | 210.39 | 10.16 |
| **Total** | **210.39** | **10.16** |
| **Outgo on account of:** | | |
| a) Raw materials | 9,241.63 | 5,604.83 |
| b) Capital goods | 42.49 | 94.23 |
| c) Traded goods | 2,807.54 | 2,319.58 |
| d) Stores & spare parts | 11.23 | 11.39 |
| **Total** | **12,102.89** | **8,030.03** |

For and on behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
(DIN: 00240900)

Place: Kolkata
Date: August 5, 2022





# Annual Report on the CSR activities forming part of the Board's Report for the financial year ended on 31st March, 2022

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

## 1. A brief outline on the Company's 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 -

a) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

c) 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;

d) 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;

e) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

f) disaster management, including relief, rehabilitation and reconstruction activities.

### 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 Company is supporting 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 and Dhenkanal, Odisha

d. Construction for the setting-up of a residential School

The project covers contribution for the setting-up of a residential School for the underprivileged children in Hariharpur Village, PO: Mallickpur, VIA: Malancha Mahinagar, PS: Baruipur, Distt.: South 24 Parganas, Kolkata - 700 145.

e. Sanitation facilities in Schools

The project covers providing sanitation facilities in three Schools nearby Company's unit in Bamanbore, Gujarat.

f. Medical Camps-Eye Check-up

The Company has conducted free medical camps for eye check-up at Bolpur, Maldah, Asansol, Barakar, Mallarpur, Burdwan (West Bengal) and Tirupur, Coimbatore (T.N.) towards healthcare activity.

g. Purchase of books

The Company is contributing for the purchase of books for the students of village School UNNAYANI PATHA BHAWAN, Purba Medinipur, West Bengal

h. Contribution for training to promote nationally recognized sports - Baseball

The Company has contributed for training to promote nationally recognized sports - Baseball through the Uttarakhand Baseball Association, Dehradun.

i. Plantation activities

The Company is taking plantation activities covered under CSR project in Mon (Nagaland), Morbi, Junagarh, Surendranagar, Jamnagar, Bhavnagar, Gir Somnath, Rajkot, Sherpura (Gujarat), Kriparampur (West Bengal), Baripada (Odisha) towards ensuring environmental sustainability.

j. Pathology Laboratory for medical diagnose of poor and needy people

The project covers setting-up of a Pathology Laboratory for medical diagnose of poor and needy people in Tizit, Dist: Mon, Nagaland.

K. Funding for drinking water project

The project covers installation of drinking water system in the Sherpura Primary School, Gujarat.

**2. Composition of CSR Committee:**

The CSR Committee of the Company was formed to shape the vision, mission and goal of the Company's CSR initiatives. The composition of CSR Committee as on 31.03.2022:

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Rajesh Mittal | Chairman cum Managing Director | 5 | 5 |
| 2. | Mr. Vinod Kumar Kothari | Independent Director | 5 | 5 |
| 3. | Mr. Upendra Nath Challu | Independent Director | 5 | 5 |
| 4. | Mr. Sanidhya Mittal | Joint Managing Director | 5 | 4 |
| 5. | Ms. Vinita Bajoria | Independent Director | 5 | 1* |

** Appointed w.e.f. 17.03.2022*





**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board of Directors are disclosed on the website of the Company:**

Composition of the CSR committee -

https://www.greenply.com/COMPOSITION-OF-COMMITTEES-OF-BOARD-OF-DIRECTORS-17.03.2022.pdf

CSR Policy - https://www.greenply.com/assets/investors/518/original/Corporate_Social_Responsibility_Policy.pdf?1627109345

CSR projects - https://www.greenply.com/investors

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (₹ in lacs) | Amount required to be set-off for the financial year, if any (₹ in lacs) |
|---|---|---|---|
| 1. | - | Nil | Nil |

**6. Average net profit of the Company for last three financial years as per section 135(5):** ₹7476.04 lacs

**7.** (a) Two percent of average net profit of the Company as per section 135(5): ₹149.52 lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 1.54 lacs

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹151.06 lacs

**8.** (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (₹ in lacs) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount (₹ in lacs) | Date of transfer | Name of the Fund | Amount (₹ in lacs) | Date of transfer |
| ₹151.77 lacs | Nil | NA | NA | Nil | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| Total | | - | - | - | | - | - | - | - | - | - | - |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project. | | Amount spent for the project (in ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 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 | No | West Bengal | Kolkata and neighboring Districts of West Bengal | 7,50,000 | Yes | - | - |
| 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 health care including preventive health care and sanitation and making available safe drinking water | Yes | Nagaland | Mon | 40,22,770 | Yes | - | - |
| 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 | No | West Bengal | North 24 parganas | 5,50,000 | Yes | - | - |
| 4. | Medical Camp-Eye Check-up | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water | No | Medical Camps at Bolpur, Maldah, Asansol, Barakar, Mallarpur, Burdwan (West Bengal) and Tirupur, Coimbatore (T.N.) -Eye check-up | Various districts covered under the project | 3,52,111 | Yes | - | - |
| 5. | 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 and 2021 | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects | No | West Bengal | Purba Medinipur | 3,00,000 | Yes | - | - |
| 6. | Contribution for training to promote nationally recognized sports - Baseball through the Uttarakhand Baseball Association, Dehradun | Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports | No | Dehradun | Uttarakhand | 5,00,000 | Yes | - | - |
| 7. | 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; | Yes | Nagaland, West Bengal, Odisha and Gujarat | Mon (Nagaland), Morbi, Junagarh, Surendranagar, Jamnagar, Bhavnagar, Gir Somnath, Rajkot, Sherpura (Gujarat), Kriparampur (West Bengal), Baripada (Odisha) | 47,81,509 | Yes | - | - |
| 8. | Pathology Laboratory for medical diagnose of poor and needy people | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water | Yes | Nagaland | Mon | 3,82,649 | Yes | - | - |
| 9. | 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 | No | Odisha | Dhenkanal | 5,50,000 | Yes | - | - |

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project. | | Amount spent for the project (in ₹) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 10. | Contribution to YUVA UNSTOPPABLE, a non-profit organization for Sanitation facilities in Schools | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water | Yes | Gujarat | Surendra Nagar | 15,00,000 | No | YUVA UNSTOPPA-BLE | CSR00000473 |
| 11. | Contribution for the setting-up of a residential School for underprivileged children in Kolkata by Help us Help Them | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects | Yes | West Bengal | South 24 Parganas | 13,26,988 | Yes | - | - |
| 12. | Pure Drinking Water | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water | Yes | Gujarat | Sherpura Primary School, Taluka: Savli, Dist.: Vadodara | 1,34,873 | Yes | - | - |
| | Total | | | | | 1,51,50,900 | | | |

(d) Amount spent in Administrative Overheads: ₹26,081/-

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹1,51,76,981/-

(g) Excess amount for set off, if any: During the financial year 2021-22, the Company had spent ₹0.71 lacs in excess of the amount actually required to be spent in terms of Section 135(5) as provided below. However, the said excess amount shall not be set off in the subsequent years as decided by the CSR Committee of the Board of Directors of the Company.

| Sl. No. | Particular | Amount (₹ in lacs) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 149.52 |
| (ii) | Total amount spent for the Financial Year | 151.77 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 2.25 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 1.54* |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.71# |

** Amount earned on temporary fund lying with Banks during FY 2021-2022.*

*# Board of Directors / CSR Committee of the Company has decided not to set-off in succeeding year.*





**9.** (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lacs) | Amount spent in the reporting Financial Year (₹ in lacs) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (₹ in lacs) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (₹ in lacs) | Date of transfer | |
| 1. | 2020-21 | - | 236.59 | - | - | - | - |
| 2. | 2019-20 | - | 469.34 | - | - | - | 105.23* (net of liabilities of ₹ 0.37 lacs) |
| 3. | 2018-19 | - | 445.61 | - | - | - | 243.37* (net of liabilities of ₹ 0.17 lacs) |
| | Total | - | 1,256.67 | - | - | - | - |

** Unspent amount lying at the end of respective financial year voluntarily carried over for spending in the succeeding years. Further, the Company has spent the entire amount so carried forward voluntarily in the respective succeeding financial year.*

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing |
| | Total | - | - | - | - | - | - | - |

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

**(Asset-wise details) as below shall be provided:**

(a) Date of creation or acquisition of the capital asset(s): Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

**11.** Reason for which the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

Signing both on behalf of the Company and the CSR Committee

Place: Kolkata
Date: 05.08.2022

**Rajesh Mittal**
Chairman cum Managing Director
(DIN: 00240900)

## 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

1. 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.
2. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.
3. 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

1. Interim dividend, if any, shall be declared by the Board.
2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
3. 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.
4. 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

1. The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
2. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
3. 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.
4. 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: August 5, 2022

# BUSINESS RESPONSIBILITY REPORT

## FOR THE FINANCIAL YEAR 2021-22

[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:

1. **Corporate Identification Number (CIN) of the Company:** L20211AS1990PLC003484
2. **Name of the Company:** Greenply Industries Limited
3. **Registered Address:** Makum Road, Tinsukia, Assam-786 125
4. **Website:** www.greenply.com
5. **E-mail id:** kaushal@greenply.com
6. **Financial year reported:** 1st April, 2021 to 31st March, 2022
7. **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
8. **Three key products that the Company manufactures:**
   a. Plywood
   b. Boards
   c. Doors
9. **Number of national locations where business activity is undertaken by the Company**

   The Company's manufacturing units are situated at the following locations:
   a. Tizit in Nagaland,
   b. Kriparampur in West Bengal and
   c. Bamanbore in Gujarat.

   The Company has more than 55 physical and virtual branches/offices situated across India.
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 Alkemal (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 Alkemal (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**
   a. **Domestic Sales:**
      PAN India Branches: +55
      Distributors/Dealers/Channel Partners: +2300
   b. **Exports:** Nepal and Bangladesh

### Financial details of the Company as on 31st March, 2022:

1. Paid-up capital (INR in lacs): 1228.16
2. Total Turnover (INR in lacs): 1,37,145.18
3. Total profit after taxes (INR in lacs): 8,881.33
4. Total spending on CSR activities undertaken by the Company as percentage of last 3 years average profit after tax (%): + 2.00
5. List of activities in which CSR Expenditure has incurred:

   The Company has carried out various CSR Activities, as prescribed under the Companies Act, 2013. Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2021-2022.

### Other Details:

1. Structure of the Company – Group / Joint ventures / Associates / Holding / Subsidiaries

| Sl. No. | Name of the Joint Venture (JV) / Wholly Owned Subsidiary (WOS) | Business activities |
|---|---|---|
| 1 | Greenply Alkemal (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 Alkemal (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. |

| Sl. No. | Name of the Joint Venture (JV) / Wholly Owned Subsidiary (WOS) | Business activities |
|---|---|---|
| 5 | Greenply Sandila Pvt. Ltd. (WOS), Madgul Lounge, 6th Floor, 23 Chetla Central Road, Kolkata-700027, India | On 24th May, 2021 Greenply Sandila Private Limited was incorporated as a wholly owned subsidiary of the Company for setting-up of a new unit in Sandila Industrial Area, Sandila, Dist.- Hardoi, Uttar Pradesh, for manufacturing of plywood and its allied products |
| 6 | Baahu Panels Pvt. Ltd. (WOS), Madgul Lounge, 6th Floor, 23 Chetla Central Road, Kolkata-700027, India | On 4th August, 2021 the Board of Directors of the Company had approved acquisition of M/s. Baahu Panels Pvt. Ltd. as a wholly owned subsidiary of the Company for setting-up of a new unit in Village: Sherpura, Taluka: Savli, District: Vadodara, Gujarat for manufacturing of Medium Density Fibreboard (MDF) |

2. **Details of business of the subsidiaries/JV**
   Please refer to the details given in point 1 above i.e. Structure of the Company – Group / Joint ventures / Associates / Holding / Subsidiaries.

3. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?**
   No participation from Subsidiary Companies. However, the Company encourages its subsidiary companies to participate in its BR initiatives

4. **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 any other entity.

## BR Information:

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

a. Details of Director responsible for implementation of the BR policy:
   - i. DIN : 00240900
   - ii. Name: Mr. Rajesh Mittal
   - iii. Designation: Chairman cum Managing Director

b. Details of the BR Head:
   - i. DIN: Not Applicable
   - ii. Name: Kaushal Kumar Agarwal
   - iii. Designation: Company Secretary & Vice President-Legal
   - iv. Telephone number: 033-3051 5000
   - v. e-mail id: kaushal@greenply.com

**Principle-wise (as per NVGs) BR Policy/policies:** The Company operates with a strong belief that giving back to the society and contributing towards its sustainable development is every organization's responsibility. The Company practices highest standards of corporate and individual behaviour in the conduct of business and the discharge of their duties. The Company focuses on the areas of ethical risk, integrity and honesty, provides guidance to help individuals to recognize and deal with ethical issues and help foster a culture of honesty, integrity and accountability.

The BR Policy of the Company is based on the National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs) issued by the Ministry of Corporate Affairs, Government of India. The National Voluntary Guidelines provide the following nine principles:

- 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? | Yes. All the policies have been formulated or modified as and when required 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 been 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? | BR Policy can be viewed at the following link: https://www.greenply.com/assets/investors/12/original/Business-Responsibility-Policy.pdf?1595237811 | | | | | | | | |
| 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 2021-2022 was conducted through Company Secretary in Practice. The evaluation has been done after considering the practices of various units and departments of the Company. | | | | | | | | |

**If answer to the question at serial number 1 against any principle, is 'No', please explain why:** Not applicable.

2. **Governance related to BR:**

a. **Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:** The Board of Directors assesses the BR Performance of the Company, annually. During last quarter of the FY 2021-2022, the Board of Directors assessed the Business Responsibility performance of the Company considering governance related to Business Responsibility and also considered the evaluation report obtained from a Company Secretary in Practice.

b. **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 2020-2021. The same is available at https://www.greenply.com/assets/investors/533/original/Annual_Report_2020-21.pdf?1629453720. The Company publishes the report on an annual basis.

## Principle-Wise Performance: [For the FY 21-22]:

### 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 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 Group/ Joint Ventures / Suppliers / Contractors / NGOs / Others?

   As aforesaid, the said Policy is applicable to the subsidiaries of the Company. Further, the Company encourages its other 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?

   i. A total of 1757 complaints (excluding 106 pending complaints of previous year as on 1st April, 2021) were received from customers including end-consumers in financial year 2021-22, out of which 72 (amounting to 4.09%) were pending as of 31st March, 2022.

   ii. 4 (four) consumer cases were filed against the Company with the Consumer forum during financial year 2021-22. Total 12 consumer cases are pending with various consumer forum as on the end of financial year 2021-22.

   iii. The following table gives the number of shareholder complaints received, resolved and pending during the year 2021-22.

| 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 |
|---|---|---|---|---|
| Nil | 5 | 5 | 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 and Kriparampur (West Bengal). Also we are promoting plantations in few places of Odisha. 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 sourced around 90% of 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 improve the capacity and capability of the local/small vendors?

   The Company is collaborating with the various Government research organizations in India to update on the latest technology for its plantation activities for the benefits of farmers. The concept of our plantations around our manufacturing units makes our investments in this direction a win-win proposition for the local farmers. Besides environmental protection, this helps maintain the sustainability and financial viability of the eco-system, and also generates employment for the local inhabitants.

6. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste?

   Yes. 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 re-cycling?

   Not Applicable.

### Principle-3: Well Being of All Employees

1. Human Resource [as on 31st March, 2022]

| Kind of HR | Total number in the Company |
|---|---|
| Permanent Employees | 2549 |
| Hired Employee: | |
| • Temporary | 18 |
| • Contractual | 1365 |
| • Casual | 79 |
| Permanent women employees | 119 |
| Permanent employees with disabilities | 2 |
| 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 Kriparampur, 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 2021-2022 | Pending as on 31.03.2022 |
|---|---|---|---|
| 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 |

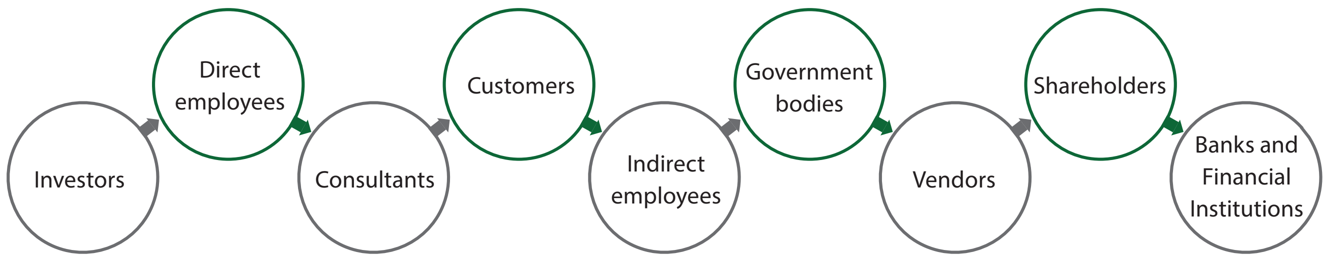
The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

5. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   a. Permanent Employees: 85%
   b. Permanent Women Employees: 100%
   c. Casual/Temporary/Contractual Employees: 80%
   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 identified 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, animal welfare, plantation, promoting sports, medical treatment etc.

**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 abides 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 is in line with the local requirements prevailing in the country of operations.

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 2021-2022.

**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. 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 have 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 and hyperlink for webpage thereof.
   Yes. The efforts of the Company are aimed to minimise the energy consumption in spite of increase in operations of the Company. The details of the initiatives taken have been mentioned in the Directors Report forming part of this Annual Report.

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 2021-2022 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, 2022, 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
   a. Merchants' Chamber of Commerce & Industry
   b. Indian Green Building Council
   c. 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 2021-2022. 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 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 2021-2022.

3. Have you done any impact assessment of the initiative indicated above?
   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 2021-2022 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 for which proper monitoring is being carried out by the Company

**Principle-9: Engaging And Enriching Customer Value**

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?
   i. A total of 1757 complaints (excluding 106 pending complaints of previous year as on 1st April, 2021) were received from customers including end-consumers in financial year 2021-22, out of which 72 (amounting to 4.09%) were pending as of 31st March, 2022.

   ii. 4 (four) consumer cases were filed against the Company with the Consumer forum during financial year 2021-22. Total 12 consumer cases are pending with various consumer forum as on the end of financial year 2021-22.

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. Wearealsoprovidingrelevantinformationabouttheproducts 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.
   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**

Place: Kolkata
Chairman cum Managing Director
Date: 16.05.2022
DIN: 00240900





# CORPORATE GOVERNANCE REPORT

## FOR THE FINANCIAL YEAR 2021-22

[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, 2022, 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 and Category:**

The Board of the Company is comprised of Executive and Non-Executive Directors including Independent Directors. As on March 31, 2022, 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 women directors) | 5 | 62.50 |
| | **Total** | **8** | **100.00** |

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;<br>b. Of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the Company;<br>c. Of the business ethics, ethical policies, codes and practices of the Company;<br>d. Of the structures and systems which enable the Company to effectively identify, asses and manage risks and crises;<br>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. | Yes |
| | | 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. | |
| 3. | Behavioural competencies/ personal attributes | a) | Displaying of integrity and ethical standards. | Yes |
| | | 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 | |
| 4. | Mind-set or attitude | a) | Possession of ethical mindset. | Yes |
| | | b) | Carrying of professional attitude. | |
| | | c) | Performance oriented. | |
| | | d) | Independent. | |
| | | e) | Awareness of self and others. | |
| 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. | Yes |
| | | 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. | |
| 6. | HR/ people orientation | a) | Experience and understanding of HR policies. | Yes |
| | | b) | Leading and Managing HR activities, talent development and strengthening the people function. | |
| 7. | Risk oversight & management and compliance oversight | a) | Ability to identify key risks in a wide range of areas including legal and regulatory compliance. | Yes |
| | | b) | Monitoring of risk and compliance management frameworks. | |
| | | c) | Possession of risk management skills. | |
| | | d) | Supervision of risk management plan/ framework and process. | |
| 8 | Possession of other Skills | a) | Decision making skills. | Yes |
| | | b) | Communication skills. | |
| | | c) | Leadership skills. | |
| | | d) | Influencing nature. | |
| | | e) | Stakeholder relationship management skills. | |





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 | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Industry knowledge gives directors a practical understanding of developing, implementing and assessing the operating plan and business strategy | a) General understanding of the business of the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Understanding of the markets where the Company is active, the market dynamics, opportunities, strengths and challenges; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Understands how the organisation really works and how it delivers value to its customers; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | 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; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | e) Expertise in sourcing, manufacturing, supply chain, infrastructure, information management, logistics; | √ | √ | √ | × | × | × | × | × |
| | | f) Expertise in product development, distribution and marketing. | √ | √ | √ | × | × | × | × | × |
| 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. | 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; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Knowledge/ understanding of the level/ status of compliances thereof by the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Ability to comprehend the statutory roles and responsibilities of a Director and of the Board as a whole towards the regulatory environment. | √ | √ | √ | √ | √ | √ | √ | √ |

| Sl. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 3. | Knowledge of Corporate Governance practices supports the goal of having a strong Board and management accountability, transparency and protection of shareholders' interest | 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; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | 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; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | 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; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Ability to contribute to the Board's role towards promoting an ethical organisational culture, eliminating conflict of interest, and setting & upholding the highest standards of ethics, integrity and organisational conduct. | √ | √ | √ | √ | √ | √ | √ | √ |
| 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. | 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. | √ | √ | √ | √ | √ | √ | √ | √ |





| Sl. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 5. | Skills/ experience related to finance is important in financing decisions, evaluating the financial statements, investment strategies, overseeing financial reporting and internal control | 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) Ability to critique the Company's financial performance and evaluate the Company's strategies and action plans in the context of their financial outcomes; | √ | √ | √ | √ | √ | × | √ | √ |
| | | c) Knowledge of the sources of finance available to the Company and their related merits and risks; | √ | √ | √ | √ | √ | × | √ | √ |
| | | d) Knowledge of how to assess the financial value of the Company and potential business opportunities; | √ | √ | √ | √ | √ | × | √ | √ |
| | | e) Experience with financial administration, accounting policies and internal control. | √ | √ | √ | √ | √ | × | √ | √ |
| 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 | a) Marketing or other specific skills required for the effective performance of the Company; | √ | √ | √ | × | × | × | × | × |
| | | b) Core technology, processes or products of the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Assessing the importance of information technology in the Company. | √ | √ | √ | √ | √ | × | √ | √ |

| Sl. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | a) Knowledge of environmental concerns pertaining to the business of the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Understanding of the accountability for environment and sustainability in the industry; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Understanding of the impact of the business of the Company on the environment; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Awareness of the policies, procedures, systems, principles that are being followed by the Company; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | e) Ability to evaluate those policies, procedures followed by the Company and analyse their effectiveness. | √ | √ | √ | √ | √ | √ | √ | √ |
| 8. | Legal and/or advocacy Experience | a) Experience in legal/ advisory field as practicing lawyer, solicitor or barrister, chartered accountant, company secretary, cost accountant. | × | √ | × | × | √ | × | √ | × |
| 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 | a) Understanding of HR policies; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Leading and managing HR activities, talent development and strengthening the people function; | √ | √ | √ | × | √ | √ | √ | √ |
| | | c) Understanding the strategies adopted by the Company to attract, retain and nurture competitively superior talent; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | d) Understanding of organisational capacity so as to provide guidance on bridging gaps in capacity building in business critical areas. | √ | √ | √ | √ | √ | √ | √ | √ |





| Sl. No. | Broad parameters and summary | Skills/ Expertise/ Competencies | RAJESH MITTAL | MANOJ TULSIAN | SANIDHYA MITTAL | SUSIL KUMAR PAL | VINOD KUMAR KOTHARI | SONALI BHAGWATI DALAL | UPENDRA NATH CHALLU | VINITA BAJORIA |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | a) Ability to identify key risks in a wide range of areas including legal and regulatory compliance impacting the Company's businesses; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Monitoring of risk and compliance management frameworks and contribute towards development of systems and controls for risk mitigation & compliance management and review and refine the same periodically; | √ | √ | √ | √ | √ | × | √ | √ |
| | | c) Knowledge of the structures and systems which enable the Company to effectively identify, asses and manage risks and crises; | √ | √ | √ | √ | √ | × | √ | √ |
| | | d) Supervision of risk management plan/ framework and process followed by the Company. | √ | √ | √ | √ | √ | × | √ | √ |
| 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. | a) Leadership, decision making skills and mentoring abilities; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | b) Communication skills including stakeholder relationship management skills; | √ | √ | √ | √ | √ | √ | √ | √ |
| | | c) Ability to understand processes for shareholder value creation and its contributory elements and critique interventions towards value creation for the other stakeholders; | √ | √ | √ | √ | √ | × | √ | √ |
| | | d) Displaying of integrity and ethical standards; | √ | √ | √ | √ | √ | √ | √ | √ |

### C. Attendance at Board Meetings and Last Annual General Meeting:

During FY 2021-2022, seven Board Meetings were held i.e. on 10th May, 2021, 14th June, 2021, 4th August, 2021, 9th November, 2021, 21st December, 2021, 14th February, 2022 and 16th March, 2022.

The attendance of the Directors at the Board Meetings during 2021-2022 and at the last Annual General Meeting held on 15th September, 2021 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. Rajesh Mittal (DIN 00240900) | 28.11.1990 | 01.01.2021 | Chairman cum Managing Director- Executive Promoter Director | 7 | 7 | Yes |
| Mr. Manoj Tulsian (DIN 05117060) | 11.02.2020 | 11.02.2020 | Joint Managing Director & CEO- Executive Non-Promoter Director | 7 | 7 | Yes |
| Mr. Sanidhya Mittal (DIN 06579890) | 07.02.2018 | 07.02.2018 | Joint Managing Director- Executive Promoter Director | 7 | 6 | Yes |
| Mr. Susil Kumar Pal (DIN 00268527) | 06.12.2005 | 30.09.2019 | Non-Executive - Independent Director | 7 | 7 | Yes |
| Mr. Vinod Kumar Kothari (DIN 00050850) | 31.05.2006 | 30.09.2019 | Non-Executive - Independent Director | 7 | 7 | Yes |
| Ms. Sonali Bhagwati Dalal (DIN 01105028) | 22.01.2007 | 30.09.2019 | Non-Executive - Independent Director | 7 | 5 | Yes |
| Mr. Upendra Nath Challu (DIN 05214065) | 31.08.2012 | 30.09.2019 | Non-Executive - Independent Director | 7 | 7 | Yes |
| Ms. Vinita Bajoria* (DIN 02412990) | 15.09.2021 | 15.09.2021 | Non-Executive - Independent Director | 7 | 4 | No |

** Appointed w.e.f. 15.09.2021*

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

The numbers of other Boards or Board Committees in which the Directors of the Company are holding the position of Member/ Chairperson as on March 31, 2022 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 | 14** | - | - | - | None |
| Mr. Manoj Tulsian (DIN 05117060) | - | 2 | - | - | - | None |
| Mr. Sanidhya Mittal (DIN 06579890) | 1 | 9$$ | - | - | - | None |
| Mr. Susil Kumar Pal (DIN 00268527) | 2 | - | - | - | - | Hasimara Industries Ltd. (Non-Executive Director) |
| Mr. Vinod Kumar Kothari (DIN 00050850) | 1 | 3 | 1 | 2# | 1 | Continental Valves Limited (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 | |
| Ms. Sonali Bhagwati Dalal (DIN 01105028) | 1 | 3 | - | 1 | - | Selan Exploration Technology Ltd. (Non-Executive Director) |
| Mr. Upendra Nath Challu (DIN 05214065) | 1 | - | - | - | - | None |
| Ms. Vinita Bajoria (DIN 02412990) | 1 | 1 | 1 | 1 | - | Continental Valves Limited (Executive Director) |

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

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

*$$ including directorship in 2 (two) foreign companies.*

*# including Chairmanship*

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all the 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 and are independent of the management.

Further, during the financial year 2021-22, Mrs. Vinita Bajoria was appointed as independent director w.e.f. 15.09.2021 and no independent director resigned from the Board of the Company.

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

During FY 2021-2022, 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 no resolution(s) were passed by circulation.

**Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting:**

**Mr. Rajesh Mittal (DIN 00240900)**

| | |
|---|---|
| Name of the Director | Mr. Rajesh Mittal (DIN 00240900) |
| Father's Name | Late Sanwarmal Palriwal |
| Age and Date of Birth | 59 yrs. (Date of Birth: 10 November, 1962) |
| Date of first Appointment | 28th November, 1990 |
| Experience/Expertise in specific functional areas | Mr. Rajesh Mittal, holds a bachelor's degree in commerce from the University of Dibrugarh, Assam. He started his career by setting up a saw mill unit at Tizit, Nagaland through Green Timber Industries Private Limited. He has been associated with the Company since inception. He has over thirty five years of experience in the fields of finance, factory operations, corporate governance, administration, sales and marketing. |
| Qualification | B.Com. |
| Terms and conditions of re-appointment | The terms and conditions of re-appointment are as approved by the members of the Company vide postal ballot including e-voting process on 23rd December, 2020. |
| Directorship held in other Companies | Listed Entity(ies):<br>Nil<br><br>Unlisted Entity(ies):<br>1. RS Homcon Limited<br>2. Dholka Plywood Industries Private Limited<br>3. Greenply Sandila Pvt. Ltd.<br>4. Baahu Panels Pvt. Ltd.<br>5. R. M. Safeinvest Pvt. Ltd.<br>6. Karuna Investment Pvt. Ltd.<br>7. Showan Investment Pvt. Ltd.<br>8. Awadh Maintenance Private Limited<br>9. Brijbhumi Tradevin Private Limited<br>10. Mastermind Shoppers Private Limited<br>11. Greenply Industries (Myanmar) Private Limited<br>12. Greenply Alkemal (Singapore) Pte. Ltd.<br>13. Greenply Gabon SA<br>14. Greenply Middle East Limited<br>15. Greenply Holdings Pte. Ltd. |
| Listed companies from which the person has resigned in the past three years | Nil |
| Chairman/Member of the Committee of the Board of Directors of the Company | **Chairman:**<br>Nil<br><br>**Member:**<br>1. Stakeholders Relationship Committee<br>2. Nomination and Remuneration Committee<br>3. Audit Committee<br>4. Corporate Social Responsibility Committee<br>5. Operational Committee |
| Chairman/Member of the Committee of the Board of Directors of other companies in which he is a director | Chairman:<br>Nil<br><br>Member:<br>Nil |
| Number of Equity Shares held in the Company | 50,07,250 equity shares of Re.1/- each |
| Number of Board Meetings attended during the Financial year 2021-2022 | 7 (seven) out of 7 (seven) Board Meetings |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Father of Mr. Sanidhya Mittal, Joint Managing Director |
| Terms and conditions of re-appointment | The terms and conditions of re-appointment are as approved by the members of the Company vide postal ballot including e-voting process on 23rd December, 2020. |
| Details of remuneration sought to be paid, if any | The remuneration sought to be paid is as approved by the members of the Company vide postal ballot including e-voting process on 23rd December, 2020. |
| Remuneration last drawn, if any | Salary - ₹ 3,63,60,000<br>Commission - ₹ 1,84,00,000<br>Perquisites and other allowances - 48,71,143 |





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

| Name of the Directors | Category of Directorship | Relationship between Directors |
|---|---|---|
| Mr. Rajesh Mittal | Chairman cum Managing Director - Executive Promoter Director | Mr. Sanidhya Mittal (Son) |
| Mr. Manoj Tulsian | Joint Managing Director & CEO - Executive Non-Promoter Director | None |
| Mr. Sanidhya Mittal | Joint Managing Director - Executive Promoter Director | Mr. Rajesh Mittal (Father) |
| Mr. Susil Kumar Pal | Non-Executive - Independent Director | None |
| Mr. Vinod Kumar Kothari | Non-Executive - Independent Director | None |
| Ms. Sonali Bhagwati Dalal | Non-Executive - Independent Director | None |
| Ms. Vinita Bajoria | Non-Executive - Independent Director | None |
| Mr. Upendra Nath Challu | Non-Executive - Independent Director | None |

## H. Separate Meeting of Independent Directors:

During the year under review, a separate meeting of the Independent Directors of the Company was convened on 16th March, 2022, 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. Vinod Kumar Kothari
- Ms. Sonali Bhagwati Dalal
- Ms. Vinita Bajoria

## 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. Due to pandemic COVID-19, there was no event / workshop / training conducted physically for the familiarisation of the Independent Directors of the Company during the year. However, on the advice of the Independent Directors, virtual workshop in respect of sales and marketing was conducted by the Company and thereby the Directors were familiarised and updated about the steps taken by the Company towards strengthening the sales and marketing arms of the Company. Periodic presentations were also made at the Board and Board Committee Meetings from time to time, on the business and performance updates of the Company during the FY 2021-22. 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/597/original/FAMILIARIZATION_PROGRAMME_-2021-22.pdf?1648474420

### 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/investors

## 3. Committees of the Board

There are five Committees of the Board namely, the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management 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, 2022, 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. Consider and comment on rationale, cost-benefits and impact of scheme involving merger, demerger, amalgamation etc., on the Company and its shareholders.
22. 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.
23. 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 2021-2022, seven meetings of the Audit Committee were held i.e. on 10th May, 2021, 14th June, 2021, 4th August, 2021 and 9th November, 2021, 21st December, 2021, 14th February, 2022 and 16th March, 2022 and the attendance of the Committee Member is as follows:

| Name of the Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Susil Kumar Pal | Non-Executive Independent Director | 7 | 7 |
| Mr. Vinod Kumar Kothari | Non-Executive Independent Director | 7 | 7 |
| Mr. Upendra Nath Challu | Non-Executive Independent Director | 7 | 7 |
| Mr. Rajesh Mittal | Executive Promoter Director | 7 | 7 |

## II. Nomination and Remuneration Committee

## A. Composition:

As on March 31, 2022, the Company's Nomination and Remuneration Committee comprises of four 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
- Ms. Vinita Bajoria (appointed w.e.f. 17.03.2022)
- 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 evaluate the balance of skills, knowledge and expertise required on the board of the Company and on the basis of such evaluation, prepare a description of the roles and capabilities required of an independent director in the Company, and to recommend an independent director on the basis of the same.

vi. To carry out evaluation of the performance of every director of the Company;

vii. 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.

viii. 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;

ix. To recommend to the board, all remuneration, in whatever form, payable to senior management personnel.

x. 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 2021-2022, five meetings of Nomination and Remuneration Committee were held i.e. on 14th June, 2021, 4th August, 2021, 9th November, 2021, 14th February, 2022 and 16th March, 2022 and the attendance of Committee Members is as follows:

| Name of the Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Susil Kumar Pal | Non-Executive Independent Director | 5 | 5 |
| Mr. Vinod Kumar Kothari | Non-Executive Independent Director | 5 | 5 |
| Mr. Upendra Nath Challu | Non-Executive Independent Director | 5 | 5 |
| Ms. Vinita Bajoria | Non-Executive Independent Director | 5 | 0* |
| Mr. Rajesh Mittal | Executive Promoter Director | 5 | 5 |

** Appointed w.e.f. 17.03.2022*

## 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

## E. Remuneration of Directors

*(I) Executive Directors*

The details of remuneration including commission to all Executive Directors for the year ended on March 31, 2022 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 (₹) | Commission (₹) | Perquisites and other allowances (₹) |
|---|---|---|---|---|
| Mr. Rajesh Mittal (Chairman cum Managing Director) | Re-appointed for five years w.e.f. January 01, 2021 | 3,63,60,000 | 1,84,00,000 | 48,71,143 |
| Mr. Manoj Tulsian (Joint Managing Director & CEO | Appointed for five years w.e.f. February 11, 2020 | 2,05,33,200 | 1,23,00,000 | 1,91,92,281# |

| Name and designation | Service contract/Notice period* | Salary (₹) | Commission (₹) | Perquisites and other allowances (₹) |
|---|---|---|---|---|
| Mr. Sanidhya Mittal (Joint Managing Director) | Appointed for five years w.e.f. February 07, 2018 | 1,32,00,000 | 90,00,000 | 15,89,338 |

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

*# Perquisites include ₹ 1,87,80,190/- on account of the exercise of 1,43,000 Stock Options under the 'Greenply Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan") during FY 2021-22.*

### (II) *Non-Executive Directors*

The details of sitting fees and annual commission (excluding applicable taxes thereon) to Non-Executive Directors for the financial year 2021-2022 are as follows:

| Name | Service contract/Notice period | Sitting fees (₹) | Commission (₹) |
|---|---|---|---|
| Mr. Susil Kumar Pal | Re-appointed for five years w.e.f. September 30, 2019. | 16,95,000 | 15,00,000 |
| Mr. Vinod Kumar Kothari | Re-appointed for five years w.e.f. September 30, 2019. | 16,45,000 | 15,00,000 |
| Ms. Sonali Bhagwati Dalal | Re-appointed for five years w.e.f. September 30, 2019. | 5,20,000 | 15,00,000 |
| Mr. Upendra Nath Challu | Re-appointed for five years w.e.f. September 30, 2019. | 17,45,000 | 15,00,000 |
| Mrs. Vinita Bajoria | Appointed for five years w.e.f. September 15, 2021. | 5,50,000 | 8,13,699 |

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 except Joint Managing Director & CEO of the Company as detailed below:

**FY 2020-21**

| Name of the Director | Category | No. of Options granted during FY 2020-21 | Exercise Price (₹) | Brief details of significant terms | Period over which the stock options accrued | Period over which the stock options are exercisable |
|---|---|---|---|---|---|---|
| Mr. Manoj Tulsian | Executive Non-Promoter Director | 10,00,000 | ₹55/- per option / per share* | The Options granted to Mr. Manoj Tulsian, JMD & CEO shall vest as follows: After 12 months from the date of grant - 35% of ESOPs granted After 24 months from the date of grant - 35% of ESOPs granted After 30 months from the date of grant - 30% of ESOPs granted | Options granted shall vest not earlier than minimum period of 1 (one) year and not later than maximum period of 4 (four) years from the date of Grant. | The Exercise Period in respect of an Option shall be subject to a maximum period of 4 (four) years from the date of Vesting of Options. |





**FY 2021-22**

| Name of the Director | Category | No. of Options granted during FY 2021-22 | Exercise Price (₹) | Brief details of significant terms | Period over which the stock options accrued | Period over which the stock options are exercisable |
|---|---|---|---|---|---|---|
| Mr. Manoj Tulsian | Executive Non-Promoter Director | 10,00,000 | ₹55/- per option / per share | The Options granted to Mr. Manoj Tulsian, JMD & CEO shall vest as follows: After 12 months from the date of grant - 50% of ESOPs granted After 18 months from the date of grant - 50% of ESOPs granted | Options granted shall vest not earlier than minimum period of 1 (one) year and not later than maximum period of 4 (four) years from the date of Grant. | The Exercise Period in respect of an Option shall be subject to a maximum period of 4 (four) years from the date of Vesting of Options. |

** Issue and allotment of equity shares to Mr. Manoj Tulsian, Joint managing Director & CEO, under 'Greenply Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan"), was made at par with the other employees of the Company.*

The details of shares/convertible instruments held by the Executive and Non-Executive Directors of the Company as on March 31, 2022 are as follows:

| Name | Category | Number of Equity Shares | No. of Convertible Instruments |
|---|---|---|---|
| Mr. Rajesh Mittal | Executive Promoter Director | 5007250 | Nil |
| Mr. Manoj Tulsian | Executive Non-Promoter Director | 19690 | Nil |
| Mr. Sanidhya Mittal | Executive Promoter Director | 121300 | Nil |
| Mr. Susil Kumar Pal | Non-Executive Independent Director | Nil | Nil |
| Mr. Vinod Kumar Kothari | Non-Executive Independent Director | Nil | Nil |
| Ms. Sonali Bhagwati Dalal | Non-Executive Independent Director | Nil | Nil |
| Ms. Vinita Bajoria | Non-Executive Independent Director | 2000 | Nil |
| Mr. Upendra Nath Challu | Non-Executive Independent Director | Nil | Nil |

### 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/531/original/Remuneration_Criteria_for_Non_Executive_Directors.pdf?1629348509

### 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, 2022, 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 2021-22.

**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 |
|---|---|---|---|---|
| Nil | 5 | 5 | Nil | Nil |

### C. Meetings and attendance

During 2021-2022, four meetings of Stakeholders Relationship Committee were held on 14th June, 2021, 4th August, 2021, 9th November, 2021 and 14th February, 2022 and the attendance of the 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. Rajesh Mittal | Executive Promoter Director | 4 | 4 |
| Mr. Sanidhya Mittal | Executive Promoter Director | 4 | 3 |

## IV. Corporate Social Responsibility (CSR) Committee

### A. Composition

As on March 31, 2022, the Corporate Social Responsibility (CSR) Committee of the Company comprised Mr. Rajesh Mittal, Mr. Sanidhya Mittal, Mr. Vinod Kumar Kothari, Mr. Upendra Nath Challu and Ms. Vinita Bajoria.





### B. Terms of Reference

The terms of reference of CSR Committee are as follows:

1. To formulate, monitor and recommend to the Board the CSR Policy including the activities to be undertaken by the Company;

2. To recommend the amount of expenditure to be incurred on the activities undertaken;

3. To monitor the implementation of the framework of Corporate Social Responsibility Policy;

4. To evaluate the social impact of the Company's CSR Activities;

5. To review the Company's disclosure of CSR matters;

6. To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed.

7. 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 2021-22, five meetings of CSR Committee were held i.e. on 14th June, 2021, 4th August, 2021, 9th November, 2021, 14th February, 2022 and 31st March, 2022 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 | 5 | 5 |
| Mr. Sanidhya Mittal | Executive Promoter Director | 5 | 4 |
| Mr. Vinod Kumar Kothari | Non-Executive-Independent Director | 5 | 5 |
| Mr. Upendra Nath Challu | Non-Executive-Independent Director | 5 | 5 |
| Ms. Vinita Bajoria | Non-Executive-Independent Director | 5 | 1* |

** Appointed w.e.f. 17.03.2022*

## V. Risk Management Committee

The Risk Management Committee was constituted by the Board of Directors of the Company at its Meeting held on February 11, 2021, inter-alia to give proper attention and time on the evaluation of Risk Management System/Policy of the Company. Further, considering the SEBI (LODR) (Second Amendment) Regulations, 2021 issued on 5th May, 2021 bringing in various amendments in SEBI LODR, the Board of Directors had re-constituted the Risk Management Committee on 14th June, 2021.

### A. Composition:

The Company's Risk Management Committee comprises one Executive - Non Promoter Director, one Executive - Promoter Director, two Non-Executive Independent Director and the Chief Financial Officer (CFO) of the Company.

- Mr. Manoj Tulsian, Chairman
- Mr. Sanidhya Mittal, Member
- Mr. Susil Kumar Pal, Member
- Mr. Upendra Nath Challu, Member
- Mr. Mukesh Agarwal (CFO), Member (up to 15.01.2022)
- Mr. Nitin Kalani (CFO), Member (w.e.f. 14.02.2022)

### B. Terms of Reference:

The role of Risk Management Committee shall, inter-alia, include the following:

1. To formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b. Measures for risk mitigation including systems and processes for internal control of identified risks.

   c. Business continuity plan;

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To review and make recommendation of the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
8. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

C. Meetings and attendance:
During 2021-22, two meetings of the Risk Management Committee held on 9th November, 2021 and 14th February, 2022 and the attendance of Members in the said Meetings is as follows:

| Name of the Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Manoj Tulsian | Executive Director | 2 | 2 |
| Mr. Sanidhya Mittal | Executive Promoter Director | 2 | 2 |
| Mr. Susil Kumar Pal | Non-Executive-Independent Director | 2 | 2 |
| Mr. Upendra Nath Challu | Non-Executive-Independent Director | 2 | 2 |
| Mr. Nitin Kalani | Chief Financial Officer (w.e.f. 14.02.2022) | 2 | NIL* |
| Mr. Mukesh Agarwal | Chief Financial Officer (upto 15.01.2022) | 2 | 1 |

** Appointed w.e.f. 14.02.2022*

### VI. Operational Committee
As on 31st March, 2022, 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.

### VII. 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 2021-2022, There was no Meeting of Demerger Committee during the period under review.

## 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, 2021 | 15-09-2021 (31st AGM) | Conducted through Video Conferencing / Other Audio Visual Means. Deemed location was the Registered Office of the Company at Makum Road, Tinsukia, Assam-786125 | 10:30 A.M. | 1 |
| 31st March, 2020 | 30-09-2020 (30th AGM) | Conducted through Video Conferencing / Other Audio Visual Means. Deemed location was the Registered Office of the Company at Makum Road, Tinsukia, Assam-786125 | 10:00 A.M. | NIL |
| 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 |





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

- At the 31st Annual General Meeting held on September 15, 2021:
  a. Resolution for appointment of Mrs. Vinita Bajoria (DIN: 02412990) as an Independent Director of the Company.
- At the 30th Annual General Meeting held on September 30, 2020, no special resolution was passed.
- At the 29th Annual General Meeting held on September 30, 2019:
  a. 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.
  b. 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.
  c. 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.
  d. 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.
  e. 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.

iii. Passing of Resolutions by Postal Ballot during the financial year 2021-2022: Nil

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 is displayed on the website of the Company. The weblink is

https://www.greenply.com/assets/investors/4/original/Policy_for_determining_Material_Subsidiaries.pdf?1564572130

## 6. Other Disclosures
a) **Related Party Transactions:**
During the period under review, the Company has not entered into any material significant transactions with related parties, which may have potential conflict with the

interest of the Company at large. Transactions entered into with related parties during FY 2022 were in the ordinary course of business and at arms' length basis and were approved by the members of Audit Committee including Independent Directors from time to time. Suitable disclosures as required by the Ind AS 24 has been made in the notes to the Financial Statements.

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_14022022.pdf?1646389354

b) **Non - 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 necessary vigil mechanism for directors and employees to report genuine concerns about unethical behaviour. 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/592/original/Vigil_Mechanism_Policy.pdf?1645006769

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 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 2021-2022. 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. 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

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, 2022, 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 2021-2022, 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 2021-2022, 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 (₹ in lacs) |
|---|---|
| Statutory Audit Fees | 34.00 |
| Limited Review of Quarterly Results | 9.50 |
| Certification Fees | 3.96 |
| Other Services | - |
| Reimbursement of Expenses | 1.69 |

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 2021-2022:

a. number of complaints filed during the financial year: Nil
b. number of complaints disposed of during the financial year: N.A.
c. 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: Except Ms. Vinita Bajoria, none of the Non-Executive Directors hold any shares in the Company. Ms. Bajoria holds 2000 equity shares of 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 |
|---|---|---|
| 31.03.2015 | 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 |
| 31.03.2020 | 30.09.2020 | 05.11.2027 |
| 31.03.2021 | 15.09.2021 | 21.10.2028 |

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 15th September, 2021 (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 ₹52,149/- which had been declared at the Annual General Meeting of the Company held on August 22, 2014 and lying unclaimed/unpaid was transferred to the Investor Education and Protection Fund (IEPF) in October, 2021 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, 2021; | 5 | 3020 |
| 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 | NIL | NIL |
| 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, 2022 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).

During the year under review, no share was liable to be transferred to the demat account of IEPF Authority.

The members who have a claim for the dividends and shares already transferred to IEPF may claim the same from IE PF Authority by submitting an online application in web Form No. IEPF-5 available on the website 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. During the year, one shareholder, whose shares were transferred to the De-mat account of IEPF Authority, claimed and received his 2000 shares from IEPF Authority.

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 read with Schedule V and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with regard to corporate governance.

### 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. 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 | www.greenply.com |
| 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 21, 2022, 10:30 a.m.<br>The Company is conducting meeting through VC / OAVM. 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.<br>Publication of results for the financial year 2022-23 (tentative and subject to change)<br>First quarter results: On or before August 14, 2022<br>Second quarter and half year results: On or before November 14, 2022<br>Third quarter results: On or before February 14, 2023<br>Fourth quarter results and results for the year ending March 31, 2023: On or before May 30, 2023. |
| iii. | Dates of book closure | From Monday, August 22, 2022 to Thursday, August 25, 2022 (both days inclusive) |
| iv. | Dividend payment date | Within 10 days from the date of Annual General Meeting, i.e Between September 21, 2022 and September 30, 2022 |
| v. | Listing of Equity Shares at Stock Exchanges and payment of annual listing fees: | BSE Ltd. (BSE)<br>Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001 |
| | | National Stock Exchange of India Ltd. (NSE)<br>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<br>NSE: GREENPLY |

### vii. Market price data for the financial year 2021-2022:

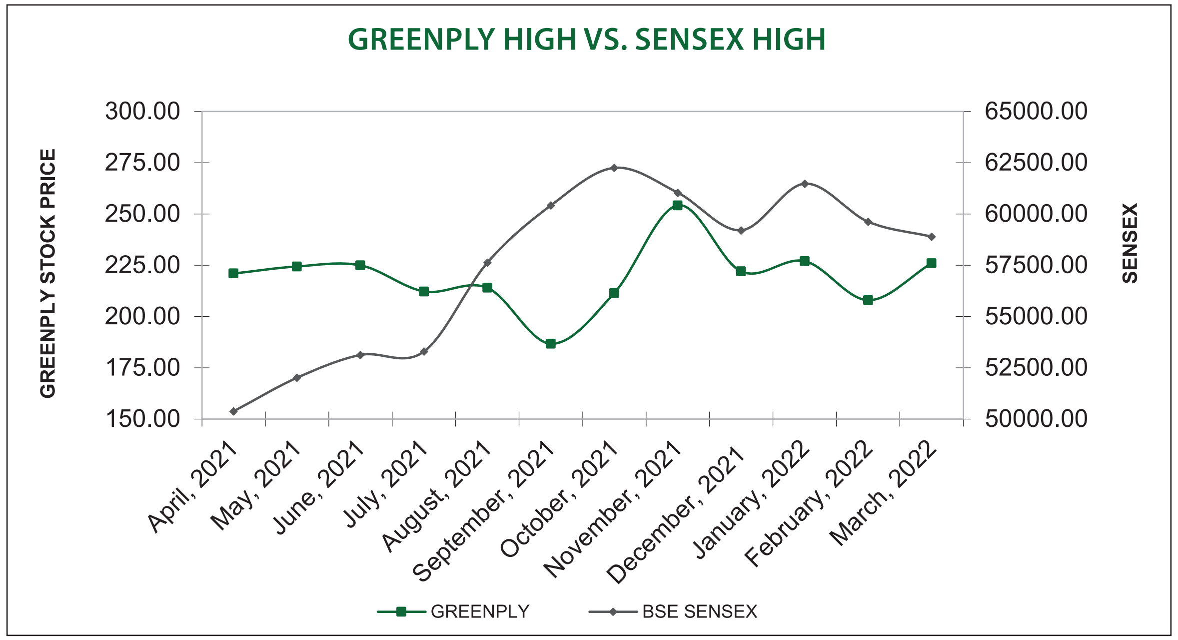
| Month | At BSE | | At NSE | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2021 | 221.00 | 168.10 | 217.40 | 171.55 |
| May 2021 | 224.45 | 192.45 | 224.65 | 192.10 |
| June 2021 | 225.00 | 195.05 | 224.00 | 195.90 |
| July 2021 | 212.25 | 185.60 | 211.90 | 185.40 |
| August 2021 | 214.00 | 168.20 | 214.00 | 168.00 |
| September 2021 | 186.75 | 168.70 | 187.00 | 168.80 |
| October 2021 | 211.50 | 178.00 | 211.75 | 177.90 |
| November 2021 | 254.25 | 188.75 | 254.70 | 188.20 |
| December 2021 | 222.00 | 193.15 | 222.20 | 193.20 |
| January 2022 | 227.05 | 190.75 | 227.35 | 194.00 |
| February 2022 | 208.00 | 161.10 | 208.00 | 161.35 |
| March 2022 | 226.00 | 162.20 | 224.00 | 162.00 |

**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.<br>D/42, Katju Nagar Colony, Ground Floor,<br>Near South City Mall, PO & PS - Jadavpur,<br>Kolkata, West Bengal-700032<br>PHONE: (033) 2412-0027/0029<br>FAX: (033) 2412-0027 |
| xi. | Share Transfer System | The requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, the requests for effecting transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The RTA have been authorized by the Stakeholders Relationship Committee to approve transfers, which are noted at subsequent Committee Meeting. |

xii. Distribution of equity shareholding as on March 31, 2022.

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 |
|---|---|---|---|---|
| 1-5000 | 37956 | 91.71 | 3092109 | 2.52 |
| 5001-10000 | 1642 | 3.97 | 1299387 | 1.06 |
| 10001-20000 | 904 | 2.18 | 1357916 | 1.11 |
| 20001-30000 | 284 | 0.68 | 712063 | 0.58 |
| 30001-40000 | 131 | 0.32 | 465184 | 0.38 |
| 40001-50000 | 99 | 0.24 | 462559 | 0.38 |
| 50001-100000 | 161 | 0.39 | 1183580 | 0.97 |
| 100001-500000 | 147 | 0.36 | 3080810 | 2.51 |
| 500001-1000000 | 28 | 0.07 | 2087697 | 1.70 |
| 1000001 and Above | 33 | 0.08 | 108886090 | 88.79 |
| Total | 41385 | 100.00 | 122627395 | 100.00 |

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 | 6 | 64143530 | 52.31 |
| Foreign Institutional Investors | 0 | 0 | 0 |
| Foreign Portfolio Investor | 50 | 4383947 | 3.58 |
| Foreign Company | 0 | 0 | 0.00 |
| Mutual Funds | 11 | 39218472 | 31.98 |
| Domestic Company | 227 | 2041530 | 1.66 |
| Resident Individuals | 40270 | 11541000 | 9.41 |
| Clearing Member | 108 | 385070 | 0.31 |
| NRI | 708 | 516507 | 0.42 |
| Foreign National | 0 | 0 | 0.00 |
| Greenply Industries Limited-Unclaimed Suspense Account | 1 | 3020 | 0.00 |
| Investor Education and Protection Fund | 1 | 35799 | 0.03 |
| Financial Institutions | 0 | 0 | 0.00 |
| Nationalised Bank | 0 | 0 | 0.00 |
| NBFC | 3 | 358520 | 0.29 |
| Alternate Investment Funds | 0 | 0 | 0.00 |
| **Total** | **41385** | **122627395** | **100.00** |

xiii. **Dematerialisation of shares and liquidity:** The Company's Equity Shares are compulsorily tradable in dematerialized form on NSE and BSE 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 99.95% of the Company's total equity shares capital are dematerialised as on March 31, 2022.

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, 2022, the Company did not engage in commodity hedging activities.

xvii. **Plant locations:**

**Plywood & allied products**

- P. O. - Tizit, Dist. - Mon, Nagaland
- Kriparampur, 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.
D/42, Katju Nagar Colony, Ground Floor,
Near South City Mall, PO & PS - Jadavpur,
Kolkata, West Bengal-700032
PHONE: (033) 2412-0027/0029
FAX: (033) 2412-0027
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. Gautam Jain
Greenply Industries Limited
A-306 & 307, 'Kanakia Dynasty Business Park'
Near Chakala Metro, Andheri Kurla Road
Andheri-East, Mumbai : 400059
Tel : +91-22-2838 7096
Email: gautam.jain@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 2021-22, 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.

On behalf of the Board of Directors

**Rajesh Mittal**
Chairman cum Managing Director
DIN: 00240900

Place: Kolkata
Date: 16.05.2022

## 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 Nitinkumar Dagdulal Kalani (PAN: AMGPK8281P), 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, 2022 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

**Nitinkumar Dagdulal Kalani**
Chief Financial Officer
PAN: AMGPK8281P

Dated: 16 May, 2022





## 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, 2022.

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

Dated: 16 May, 2022

## Independent Auditors' Certificate on Compliance with the 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 09 October 2018 and addendum to the engagement letter dated 14 April 2022.

2. We have examined the compliance of conditions of Corporate Governance by Greenply Industries Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities 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

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in 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 the Corporate Governance. 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 2022.

6. We conducted our examination of the above Corporate Governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. 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 the 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 of enabling the Company to comply with the requirement of the Listing Regulations and 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's Registration No: 101248W/W-100022

**Jayanta Mukhopadhyay**
*Partner*
Membership No: 055757
UDIN: 22055757AJALDR4766

Place: Kolkata
Date: 16 May 2022



# FINANCIAL STATEMENTS

# INDEPENDENT AUDITORS' REPORT

To
The Members of
**Greenply Industries Limited**

## Report on the Audit of the 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 2022, 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 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 2022, and its 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 Auditor's 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 obtained by us, 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' incentive**

See note 3(k) and 26 to the standalone financial statements

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Company gives incentive to its dealers through various schemes.<br><br>Due to various schemes and a large variety of contractual terms across dealers, the computation of these incentives involves judgement. The amount of such incentive is also significant and requires significant auditor attention.<br><br>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:<br>• Evaluated the appropriates of the Company's accounting policy relating to the incentives to its dealers;<br>• Evaluated the design and implementation of key internal controls over computation of incentives and actual utilization against the corresponding liability. We also tested the operating effectiveness of such controls for a sample of transactions;<br>• Performed retrospective review of the management's judgement by comparing utlisation of incentives with previously recognized corresponding liability. We also considered the developments during the year and subsequent to the year-end that would significantly affect the measurement of the year-end incentive liability. |

### Other Information

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 standalone financial statements and our auditor's 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' Responsibilities 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, the Management and Board of Directors are responsible for assessing the Company'sError! Bookmark not defined. ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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.

## Auditor's 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 auditor's 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 made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone 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 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 auditor's 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 auditor's 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 auditor's 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2. (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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditor's 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:

    a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 38 (a) to the standalone financial statements.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

    d) (i) To the best of our knowledge and belief, as disclosed in the note 9 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

        - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
        - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

       (ii) To the best of its knowledge and belief, as disclosed in the note 9 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

        - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
        - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

       (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 49 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

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

**Jayanta Mukhopadhyay**
**Partner**
Membership No. 055757
UDIN: 22055757AJAKWZ1058

Place: Kolkata
Date: 16 May 2022





## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Greenply Industries Limited for the year ended 31 March 2022

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment, by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory, except goods-in-transit, has been physically verified by the management, at reasonable intervals, during the year. For goods-in- transit at the year end, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms and Limited Liability Partnerships during the year. The Company has made investments and provided guarantee or security, to companies in respect of which the requisite information is given below. The Company has granted loans to companies and other parties during the year, in respect of which the requisite information is given below. The Company has not given any advances in the nature of loan to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans and stood guarantee to companies and other parties as below :

| Particulars | Guarantees (₹ in Lakhs) | Loans (₹ in Lakhs) |
|---|---|---|
| Aggregate amount during the year | | |
| -Subsidiaries | 45,169.83 | 4,700.00 |
| -Others | - | 90.91 |
| Balance outstanding as at balance sheet date | | |
| -Subsidiaries | 57, 862.62 | 1,894.50 |
| -Others | - | 118.69 |

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not given any advance in the nature of loan to any party during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In our opinion and according to the information and explanations given to us, in respect of investments made by the Company, the provisions of Section 186 of the Act have been complied with.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 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 Act for any of the products manufactured by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, goods and services tax, duty of customs, cess, income tax and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of professional tax and tax deducted at source.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, goods and services tax, duty of customs, cess, income tax and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to income tax, goods and services tax, sales tax, value added tax, duty of customs or cess or other statutory dues 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)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| 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 | 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 | 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 | April 2008 to March 2009 | West Bengal Taxation Tribunal |
| Madhya Pradesh VAT Act, 2002 | Denial of Value Added Tax Input | 1.33 | 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<br>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 | April 2014 to March 2015 | Department of Trade and Taxes, Delhi |
| Delhi Value Added Tax Act, 2004 | Department Enhanced Turnover | 11.10 | April 2016 to March-2017 | Department of Trade and Taxes, Delhi |
| Gujarat Value Added Tax Act, 2003 | Sales Tax (For short submission of Declaration Form C) | 427.83 | 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 | 3.23 | April 2016 to March 2017 | Deputy Commissioner of Sales Tax, Mumbai |
| Maharashtra Value Added Tax Act, 2002 | Sales Tax (For Non allowance of Declaration Form "C") | 4.21 | April 2017 to June-2017 | Deputy Commissioner of State Taxes. Maharashtra |
| Central Sales (Uttar Pradesh) Rules, 1957 | Department Enhanced Turnover | 149.05 | April 2016 to June 2017 | Joint Commissioner of Commercial Taxes. Kanpur |
| Uttar Pradesh Value Added Tax Act, 2008 | Department Enhanced Turnover | 858.12 | April 2016 to June 2017 | Joint Commissioner of Commercial Taxes. Kanpur |
| Gujarat Sales Tax Act, 1956 | Dues claim | 121.20 | Financial Year 1994-1995 and 1997-1998 | Ahmedabad Value Added Tax Tribunal, Gujarat |
| Haryana Value Added Tax Act, 2003 | Non acceptance of payment | 23.61 | Financial Year 2014-15 to 2015-16 | Assessing officer - Rohtak, Haryana |

| Name of the Statute | Nature of the dues | Amount (₹ in lakhs)* | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Haryana Central sales tax Act, 1956 | Non acceptance of payment | 72.94 | Financial Year 2014-15 to 2015-16 | Assessing officer - Rohtak, Haryana |
| Haryana Value Added Tax Act, 2003 | Department Enhance Turnover | 7.99 | Financial Year 2016-17 to 2017-18 | Joint Excise and Taxation Commissioner (Appeals), Rohtak |
| Haryana Central sales tax Act, 1956 | Department Enhance Turnover | 57.94 | Financial Year 2016-17 to 2017-18 | Joint Excise and Taxation Commissioner (Appeals), Rohtak |
| Goods and Services Tax Act, 2017 | Delay of payment | 53.23 | Financial Year 2017-18 to 2021-22 | Superintendent of Central Excise & Goods and Services Tax, Bishnupur Division |
| Goods and Services Tax Act, 2017 | Non allowance of input tax credit | 4.74 | Financial Year 2021-22 | Assistant Commissioner of state tax, Chhattisgarh |
| Goods and Services Tax Act, 2017 | Non allowance of input tax credit | 634.96 | Financial Year 2018-19 to 2019-20 | Assistant Commissioner State Tax-Ahmedabad |
| 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 Excise Act, 1944 | Recovery of Excise Duty Refund | 3,141.64 | 2008-09 to 2015-16 | Assistant Commissioner, Central Excise & Service Tax, Dimapur Division |
| Income Tax Act, 1961 | Disallowance of expenses and transfer pricing adjustments | 251.14 | Assessment year – 2013-14, 2014-15, 2016 - 17, 2017-18 and 2018-19 | Commissioner of Income Tax (CIT), Appeals, Kolkata |

** Amounts are net of ₹ 1,686.18 Lakhs which has been deposited under protest by the Company*

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).





(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of equity shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) 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, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) According to the information and explanations given to us and based on our examination of the records, the Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**Jayanta Mukhopadhyay**
**Partner**
Membership No. 055757
UDIN: 22055757AJAKWZ1058

Place: Kolkata
Date: 16 May 2022

## Annexure B to the Independent Auditors' report on the standalone financial statements of Greenply Industries Limited for the year ended 31 March 2022

**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 (2(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 standalone financial statements of Greenply Industries Limited ("the Company") as of 31 March 2022 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone financial statements.

### Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

### Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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's Registration No.:
101248W/W-100022

**Jayanta Mukhopadhyay**
**Partner**
Membership No. 055757
UDIN: 22055757AJAKWZ1058

Place: Kolkata
Date: 16 May 2022

# STANDALONE BALANCE SHEET

as at March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | Note | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| Assets | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | **16,564.25** | 16,207.95 |
| (b) Capital work-in-progress | 6 | **140.11** | 462.46 |
| (c) Right of use assets | 5 | **907.33** | 2,771.91 |
| (d) Intangible assets | 7 | **1,051.18** | 149.86 |
| (e) Financial assets | | | |
| (i) Investments | 8 | **22,805.06** | 4,536.14 |
| (ii) Loans | 9 | **1,939.07** | 1,878.83 |
| (iii) Other financial assets | 16 | **155.35** | 331.28 |
| (f) Non-current tax assets (net) | 10 | **1,252.78** | 1,167.90 |
| (g) Deferred tax assets (net) | 35 | **717.11** | 638.72 |
| (h) Other non-current assets | 15 | **980.00** | 611.71 |
| **Total non-current assets** | | **46,512.24** | 28,756.76 |
| **(2) Current assets** | | | |
| (a) Inventories | 11 | **17,236.72** | 13,139.35 |
| (b) Financial assets | | | |
| (i) Trade receivables | 12 | **15,886.54** | 16,332.22 |
| (ii) Cash and cash equivalents | 13 | **1,087.21** | 1,427.54 |
| (iii) Bank balances other than cash and cash equivalents | 14 | **961.96** | 10,984.89 |
| (iv) Loans | 9 | **74.12** | 39.97 |
| (v) Other financial assets | 16 | **997.68** | 1,527.22 |
| (c) Other current assets | 17 | **1,884.32** | 1,492.19 |
| **Total current assets** | | **38,128.55** | 44,943.38 |
| **Total assets** | | **84,640.79** | 73,700.14 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 18 | **1,226.27** | 1,226.27 |
| (b) Other equity | 19 | **49,578.55** | 39,848.22 |
| **Total equity** | | **50,804.82** | 41,074.49 |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | **1,266.36** | 3,213.48 |
| (ii) Lease liabilities | 5 | **520.79** | 858.28 |
| (iii) Other financial liabilities | 21 | **9.00** | 1.00 |
| (b) Provisions | 22 | **557.65** | 545.67 |
| **Total non-current liabilities** | | **2,353.80** | 4,618.43 |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 20 | **3,103.00** | 2,637.17 |
| (ii) Lease liabilities | 5 | **160.33** | 263.19 |
| (iii) Trade payables | 23 | | |
| Total outstanding dues of micro and small enterprises | | **158.76** | 49.89 |
| Total outstanding dues of creditors other than micro and small enterprises | | **21,938.32** | 19,987.83 |
| (iv) Derivatives | 24 | **13.64** | 32.05 |
| (v) Other financial liabilities | 21 | **1,881.88** | 1,655.79 |
| (b) Other current liabilities | 25 | **2,538.94** | 1,802.30 |
| (c) Provisions | 22 | **1,687.30** | 1,579.00 |
| **Total current liabilities** | | **31,482.17** | 28,007.22 |
| **Total liabilities** | | **33,835.97** | 32,625.65 |
| **Total equity and liabilities** | | **84,640.79** | 73,700.14 |
| **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 : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Date : 16th May 2022





# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| I. | Revenue from operations | 26 | **1,37,688.81** | 1,01,539.16 |
| II. | Other income | 27 | **1,317.13** | 909.55 |
| **III** | **Total income (I+II)** | | **1,39,005.94** | 1,02,448.71 |
| **IV.** | **Expenses** | | | |
| | Cost of materials consumed | 28 | **49,489.28** | 35,296.70 |
| | Purchase of stock in trade | 29 | **37,173.90** | 23,937.27 |
| | Changes in inventories of finished goods, work-in-progress and stock in trade | 30 | **(2,301.21)** | 1,404.98 |
| | Employee benefits expense | 31 | **17,260.02** | 13,124.87 |
| | Finance cost | 32 | **578.03** | 1,104.86 |
| | Depreciation and amortisation expense | 33 | **1,860.72** | 1,654.62 |
| | Other expenses | 34 | **23,027.95** | 18,085.16 |
| | **Total expenses (IV)** | | **1,27,088.69** | 94,608.46 |
| **V.** | **Profit before exceptional items and tax (III-IV)** | | **11,917.25** | 7,840.25 |
| **VI.** | **Exceptional items** | | **-** | - |
| **VII.** | **Profit before Tax (V+VI)** | | **11,917.25** | 7,840.25 |
| | **Tax expense** | 35 | | |
| | Current tax [including taxes pertaining to earlier years ₹ 15.35 lakhs (Previous Year: ₹ 41.46 lakhs)] | | **(3,124.40)** | (1,647.39) |
| | Deferred tax (charge)/credit | | **88.48** | (399.74) |
| **VIII.** | **Tax expense** | | **(3,035.92)** | (2,047.13) |
| **IX.** | **Profit for the year (VII+VIII)** | | **8,881.33** | 5,793.12 |
| **X.** | **Other comprehensive income** | | | |
| | **Items that will not be reclassified subsequently to profit or loss:** | | | |
| | Remeasurements of defined benefit liability/(asset) | | **40.10** | 39.03 |
| | Income tax relating to items that will not be reclassified to profit or loss | | **(10.09)** | (9.82) |
| | **Other comprehensive income not to be reclassified subsequently to profit or loss** | | **30.01** | 29.21 |
| **XI.** | **Total comprehensive income for the year (IX+X)** | | **8,911.34** | 5,822.33 |
| **XII.** | **Earnings per equity share** | 37 | | |
| | [Face value of equity share ₹ 1 each (previous year ₹ 1 each)] | | | |
| | - Basic (₹) | | **7.24** | 4.72 |
| | - Diluted (₹) | | **7.24** | 4.72 |
| **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 : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Date : 16th May 2022

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## a) Equity share capital

| Particulars | Note | Amount |
|---|---|---|
| Balance as at 1 April 2020 | | 1,226.27 |
| Issue of equity share capital during the year | | - |
| Changes in Equity Share Capital due to prior period errors | | - |
| Changes in equity share capital during the year | 18 | - |
| Balance as at 31 March 2021 | | 1,226.27 |
| Issue of equity share capital during the year | | - |
| Changes in Equity Share Capital due to prior period errors | | - |
| Changes in equity share capital during the year | 18 | - |
| **Balance as at 31 March 2022** | | **1,226.27** |

## b) Other equity

| Particulars | Note | Share application money pending allotment | Reserve & Surplus: Retained earnings | Reserve & Surplus: Share options outstanding reserve | Total |
|---|---|---|---|---|---|
| Balance as at 1 April 2020 | | - | 34,469.66 | - | 34,469.66 |
| **Total comprehensive income for the year ended 31 March 2021** | | | | | |
| Profit for the year | | - | 5,793.12 | - | 5,793.12 |
| Other comprehensive income (net of tax) | | - | 29.21 | | 29.21 |
| **Total comprehensive income** | | - | 5,822.33 | - | 5,822.33 |
| **Transactions with owners, recorded directly in equity** | | | | | |
| **Contributions by and distributions to owners** | | | | | |
| Final dividend on equity shares | 49 | - | (490.51) | - | (490.51) |
| **Total contributions by and distributions to owners** | | - | **(490.51)** | - | **(490.51)** |
| **Total transactions with owners** | | - | **(490.51)** | - | **(490.51)** |
| Recognition of share based payment expense | | | - | 46.74 | 46.74 |
| **Balance as at 31 March 2021** | | - | **39,801.48** | **46.74** | **39,848.22** |
| **Balance as at 1 April 2021** | | - | **39,801.48** | **46.74** | **39,848.22** |
| **Total comprehensive income for the year ended 31 March 2022** | | | | | |
| **Profit for the year** | | - | **8,881.33** | - | **8,881.33** |
| **Other comprehensive income (net of tax)** | | - | **30.01** | | **30.01** |
| **Total comprehensive income** | | - | **8,911.34** | - | **8,911.34** |
| **Transactions with owners, recorded directly in equity** | | | | | |





# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| Particulars | Note | Share application money pending allotment | Reserve & Surplus: Retained earnings | Reserve & Surplus: Share options outstanding reserve | Total |
|---|---|---|---|---|---|
| **Contributions by and distributions to owners** | | | | | |
| Final dividend on equity shares | 49 | - | (490.51) | - | (490.51) |
| **Total contributions by and distributions to owners** | | - | (490.51) | - | (490.51) |
| **Total transactions with owners** | | - | (490.51) | - | (490.51) |
| Received during the year | | 104.09 | | | 104.09 |
| Recognition of share based payment expense | | - | | 1,205.41 | 1,205.41 |
| **Balance as at 31 March 2022** | | **104.09** | **48,222.31** | **1,252.15** | **49,578.55** |

### Description, nature and purpose of reserve:

(i) **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.

(ii) **Share options outstanding reserve :** This reserve relates to stock options granted by the Company to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(iii) **Share application money pending allotment:** This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

**Significant accounting policies** 3

The accompanying notes form an integral part of the standalone financial statements

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 : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Date : 16th May 2022

# STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | |
| | **Profit before Tax** | 11,917.25 | 7,840.25 |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | 1,860.72 | 1,654.62 |
| | Finance costs | 578.03 | 1,104.86 |
| | Interest income | (688.93) | (434.90) |
| | (Gain) on fair valuation of investments | (51.91) | (19.68) |
| | Loss allowance on trade receivables (net) | 197.01 | (134.72) |
| | Liability no longer required written back | (118.87) | (28.49) |
| | (Gain)/Loss on sale/discard of property, plant and equipment and intangible assets | (29.09) | 88.80 |
| | Commission on guarantee given to wholly owned subsidiaries and joint venture | (181.21) | (180.26) |
| | Unrealised foreign exchange fluctuations (net) | (38.14) | 148.00 |
| | Share based payment expense | 1,205.41 | 46.74 |
| | **Cash generated from operation before working capital changes** | 2,733.02 | 2,244.97 |
| | **Operating cash flows before working capital changes** | 14,650.27 | 10,085.22 |
| | Working capital adjustments: | | |
| | Decrease in trade receivables | 247.97 | 14,593.72 |
| | Decrease/(Increase) in other non- current financial assets | 213.94 | (306.58) |
| | (Increase)/ Decrease in other non-current assets and loans | (329.28) | 106.04 |
| | Decrease/(Increase) in other current financial assets | 547.89 | (42.55) |
| | (Increase)/ Decrease in other current assets and loans | (423.62) | 188.27 |
| | (Increase)/ Decrease in inventories | (4,097.37) | 1,240.90 |
| | Increase/(Decrease) in trade payables | 2,131.78 | (1,656.27) |
| | Increase in other non-current financial liabilities | 8.00 | - |
| | Increase in other current financial liabilities | 206.91 | 387.90 |
| | Increase in other current liabilities | 736.64 | 241.94 |
| | Increase/(Decrease) in provisions | 160.38 | (1,557.26) |
| | | (596.76) | 13,196.11 |
| | Cash generated from operating activities | 14,053.51 | 23,281.33 |
| | Income tax paid (net) | (3,209.28) | (1,507.52) |
| | **Net cash generated from operating activities** | 10,844.23 | 21,773.81 |
| **B.** | **Cash flows from investing activities** | | |
| | Acquisition of property, plant and equipment | (2,205.57) | (1,642.93) |
| | Acquisition of intangible assets | (955.38) | (0.80) |
| | Proceeds from sale of property, plant and equipment, right of use assets and capital work in progress | 1,890.59 | 455.07 |
| | Acquisition of investments | (18,217.01) | (85.00) |
| | Loan to subsidiary | (4,700.00) | - |
| | Repayment of loan by subsidiary | 4,700.00 | 192.66 |
| | Proceeds/(Investment) in fixed deposits with banks (having maturity of more than 3 months) | 10,023.10 | (10,954.24) |
| | Commission received on guarantee given to wholly owned subsidiaries and joint venture | 162.75 | 188.65 |
| | Interest received | 648.37 | 441.82 |
| | **Net cash used in investing activities** | (8,653.15) | (11,404.77) |
| **C.** | **Cash flows from financing activities** | | |
| | Receipt of Share application money pending allotment | 104.09 | - |
| | Proceeds from non-current borrowings | - | 3,192.00 |
| | Proceeds/(Repayment) from current borrowings | 156.00 | (9,457.25) |
| | (Repayment) of non-current borrowings | (1,641.00) | (2,102.37) |
| | Interest paid | (494.23) | (853.98) |
| | Repayment towards lease liabilities including interest | (165.76) | (163.96) |
| | Dividend paid | (490.51) | (490.51) |
| | **Net cash used in financing activities** | (2,531.41) | (9,876.07) |
| | **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | (340.33) | 492.97 |
| | Cash and cash equivalents at 1 April 2021 (refer note 13) | 1,427.54 | 934.57 |
| | **Cash and cash equivalents at 31 March 2022 (refer note 13)** | 1,087.21 | 1,427.54 |





# STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**Notes:**

(i) 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.

(ii) Acquisition of property, plant and equipment includes movement of capital work-in-progress (including capital advances and liability for capital goods) during the year.

(iii) Change in liabilities arising from financing activities:

| **Particulars** | **As on 1 April 2021** | **Cash flows** | **Fair value changes** | **As on 31 March 2022** |
|---|---|---|---|---|
| **Non-current Borrowings including current maturities (note 20)** | 4,854.60 | (1,641.00) | - | 3,213.60 |
| **Current Borrowings (note 20)** | 996.05 | 156.00 | 3.71 | 1,155.76 |

| Particulars | As on 1 April 2020 | Cash flows | Fair value changes | As on 31 March 2021 |
|---|---|---|---|---|
| Non-current Borrowings including current maturities (note 20) | 3,764.97 | 1,089.63 | - | 4,854.60 |
| Current Borrowings (note 20) | 10,543.83 | (9,457.25) | (90.53) | 996.05 |

The following is the movement in lease liabilities during the year

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| **Opening Balance** | 1,121.47 | 1,145.24 |
| Additions | 642.43 | 29.53 |
| Finance cost accrued during the period | 90.00 | 114.81 |
| Transferred/Disposal | (1,007.04) | (4.15) |
| Payment of lease liabilities | (165.76) | (163.96) |
| **Closing Balance** | 681.12 | 1,121.47 |

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 : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Date : 16th May 2022

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

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

(c) Greenply Sandila Private Limited, incorporated in India, is engaged in manufacturing of plywood.

(d) Baahu Panels Private Limited, incorporated in India, is engaged in manufacturing of medium density fibreboards and allied products.

## 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 16 May 2022.

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.





NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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

- Note 4 – useful life and residual value of property, plant and equipment;
- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 35 – recognition of deferred tax assets;
- Note 38 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – fair value measurement of investments;
- Note 42 – 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).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

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.

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 41.

## 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.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

### 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.

### 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

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).

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 amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual 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 and 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





NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

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."

*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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

significant parts of an item of property, plant and equipment have different useful lifes, 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.

(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 lifes using the straight line method, in the manner specified in Part C of Schedule II of the Act. The estimated useful lifes of items of property, plant and equipment are consistent with the Schedule II of the Companies Act, 2013, which are as follows:

| | |
|---|---|
| Buildings | - 3 to 60 years |
| Plant and Equipments | - 10 to 25 years |
| Furniture and Fixtures | - 10 years |
| Vehicles | - 8 to 10 years |
| Office Equipments | - 3 to 10 years |

Freehold land is not depreciated. Useful lifes 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 of).

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 lifes using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

The useful lifes of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lifes are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lifes are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis .

The estimated useful lifes are as follows:

- Trademarks 5 years
- Computer software 5 years
- Licenses indefinite

Useful lifes and residual values are reviewed and adjusted if appropriate at the end of each financial year or whenever there is an indication that intangible assets may be impaired.

f. Inventories
Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and 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 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

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 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 write-off. 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.

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.






# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022


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 lifes 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. Share-based payments

Share-based compensation benefits are provided to employees via Greenply Employee Stock Options Scheme 2020.

### Employee Options

The fair value of the options granted under the Greenply Employee Stock Options Scheme 2020 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

## 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 short-term liability is recognised for the amount expected to be paid, 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

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 Other comprehensive income (OCI).

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 statement of Profit and Loss. Net interest expense and other expenses related to defined benefit plans are recognised in Standalone statement of Profit and Loss.

(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.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

### k. Revenue

(i) Sale of goods

The Company manufactures, sales and trades in 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. 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 various dealers incentive such as 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. 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. 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 those 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.

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 and Right to use assets

With effect from 01 April 2019, the Company has applied Ind AS 116 using the modified retrospective approach. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

- 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.

### 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 lifes of right-of-use assets are determined on the same basis as those of property plant 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 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.






# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022


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 are 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.

#### (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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

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 offset 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.

### 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.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

### u. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year 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 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.

#### (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 to hedge its foreign currency 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 3A. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sale proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(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

| Particulars | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
|---|---|---|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | | | | |
| Balance at 1 April 2020 | 683.09 | 9,819.69 | 13,006.74 | 1,622.22 | 1,829.25 | 955.07 | 27,916.06 |
| Additions | - | 257.63 | 543.10 | 177.61 | 204.26 | 123.88 | 1,306.48 |
| Disposals/ discard | - | - | (289.57) | (63.06) | (55.21) | (34.08) | (441.92) |
| Balance at 31 March 2021 | 683.09 | 10,077.32 | 13,260.27 | 1,736.77 | 1,978.30 | 1,044.87 | 28,780.62 |
| **Balance at 1 April 2021** | **683.09** | **10,077.32** | **13,260.27** | **1,736.77** | **1,978.30** | **1,044.87** | **28,780.62** |
| **Additions** | **-** | **145.08** | **1,379.88** | **305.44** | **142.71** | **199.88** | **2,172.99** |
| **Disposals/ discard** | **-** | **(156.98)** | **(290.51)** | **(0.24)** | **(18.20)** | **(0.15)** | **(466.08)** |
| **Balance at 31 March 2022** | **683.09** | **10,065.42** | **14,349.64** | **2,041.97** | **2,102.81** | **1,244.60** | **30,487.53** |
| **Accumulated depreciation** | | | | | | | |
| Balance at 1 April 2020 | - | 1,973.13 | 7,552.43 | 649.09 | 615.36 | 719.00 | 11,509.01 |
| Depreciation for the year | - | 318.16 | 669.99 | 149.23 | 211.31 | 83.02 | 1,431.71 |
| Disposals/ discard | - | - | (240.19) | (48.44) | (48.73) | (30.69) | (368.05) |
| Balance at 31 March 2021 | - | 2,291.29 | 7,982.23 | 749.88 | 777.94 | 771.33 | 12,572.67 |
| **Balance at 1 April 2021** | **-** | **2,291.29** | **7,982.23** | **749.88** | **777.94** | **771.33** | **12,572.67** |
| **Depreciation for the year** | **-** | **327.02** | **832.39** | **158.20** | **226.19** | **101.43** | **1,645.23** |
| **Disposals/ discard** | **-** | **(20.18)** | **(263.75)** | **(0.24)** | **(10.31)** | **(0.14)** | **(294.62)** |
| **Balance at 31 March 2022** | **-** | **2,598.13** | **8,550.87** | **907.84** | **993.82** | **872.62** | **13,923.28** |
| Carrying amounts (net) | | | | | | | |
| Balance at 31 March 2021 | 683.09 | 7,786.03 | 5,278.04 | 986.89 | 1,200.36 | 273.54 | 16,207.95 |
| **Balance at 31 March 2022** | **683.09** | **7,467.29** | **5,798.77** | **1,134.13** | **1,108.99** | **371.98** | **16,564.25** |

### (b) Security

As at 31 March 2022, property, plant and equipment with a carrying amount of ₹ 9,813.67 lakhs (31 March 2021: ₹ 9,506.51 lakhs) are subject to first charge to secured borrowings (see note 20).

**(c)** For contractual commitment with respect to property, plant and equipment, refer note 38.

## 5. Right-of-use assets and leases

See accounting policy in note 3(m).

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 3-5 years and vehicles taken on lease for the period 2-5 years.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

Following are the changes in the carrying value of right-of- use assets during the year.

| Particulars | Leasehold Land | Office premises/ godown | Vehicles | Total |
|---|---|---|---|---|
| Balance at 1 April 2020 | 2,660.44 | 52.14 | 204.08 | 2,916.66 |
| **Additions** | - | - | 29.53 | 29.53 |
| Disposals | - | - | 4.15 | 4.15 |
| Depreciation for the year | 30.42 | 52.14 | 87.57 | 170.13 |
| Balance at 31 March 2021 | 2,630.02 | - | 141.89 | 2,771.91 |
| **Balance at 1 April 2021** | **2,630.02** | **-** | **141.89** | **2,771.91** |
| **Additions** | **-** | **392.93** | **249.50** | **642.43** |
| **Transferred/Disposal** | **2,345.58** | **-** | **-** | **2,345.58** |
| **Depreciation for the year** | **14.60** | **58.38** | **88.45** | **161.43** |
| **Balance at 31 March 2022** | **269.84** | **334.55** | **302.94** | **907.33** |

The following is the movement in lease liabilities during the year.

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Opening Balance** | **1,121.47** | 1,145.24 |
| Additions | **642.43** | 29.53 |
| Interest on lease liabilities | **90.00** | 114.81 |
| Transferred/Disposal | **(1,007.04)** | (4.15) |
| Payment of lease liabilities | **(165.74)** | (163.96) |
| **Closing Balance** | **681.12** | 1,121.47 |

The aggregate finance cost on lease liabilities is included under finance costs (refer note 32).

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Current lease liabilities | **160.33** | 263.19 |
| Non-current lease liabilities | **520.79** | 858.28 |
| **Total** | **681.12** | 1,121.47 |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Less than one year | **160.33** | 263.19 |
| One to five years | **654.41** | 869.95 |
| More than five years | **-** | 344.87 |
| **Total** | **814.74** | 1,478.01 |

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 ₹ **733.51** lakhs (31 March 2021: ₹ 794.14 lakhs) for the year ended 31 March 2022, towards expenses relating to short term leases and leases of low value assets included under Rent. (refer note 34).

The total cash outflow for leases is ₹ **899.27** lakhs (31 March 2021: ₹ 958.10 lakhs) for the year ended 31 March 2022, including cash outflow for short term and leases of low value assets.






# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


## 6. Capital work-in-progress

See accounting policy in note 3(d) and (g)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| At the beginning of the year | **462.46** | 396.71 |
| Additions during the year | **1,688.09** | 343.89 |
| Capitalised during the year | **(1,658.96)** | (278.14) |
| Sold during the year | **(351.48)** | - |
| **At the end of the year** | **140.11** | 462.46 |

**Note:**

(a) As at 31 March 2022, properties under capital work-in-progress with a carrying amount of ₹ **107.05 Lakhs** (31 March 2021: ₹ 345.65 lakhs) are subject to first charge to secured borrowings (refer note 20).

(b) Ageing Schedule of Capital Work in Progress is given below

| CWIP Ageing | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Less Than One Year | 140.11 | - | 462.46 | - |
| One to Two Years | - | - | - | - |
| Two to three years | - | - | - | - |
| More than Three Years | - | - | - | - |
| **Total** | **140.11** | **-** | **462.46** | **-** |

(c) There is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan for period ended 31st March 2022.

## 7. Intangible assets

See accounting policy in note 3(e) and (g)

### (a) Reconciliation of carrying amount

| | Licenses (indefinite life) | Trade marks | Computer software | Total |
|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | |
| Balance at 1 April 2020 | 470.00 | 22.87 | 744.48 | 1,237.35 |
| Additions | - | - | 0.80 | 0.80 |
| Disposals | (470.00) | - | - | (470.00) |
| Balance at 31 March 2021 | - | 22.87 | 745.28 | 768.15 |
| **Balance at 1 April 2021** | **-** | **22.87** | **745.28** | **768.15** |
| **Additions** | **900.00** | **-** | **55.38** | **955.38** |
| **Disposals** | **-** | **-** | **-** | **-** |
| **Balance at 31 March 2022** | **900.00** | **22.87** | **800.66** | **1,723.53** |
| **Accumulated amortisation** | | | | |
| Balance at 1 April 2020 | - | 20.61 | 544.90 | 565.51 |
| Amortisation for the year | - | 2.26 | 50.52 | 52.78 |
| Adjustments/ disposals | - | - | - | - |
| Balance at 31 March 2021 | - | 22.87 | 595.42 | 618.29 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | Licenses (indefinite life) | Trade marks | Computer software | Total |
|---|---|---|---|---|
| **Balance at 1 April 2021** | - | 22.87 | 595.42 | 618.29 |
| **Amortisation for the year** | - | - | 54.06 | 54.06 |
| **Adjustments/ disposals** | - | - | - | - |
| **Balance at 31 March 2022** | - | 22.87 | 649.48 | 672.35 |
| Carrying amounts (net) | | | | |
| Balance at 31 March 2021 | - | - | 149.86 | 149.86 |
| **Balance at 31 March 2022** | 900.00 | - | 151.18 | 1,051.18 |

**Licenses (indefinite life):**

For Licenses of the company that were regarded to have indefinite useful lifes. 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.

## 8. Investments in subsidiaries

See accounting policy in note 3(c) and (g)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current investments** | | |
| **Quoted** | | |
| **Equity instruments carried at fair value through profit and loss (FVTPL)** | | |
| **3,400** (31 March 2021: 3,400) equity shares of Indian Overseas Bank Limited (face value ₹ 10 each, fully paid-up) | 0.62 | 0.54 |
| | 0.62 | 0.54 |
| **Unquoted** | | |
| **Equity instruments in subsidiaries carried at cost** | | |
| **100** (31 March 2021: 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 2021: 38,00,000) equity shares of Greenply Holdings Pte. Limited (face value USD 1 each, fully paid-up) | 2,401.83 | 2,401.83 |
| **10,00,00,000** (31 March 2021: Nil) equity shares of Greenply Sandila Private Limited (face value Re.1 each, fully paid-up) | 1,000.00 | - |
| **55,01,00,000** (31 March 2021: Nil) equity shares of Baahu Panels Private Limited (face value Re.1 each, fully paid-up) | 5,501.00 | - |
| | 10,723.22 | 4,222.22 |
| **Equity instruments carried at fair value through profit and loss (FVTPL)** | | |
| **11,40,000** (31 March 2021: 11,40,000) equity shares of Nemani Panels Private Limited (face value ₹10 each, fully paid-up) | 156.41 | 133.38 |
| **19,60,000** (31 March 2021: 18,00,000) equity shares of Panchjanaya ply & Board Private Limited (face value ₹10 each, fully paid-up) | 224.81 | 180.00 |
| | 381.22 | 313.38 |





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Investment in preference shares in subsidiaries carried at cost** | | |
| **25,00,00,000** (31 March 2021: Nil) preference shares of Greenply Sandila Private Limited (face value Re.1 each, fully paid-up) | 2,500.00 | - |
| 92,00,00,000 (31 March 2021: Nil) preference shares of Baahu Panels Private Limited (face value Re.1 each, fully paid-up) | 9,200.00 | - |
| | 11,700.00 | - |
| | 22,805.06 | 4,536.14 |
| Aggregate book value of quoted investments | 0.62 | 0.54 |
| Aggregate market value of quoted investments | 0.62 | 0.54 |
| Aggregate value of unquoted investments | 22,804.44 | 4,535.60 |
| 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 41 and 42.

## 9. Loans

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current** | | |
| Loan to employees | 44.57 | 51.20 |
| **To a related party - wholly owned subsidiary** | | |
| Loan to Greenply Middle East Limited (refer note 39) | 1,894.50 | 1,827.63 |
| | 1,939.07 | 1,878.83 |
| **Current** | | |
| Loan to employees | 74.12 | 39.97 |
| | 74.12 | 39.97 |
| | 2,013.19 | 1,918.80 |

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 10. Non-current tax assets

See accounting policy in note 3(o)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Advance income tax (Net of provision for tax) | 1,252.78 | 1,167.90 |
| | 1,252.78 | 1,167.90 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 11. Inventories

*(Valued at the lower of cost and net realisable value)*

See accounting policy in note 3(f)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Raw materials | 8,290.53 | 6,467.44 |
| [including in transit ₹ **1,295.38 lakhs** (31 March 2021 ₹ 886.90 lakhs)] | | |
| Work-in-progress | 2,067.28 | 1,069.08 |
| [including in transit ₹ **32.50 lakhs** (31 March 2021 ₹ Nil lakhs)] | | |
| Finished goods | 2,631.78 | 1,700.56 |
| [including in transit ₹ **1,928.75 lakhs** (31 March 2021 ₹ 1,059.50 lakhs)] | | |
| Stock in trade | 3,778.76 | 3,406.97 |
| [including in transit ₹ **1,301.83 lakhs** (31 March 2021 ₹ 968.37 lakhs)] | | |
| Stores and spares | 468.37 | 495.30 |
| [including in transit ₹ **Nil lakhs** (31 March 2021 ₹ Nil lakhs)] | | |
| | 17,236.72 | 13,139.35 |

For carrying amount of inventories pledged as securities against borrowings, refer note 20.

## 12. Trade receivables

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Current** | | |
| Unsecured | | |
| - Considered good | 16,494.61 | 16,764.97 |
| - Credit impaired | - | 1.42 |
| | 16,494.61 | 16,766.39 |
| Less: Loss for allowances | 608.07 | 434.17 |
| **Net trade receivables** | 15,886.54 | 16,332.22 |
| **Of the above :** | | |
| Trade receivables from related parties | - | - |

**Notes:**

(a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

(b) Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 42.

(c) For receivables secured against borrowings, see note 20.

(d) There is no unbilled trade receivable as on 31st March 2022 and 31st March 2021.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

(e) Ageing Schedule for trade receivables is given below

| 31 March 2022 | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| Particulalrs | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 12,466.45 | 2,940.30 | 213.83 | 219.00 | 277.28 | 192.66 | 16,309.52 |
| (ii) Disputed trade receivable Considered good | - | 0.36 | - | 18.38 | 84.12 | 82.23 | 185.09 |
| Total | 12,466.45 | 2,940.66 | 213.83 | 237.38 | 361.40 | 274.89 | 16,494.61 |

| 31 March 2021 | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| Particulalrs | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 11,779.12 | 3,043.80 | 472.50 | 969.64 | 201.26 | 48.47 | 16,514.79 |
| (ii) Disputed trade receivable Considered good | - | 2.51 | 26.30 | 139.51 | 43.44 | 38.42 | 250.18 |
| (iii) Disputed trade receivables – credit impaired | - | - | - | - | - | 1.42 | 1.42 |
| Total | 11,779.12 | 3,046.31 | 498.80 | 1,109.15 | 244.70 | 88.31 | 16,766.39 |

## 13. Cash and cash equivalents

See accounting policy in note 3(s)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Cash on hand | 44.35 | 25.77 |
| Balances with banks | | |
| - On current accounts | 1,042.86 | 1,401.77 |
| | 1,087.21 | 1,427.54 |

## 14. Bank balances other than cash and cash equivalents

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date* | 955.58 | 10,978.68 |
| Earmarked balances with banks for unpaid dividend accounts | 6.38 | 6.21 |
| | 961.96 | 10,984.89 |

** Out of above ₹ **26.95 Lakh** (31 March 2021: ₹ 25.29 lakh) pledged/lodged with various government authorities as security*

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 15. Other non-current assets

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Capital advances | 401.88 | 369.50 |
| **Advances other than capital advances** | | |
| Deposits against demand under appeal and/or under dispute | 60.56 | 55.05 |
| Amount due from government authorities | 56.77 | 55.07 |
| Prepaid expenses | 434.78 | 106.08 |
| Security deposits | 26.01 | 26.01 |
| | 980.00 | 611.71 |

## 16. Other financial assets

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-Current** | | |
| Security deposits # | 90.52 | 21.21 |
| Other Receivables | 64.83 | 310.07 |
| | 155.35 | 331.28 |
| **Current** | | |
| Government grants receivable (refer note 16.1) | 157.43 | 715.90 |
| Security deposits # | 266.05 | 387.80 |
| Insurance claim receivable | 88.15 | 195.57 |
| Commission Receivable from Subsidiaries & Joint Venture (refer note 39) | 60.74 | 42.28 |
| Interest receivable from subsidiary (refer note 39) | 26.17 | 26.28 |
| Other Receivables | 399.14 | 159.39 |
| | 997.68 | 1,527.22 |

*# For security deposits given to related parties refer note 39.*

**16.1** Government grant receivable represents incentives against scheme of budgetary support under Goods and Services Tax Regime for the unit set-up in Tizit, Nagaland.

## 17. Other current assets

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **To parties other than related parties** | | |
| Advances to suppliers | 748.61 | 818.54 |
| Advances to employees | 60.32 | 58.71 |
| Prepaid expenses | 361.53 | 441.43 |
| Gratuity (refer note 31) | 43.93 | - |
| Amount due from government authorities | 669.93 | 173.51 |
| | 1,884.32 | 1,492.19 |






# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


## 18. Equity share capital

See accounting policy in note 3(q)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Authorised** | | |
| **160,000,000** (31 March 2021: 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 2021: 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

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Balance at the beginning and at the end of the year** | 12,26,27,395 | 1,226.27 | 12,26,27,395 | 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, 3020 equity shares of the Company held by 5 shareholders have been held in abeyance.

### (c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number | % | Number | % |
| **Equity shares of ₹ 1 each** | | | | |
| Rajesh Mittal On Behalf Of Trade Combines, Partnership Firm | 1,17,02,380 | 9.54% | - | 0.00% |
| Showan Investment Private Limited | 4,64,17,179 | 37.85% | - | 0.00% |
| S.M. Management Private Limited | - | 0.00% | 3,29,26,324 | 26.85% |
| Prime Holdings Private Limited | - | 0.00% | 1,20,42,800 | 9.82% |
| Shiv Prakash Mittal and Shobhan Mittal - Trade Combines | - | 0.00% | 1,17,02,380 | 9.54% |
| HDFC Trustee Company Limited | 90,64,020 | 7.39% | 1,07,62,907 | 8.78% |
| Mirae Asset Great Consumer Fund | 89,60,989 | 7.31% | | 0.00% |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### (d) Shares held by promoters at the end of the year

| | March 31, 2022 | | March 31, 2021 | | % Change |
|---|---|---|---|---|---|
| | No. of Shares | % of total shares | No. of Shares | % of total shares | during the year |
| Rajesh Mittal | 50,07,250 | 4.08% | 30,79,900 | 2.51% | 1.57% |
| Rajesh Mittal On Behalf of Trade Combines, Partnership Firm | 1,17,02,380 | 9.54% | - | 0.00% | 9.54% |
| Sanidhya Mittal | 1,21,300 | 0.10% | 1,00,000 | 0.08% | 0.02% |
| Karuna Mittal | 7,33,600 | 0.60% | 6,80,000 | 0.55% | 0.05% |
| Rajesh Mittal & Sons, Huf | 1,61,821 | 0.13% | 1,22,021 | 0.10% | 0.03% |
| Showan Investment Private Limited | 4,64,17,179 | 37.85% | - | 0.00% | 37.85% |
| Shobhan Mittal | - | 0.00% | 7,39,000 | 0.60% | -0.60% |
| Shiv Prakash Mittal and Shobhan Mittal On Behalf of Trade Combines, Partnership Firm | - | 0.00% | 1,17,02,380 | 9.54% | -9.54% |
| Santosh Mittal | - | 0.00% | 11,65,900 | 0.95% | -0.95% |
| Prime Holding Private Limited | - | 0.00% | 1,20,42,800 | 9.82% | -9.82% |
| S.M.Management Private Limited | - | 0.00% | 3,29,26,324 | 26.85% | -26.85% |
| Vanashree Properties Private Limited | - | 0.00% | 14,48,055 | 1.18% | -1.18% |
| | 6,41,43,530 | 52.31% | 6,40,06,380 | 52.18% | 0.13% |

### (e) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 36.

### (f) 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.

## 19. Other equity

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Retained earnings** | | |
| At the commencement of the year | 39,801.48 | 34,469.66 |
| Add: Profit for the year | 8,881.33 | 5,793.12 |
| Less: Dividend on equity shares | 490.51 | 490.51 |
| Add: Remeasurements of the net defined benefit plans | 30.01 | 29.21 |
| **Balance at the end of the year** | 48,222.31 | 39,801.48 |
| **Share application money pending allotment** | | |
| At the commencement of the year | - | - |
| Add: Received during the year | 104.09 | - |
| **Balance at the end of the year** | 104.09 | - |
| **Share option outstanding reserve** | | |
| At the commencement of the year | 46.74 | - |
| Add: Provision during the year | 1,205.41 | 46.74 |
| **Balance at the end of the year** | 1,252.15 | 46.74 |
| | 49,578.55 | 39,848.22 |





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### Description, nature and purpose of reserve:

(i) **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.

(ii) **Share options outstanding reserve:** This reserve relates to stock options granted by the Company to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(iii) **Share application money pending allotment:** This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

## 20. Borrowings

See accounting policy in note 3(c) and (p)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current borrowings** | | |
| **Secured** | | |
| Term loans from bank | | |
| Rupee loans | 3,127.16 | 4,723.44 |
| Less: Current maturities of non-current borrowings | 1,898.01 | 1,596.27 |
| | 1,229.15 | 3,127.17 |
| **Loan against vehicles** | 86.44 | 131.16 |
| Less: Current maturities of loan against vehicles | 49.23 | 44.85 |
| | 37.21 | 86.31 |
| | 1,266.36 | 3,213.48 |
| **Current borrowings** | | |
| **Secured** | | |
| From banks | | |
| Foreign currency loan - buyers credit | - | 271.05 |
| Rupee loans - repayable on demand | 583.26 | - |
| Current maturities of non-current borrowings | 1,898.01 | 1,596.27 |
| Current maturities of loan against vehicles | 49.23 | 44.85 |
| | 2,530.50 | 1,912.17 |
| **Unsecured** | | |
| From banks | | |
| Channel finance assurance facility* | 572.50 | 725.00 |
| | 572.50 | 725.00 |
| | 3,103.00 | 2,637.17 |

** 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 TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(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 42.

### (A) Terms of repayment

| Name of the lender | Interest rate | Repayment schedule | Year of maturity | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|---|
| HDFC Bank Limited | 3 year MCLR | Repayable at quarterly rest: 2 of ₹ 150.00 lakhs and 4 of ₹ 300.00 lakhs | 2023-24 | 1,499.47 | 2,098.82 |
| HDFC Bank Limited | 3 months MCLR +0.45% | Repayable at quarterly rest: 4 of ₹ 180.00 lakhs | 2022-23 | 719.23 | 1,437.21 |
| HDFC Bank Limited | 3 months MCLR +0.45% | Repayable at quarterly rest: 13 of ₹ 70.00 lakhs | 2024-25 | 908.46 | 1,187.41 |
| | | | | 3,127.16 | 4,723.44 |
| **Total** | | | | 3,127.16 | 4,723.44 |

### (B) Details of security

(a) Term loans of ₹ **3,127.16 lakhs** (31 March 2021: ₹ 4,723.44 lakhs) are secured by:

i) First pari-passu charge on immovable fixed assets of the Company situated at Kriparampur (West Bengal).

ii) First pari passu charge on all movable fixed assets of the company, present and future, except assets specifically charged to other lenders.

iii) 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 ₹ **583.26 lakhs** (31 March 2021: ₹ Nil lakhs) are secured by:

i) First pari passu charge on all the current assets of the Company.

ii) Second pari passu charge on all movable fixed assets of the company, present and future, except assets specifically charged to other lenders.

iii) Second pari-passu charge on immovable fixed assets of the Company situated at Kriparampur (West Bengal).

(d) Foreign currency loan - buyers credit of ₹ **Nil lakhs** (31 March 2021: ₹ 271.05 lakhs) and Rupee loans - bill discounting of ₹ Nil lakhs(31 March 2021: Nil lakhs) is secured by letter of credit/stand by letter of credit issued by banks using fund based limit of the Company.

(e) The Company has submitted quarterly statements of financial information as required by banks which are in agreement with the books of accounts.

## 21. Other financial liabilities

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current** | | |
| Security deposits from customers | 1.00 | 1.00 |
| Security deposits from Suppliers | 8.00 | - |
| | 9.00 | 1.00 |
| **Current** | | |
| Interest accrued but not due on borrowings | 21.48 | 31.40 |
| Liability for capital goods | 52.26 | 23.33 |
| Employee benefits payable (refer note c below) | 1,801.76 | 1,594.85 |
| Unclaimed dividend | 6.38 | 6.21 |
| | 1,881.88 | 1,655.79 |





NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(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 2022.

(b) Information about the Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 42.

(c) It includes remuneration payable to related parties, refer note 39.

## 22. Provisions

See accounting policy in note 3(i) and (j)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current** | | |
| Provisions for employee benefits | | |
| Liability for compensated absences | 557.65 | 545.67 |
| | 557.65 | 545.67 |
| **Current** | | |
| Provision for Litigation {refer note (a) below} | 1,516.03 | 1,516.03 |
| Provisions for employee benefits | | |
| Net defined benefit liability - gratuity | - | 10.33 |
| Liability for compensated absences | 171.27 | 52.64 |
| | 1,687.30 | 1,579.00 |

### (a) Movement of provisions (Current)

| | Provision for litigation |
|---|---|
| **Balance as at 1 April 2020** | 2,897.80 |
| Add: Provisions made during the year 2020-21 | 243.85 |
| Less: Amount paid during the year 2020-21 | 1,625.62 |
| **Balance as at 31 March 2021** | 1,516.03 |
| Add: Provisions made during the year 2021-22 | - |
| Less: Amount paid during the year 2021-22 | - |
| **Balance as at 31 March 2022** | 1,516.03 |

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 and 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 ₹ 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 ₹ 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 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 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 result for the year ended 31 March 2020 was ₹ 4,997.05 lakhs. Considering the nature and size of transaction, the Company has already disclosed the above mentioned impact as an ""exceptional items"" in the financial result for the year ended 31 March 2020.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

During previous year ended 31 March 2021, the Company has paid under protest its share of liability of ₹ 1,625.62 lakhs (being 60% of the total demand as referred above). Also the Company has made a provision of ₹ 243.84 lakhs towards interest for the previous year ended 31 March 2021. 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.

## 23. Trade payables

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Dues to micro and small enterprises (refer note 46) | 158.76 | 49.89 |
| Dues to other than micro and small enterprises | 19,256.61 | 18,338.80 |
| Dues to related parties (refer note 39) | 2,681.71 | 1,649.03 |
| | 22,097.08 | 20,037.72 |

Information about the Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 42.

| 31 March 2022 | Outstanding of following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| Particualrs | Not Due | Less Than Six Months | One to two years | Two to three years | More than three years | |
| (i) MSME | 137.79 | 20.97 | - | - | - | 158.76 |
| (ii) Others | 12,479.63 | 5,249.38 | 22.79 | 13.32 | 5.99 | 17,771.11 |
| Total | 12,617.42 | 5,270.35 | 22.79 | 13.32 | 5.99 | 17,929.87 |
| Unbilled Trade payables | | | | | | 4,167.21 |
| | | | | | | 22,097.08 |

| 31 March 2021 | Outstanding of following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| Particualrs | Not Due | Less Than Six Months | One to two years | Two to three years | More than three years | |
| (i) MSME | 43.77 | 6.12 | - | - | - | 49.89 |
| (ii) Others | 11,498.71 | 4,682.61 | 71.69 | 9.21 | 1.47 | 16,263.69 |
| Total | 11,542.48 | 4,688.73 | 71.69 | 9.21 | 1.47 | 16,313.58 |
| Unbilled Trade payables | | | | | | 3,724.14 |
| | | | | | | 20,037.72 |

## 24. Derivatives

See accounting policy in note 3(c)(v)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Derivative Liability** | | |
| Foreign exchange forward contracts | 13.64 | 32.05 |
| | 13.64 | 32.05 |

Information about the Company's exposure to interest rate and currency risks related to derivatives is disclosed in note 42.

## 25. Other current liabilities

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Statutory dues* | 1,269.56 | 1,042.60 |
| Advance from customers | 1,269.38 | 759.70 |
| | 2,538.94 | 1,802.30 |

**Primarily includes GST, TDS, TCS and Entry tax.*





NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 26. Revenue from operations

See accounting policy in note 3(k) and (l)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Sale of products** | | |
| Finished goods | 87,767.95 | 69,516.09 |
| Stock-in-trade | 49,377.23 | 31,651.37 |
| | 1,37,145.18 | 1,01,167.46 |
| **Other operating revenue** | | |
| Government grants | | |
| - Refund of goods and service tax (refer note 47) | 541.08 | 371.70 |
| - Export Incentive received | 2.55 | - |
| | 543.63 | 371.70 |
| | 1,37,688.81 | 1,01,539.16 |
| **Reconciliation of revenue from sale of products with the contracted price** | | |
| Contracted price | 1,45,562.81 | 1,08,595.53 |
| Less : Reduction towards variable consideration components. | 8,417.63 | 7,428.07 |
| Sale of products | 1,37,145.18 | 1,01,167.46 |

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 12 and 25.

## 27. Other income

| | Year ended 31 March 2022 | | Year ended 31 March 2021 |
|---|---|---|---|
| Interest on fixed deposits with banks and others | 461.51 | | 316.86 |
| Interest on other financial assets | 40.68 | | 3.71 |
| Income from related party: | | | |
| - Interest on loan given to wholly owned subsidiaries (refer note 39) | 186.74 | | 114.33 |
| - Commission on guarantee given to wholly owned subsidiaries and joint venture (refer note 39) | 181.21 | | 180.26 |
| Rent received from subsidiaries (refer note 39) | 1.82 | | - |
| Liabilities no longer required written back | 118.87 | | 28.49 |
| Interest on income tax refund | - | | 24.78 |
| Loss allowance | | | |
| - loss allowance | | 296.55 | |
| - Bad debts | | (161.83) | |
| | - | | 134.72 |
| Gain on fair valuation of investments at fair value through profit and loss | 51.91 | | 19.68 |
| Gain on sale and discard of property, plant and equipment | 29.09 | | - |
| Miscellaneous income | 245.30 | | 86.72 |
| | 1,317.13 | | 909.55 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 28. Cost of materials consumed

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Inventory of raw materials at the beginning of the year | 6,467.44 | 6,258.89 |
| Add: Purchases | 51,312.37 | 35,505.25 |
| Less: Inventory of raw materials at the end of the year | (8,290.53) | (6,467.44) |
| | 49,489.28 | 35,296.70 |

## 29. Purchase of stock in trade

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Purchase of stock-in-trade | 37,173.90 | 23,937.27 |
| | 37,173.90 | 23,937.27 |

## 30. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **Opening inventories** | | | |
| Finished goods | | 1,700.56 | 1,838.06 |
| Stock in trade | | 3,406.97 | 3,042.99 |
| Work-in-progress | | 1,069.08 | 2,700.54 |
| | (A) | 6,176.61 | 7,581.59 |
| **Closing inventories** | | | |
| Finished goods | | 2,631.78 | 1,700.56 |
| Stock in trade | | 3,778.76 | 3,406.97 |
| Work-in-progress | | 2,067.28 | 1,069.08 |
| | (B) | 8,477.82 | 6,176.61 |
| | (A-B) | (2,301.21) | 1,404.98 |

## 31. Employees benefits expense

See accounting policy in note 3(i)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Salaries, wages and bonus | 14,443.59 | 11,851.44 |
| Contribution to provident and other funds {refer note 31(a) below} | 679.47 | 552.79 |
| Expenses related to post-employment defined benefit plan | 210.84 | 185.78 |
| Expenses related to compensated absences {refer note 31(b) below} | 305.90 | 192.68 |
| Expenses on Employees Stock Options Scheme (refer note 36) | 1,205.41 | 46.74 |
| Staff welfare expenses | 414.81 | 295.44 |
| | 17,260.02 | 13,124.87 |

Salaries, wages and bonus includes ₹ **2,621.31 lakhs** (31 March 2021 ₹ 1,861.80 lakhs) relating to outsource manpower cost.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**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 and Pension 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 ₹ **639.96 lakhs** (31 March 2021: ₹ 518.93 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 ₹ **39.51 lakhs** (31 March 2021: ₹ 33.86 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 company.

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| (c) | **Acturial valuation of gratuity liability** | | |
| | **Defined benefit cost** | | |
| | Current service cost | 214.78 | 184.87 |
| | Interest expense on defined benefit obligation | 131.25 | 125.19 |
| | Interest income on plan assets | (135.19) | (124.28) |
| | **Defined benefit cost in Statement of Profit and Loss** | 210.84 | 185.78 |
| | Remeasurements from financial assumptions | (9.05) | 19.76 |
| | Remeasurements from experience adjustments | (45.95) | (65.39) |
| | Remeasurements from financial assumption on plan assets | 14.90 | 6.60 |
| | **Defined benefit cost in Other Comprehensive Income (OCI)** | (40.10) | (39.03) |
| | **Total defined benefit cost in Statement of Profit and Loss and OCI** | 170.74 | 146.75 |
| | **Movement in defined benefit obligation** | | |
| | Balance at the beginning of the year | 1,902.22 | 1,790.22 |
| | Interest cost | 131.25 | 125.19 |
| | Current service cost | 214.78 | 184.87 |
| | Actuarial (gains)/ losses recognised in other comprehensive income | (55.00) | (45.63) |
| | Benefits paid | (90.11) | (152.43) |
| | **Balance at the end of the year** | 2,103.14 | 1,902.22 |
| | **Movement in fair value of plan assets** | | |
| | Balance at the beginning of the year | 1,891.89 | 1,776.64 |
| | Interest income | 135.19 | 124.28 |
| | Employer contributions | 225.00 | 150.00 |
| | Benefits paid | (90.11) | (152.43) |
| | Return on plan assets | (14.90) | (6.60) |
| | **Balance at the end of the year** | 2,147.07 | 1,891.89 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Net asset/(liability) recognised in the Standalone Balance Sheet** | | |
| Present value of defined benefit obligation | (2,103.14) | (1,902.22) |
| Fair value of plan asset | 2,147.07 | 1,891.89 |
| **Net asset/(liability)** | 43.93 | (10.33) |
| | | |
| **Sensitivity analysis for significant assumptions:** | | |
| **Increase/(Decrease) in present value of defined benefit obligation at the end of the year** | | |
| Salary escalation - Increase by 1% | 158.50 | 154.58 |
| Salary escalation - Decrease by 1% | (138.97) | (136.47) |
| Withdrawal rates - Increase by 1% | 7.05 | 4.98 |
| Withdrawal rates - Decrease by 1% | (8.45) | (6.05) |
| Discount rates - Increase by 1% | (137.95) | (129.08) |
| Discount rates - Decrease by 1% | 158.63 | 148.27 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| | **Actuarial assumptions** | | |
| | Mortality table | IALM 2012-2014 | IALM 2012-2014 |
| | Discount rate (per annum) | 7.10% | 6.90% |
| | Rate of escalation in salary (per annum) | 6.00% | 6.00% |
| | Withdrawal rate | 1% - 8% | 1% - 8% |
| | **Maturity profile of defined benefit obligation** | | |
| | Not later than 1 year | 620.38 | 235.44 |
| | Later than 1 year and not later than 5 years | 497.96 | 832.39 |
| | 5 to 10 years | 772.89 | 676.54 |
| | | | |
| | **Weighted average duration of defined benefit obligation (in years)** | 4.61 | 4.95 |
| | | | |
| (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 | 74.59% | 71.39% |
| | Fund with Kotak Mahindra Life Insurance Company Limited | 25.41% | 28.61% |
| | | 100.00% | 100.00% |

(e) The Company's expected contribution during next year is ₹ **214.35 lakhs** (31st March, 2021 ₹ 199.95 lakhs)





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 32. Finance costs

See accounting policy in note 3(p)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost | 379.49 | 859.99 |
| Interest on Lease Liability (refer note 5) | 90.00 | 114.81 |
| Other borrowing cost | 108.54 | 130.06 |
| | 578.03 | 1,104.86 |

## 33. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 4) | 1,645.23 | 1,431.71 |
| Depreciation of Right of use Assets (refer note 5) | 161.43 | 170.13 |
| Amortisation of intangible assets (refer note 7) | 54.06 | 52.78 |
| | 1,860.72 | 1,654.62 |

## 34. Other expenses

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Consumption of stores and spares | 1,117.56 | 835.62 |
| Power and fuel | 2,293.48 | 1,928.98 |
| Rent (refer note 5) | 733.51 | 794.14 |
| Repairs to: | | |
| - Buildings | 89.93 | 24.99 |
| - Plant and equipment | 568.52 | 415.74 |
| - Others | 573.31 | 455.73 |
| Insurance | 539.84 | 685.07 |
| Rates and taxes | 59.45 | 226.81 |
| Travelling expenses | 1,393.54 | 665.84 |
| Freight and delivery expenses | 7,369.00 | 5,595.34 |
| Advertisement and sales promotion | 5,213.66 | 3,372.47 |
| Commission paid to independent directors | 68.14 | 60.00 |
| Directors sitting fees | 61.55 | 25.20 |
| Payment to auditors [refer note 34 (i)] | 49.15 | 49.38 |
| Donation | 23.16 | 2.46 |
| Expenditure on corporate social responsibility [refer note 34 (ii)] | 150.00 | 236.15 |
| Loss on sale and discard of property, plant and equipment | - | 88.80 |
| Legal and Professional fees | 477.63 | 444.20 |
| Commission expenses | 439.84 | 796.08 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| Loss allowance | | | |
| - Bad debts | 23.11 | | |
| - loss allowance | 173.90 | | |
| | | 197.01 | - |
| Foreign exchange fluctuations(net) | | 108.22 | 203.77 |
| Miscellaneous expenses | | 1,501.45 | 1,178.39 |
| | | 23,027.95 | 18,085.16 |

## 34 (i) Payment to auditors

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **As auditors:** | | |
| - Statutory audit fees | 34.00 | 34.00 |
| - Limited review of quarterly results | 9.50 | 9.50 |
| **In other capacity** | | |
| - Certification fees | 3.96 | 4.00 |
| Reimbursement of expenses | 1.69 | 1.88 |
| | 49.15 | 49.38 |

## 34 (ii) Details of corporate social responsibility (CSR) expenditure

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| (a) Amount required to be spent by the Company during the year | 149.52 | 229.15 |
| (b) Amount of expenditure incured: | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | | |
| - Contribution to trust i.e. Greenply Foundation | 150.00 | 236.15 |
| (c) Shortfall at the end of the year | - | - |
| (d) Total of previous year shortfall | - | - |
| (e) Reason for Shortfall | NA | NA |
| (f) Nature of CSR Activity | Education, Healthcare, Plantation, Sanitation, Drinking Water, promoting Sports | |
| (g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard | | |
| - Contribution to trust i.e. Greenply Foundation | 150.00 | 236.15 |





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 35. Income tax and deferred tax net (assets) / liability

See accounting policy in note 3(o)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **(a) Amount recognised in Profit and Loss** | | |
| Current tax | 3,139.75 | 1,688.85 |
| Taxes pertaining to earlier years | (15.35) | (41.46) |
| **Income tax** | 3,124.40 | 1,647.39 |
| Deferred tax | (88.48) | 399.74 |
| **Deferred tax** | (88.48) | 399.74 |
| **Tax expense recognised in Statement of Profit and Loss** | 3,035.92 | 2,047.13 |
| Deferred tax in other comprehensive income | 10.09 | 9.82 |
| **Tax expense in Total Comprehensive Income** | 3,046.01 | 2,056.95 |
| | | |
| **(b) Reconciliation of effective tax rate for the year** | | |
| Profit before tax | 11,917.25 | 7,840.25 |
| Applicable Income tax rate | 25.168% | 25.168% |
| **Tax impact relating to :** | | |
| **Computed tax expense** | 2,999.33 | 1,973.23 |
| Income tax of earlier years | (15.35) | (41.46) |
| Non-deductible expenses for tax purposes | 47.52 | 78.20 |
| Other differences | 4.42 | 37.16 |
| Tax expense in Statement of Profit and Loss | 3,035.92 | 2,047.13 |

### (c) Movement in deferred tax liabilities and assets balances:

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Deferred tax assets (net) | | |
| Deferred tax liabilities | 369.56 | 346.88 |
| Less: Deferred tax assets | (1,086.67) | (985.60) |
| Net deferred tax (assets)/liabilities | (717.11) | (638.72) |

### (d) Movement in deferred tax (asset) / liability

| Movement in deferred tax asset / liability | 1 April 2021 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 346.88 | 22.68 | - | 369.56 |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (211.79) | (111.63) | 10.09 | (313.33) |
| Expenses allowed for tax purposes when paid | (540.65) | - | - | (540.65) |
| Provisions for Trade receivables | (148.27) | (35.71) | - | (183.98) |
| Other temporary differences | (84.89) | 36.18 | - | (48.71) |
| | (638.72) | (88.48) | 10.09 | (717.11) |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| Movement in deferred tax asset / liability | 1 April 2020 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2021 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 291.21 | 55.67 | - | 346.88 |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (199.25) | (22.36) | 9.82 | (211.79) |
| Expenses allowed for tax purposes when paid | (888.42) | 347.77 | - | (540.65) |
| Provisions for Trade receivables | (213.20) | 64.93 | - | (148.27) |
| Other temporary differences | (38.62) | (46.27) | - | (84.89) |
| | **(1,048.28)** | **399.74** | **9.82** | **(638.72)** |

## 36. Share based payments

### (a) Employee stock option scheme

See accounting policy in note 3(h)

The "Greenply Employee Stock Option Plan 2020" (herewith referred to as "ESOP Scheme 2020") was approved by the Nomination and Remuneration Committee (NRC) of Board of Directors of the Company, in their meeting held on 14 August 2020. Approval of the Shareholders were received on 15 October 2020 (for approval of ESOPs) and 23 December 2020 (modification of ESOPs previously approved) with respect to ESOP Scheme 2020. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Company of Re.1 each upon payment of the exercise price at the time of exercise of options by employees. The exercise period commences from the date of vesting of the Options and expires at the end of 4 years from the date of vesting. The first options were granted on 17th March 2021 to all the eligible employees followed by second options on 16th March 2022.

Vesting schedule of the said options granted on 17th March 2021 was as follows :-

**Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)**

- After 12 Months from the date of grant : 35 % of the options granted

- After 24 Months from the date of grant : 35 % of the options granted

- After 30 Months from the date of grant : 30 % of the options granted

**For Employees other than Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 3,44,500)**

- After 12 Months from the date of grant : 50 % of the options granted

- After 24 Months from the date of grant : 50 % of the options granted

The new options were granted on 16th March 2022 to Mr. Manoj Tulsian, Joint Managing Director & CEO

Vesting schedule of the above options granted is as below:-

**Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)**

- After 12 Months from the date of grant : 50 % of the options granted

- After 18 Months from the date of grant : 50 % of the options granted

**Measurement of fair value**

The fair value of ESOP Scheme 2020 as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

| Particulars | Vest-1 | Vest-2 | Vest-3 | Vest-4 | Vest-5 |
|---|---|---|---|---|---|
| Grant date | Wednesday, 17 March 2021 | | | Wednesday, 16 March 2022 | |
| Fair value at grant date (₹) | 134.57 | 137.43 | 139.04 | 128.57 | 130.20 |
| Share price at grant date (₹) | 181.85 | 181.85 | 181.85 | 175.05 | 175.05 |
| Exercise price (₹) | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 |
| Expected volatilty | 43.92% | 40.73% | 40.73% | 46.21% | 45.04% |
| Expected Life (expected weighted average life) | 3.00 | 4.00 | 4.51 | 3.00 | 3.51 |
| Expected dividend yield (%) | 0.22 | 0.22 | 0.22 | 0.23 | 0.23 |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 5.16% | 5.59% | 5.77% | 5.45% | 5.67% |

Expected volatility - since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Companys stock price on NSE over the years.

**Reconciliation of outstanding share options**

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Number of Options Outstanding at the beginning of the year | 13,35,000 | - |
| Number of Options granted during the year | 10,00,000 | 13,44,500 |
| Number of Options forfeited/lapsed during the year | 33,000 | 9,500 |
| Number of Options vested during the year | 5,01,000 | - |
| Number of Options exercised during the year | 1,89,250 | - |
| Number of Options outstanding at the end of the year | 21,12,750 | 13,35,000 |
| Number of Options exercisable at the end of the year | 3,11,750 | - |
| For stock options exercised during the period, the weighted average share price at the date of exercise (₹) | 186.33 | - |

### (b) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows:

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Expenses on Employees Stock Options Scheme | 1,205.41 | 46.74 |
| | 1,205.41 | 46.74 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 37. Earnings per share

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **Basic and diluted earnings per share** | | | |
| (i) Profit for the year, attributable to the equity shareholders | (A) | 8,881.33 | 5,793.12 |
| (ii) Weighted average number of equity shares | | | |
| - Number of equity shares at the beginning of the year | | 12,26,27,395 | 12,26,27,395 |
| - Number of equity shares at the end of the year | | 12,26,27,395 | 12,26,27,395 |
| Weighted average number of equity shares for computing basic earnings per share | (B) | 12,26,27,395 | 12,26,27,395 |
| Weighted average number of potential equity shares on account of employee stock options | (C) | 94,355 | - |
| Weighted average number of equity shares for computing diluted earnings per share | [D =(B + C)] | 12,27,21,750 | 12,26,27,395 |
| **Basic earnings per share (₹)** | **(A/B)** | 7.24 | 4.72 |
| **Diluted earnings per share (₹)** | **(A/D)** | 7.24 | 4.72 |

## 38. Contingent liability and commitments

*(to the extent not provided for)*

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Contingent liabilities** | | |
| **(a) Claims against the Company not acknowledged as debts:** | | |
| (i) Excise duty, sales tax and other indirect tax in dispute | 3,159.02 | 3,345.99 |
| (ii) Consumer court cases in dispute | 128.39 | 63.76 |
| 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. | | |
| **c) Guarantees outstanding** | | |
| (i) Guarantee given to bank in respect of financial assistance to two wholly owned subsidiaries, a joint venture company & a step down wholly owned subsidiary (refer note 39) | 52,055.01 | 6,909.52 |
| (ii) Standby letter of credit issued on behalf of the Company to secure the financial assistance to its subsidiary (refer note 39)" | 5,807.61 | 6,497.24 |

**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 Alkemal (Singapore) Pte. Limited for the purpose of availing working capital loan. This guarantee was issued in USD.

The Company had issued standby letter of credit in favour(SBLC) of banks on behalf of its wholly owned subsidiary company - Greenply Middle East Limited, for the purpose of availing working capital loan. This SBLC was issued in USD.

The Company had issued guarantee in favour of banker on behalf of its wholly owned subsidiary company - Greenply Sandila Private Limited for the purpose of availing term loan. This guarantee was issued in INR.

The Company had issued guarantee in favour of banker on behalf of its wholly owned subsidiary company - Baahu Panels Private Limited for the purpose of availing term loan. This guarantee was issued in INR and Euro.

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Capital and other commitments** | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 554.73 | 487.78 |
| (ii) Other commitments: proposed investment to be made in an entity | 190.00 | - |





NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**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.

## 39. 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)

iv) Greenply Sandila Private Limited (w.e.f 24th May 2021)

iv) Baahu Panels Private Limited (w.e.f 04th August 2021)

**Company in which a Subsidiary is a Joint Venture Partner:**

i) Greenply Alkemal (Singapore) Pte. Limited, Singapore
(Joint venture of Greenply Holdings Pte. Limited, Singapore with Alkemal Singapore Pte. Limited, Singapore)

ii) Greenply Industries (Myanmar) Private Limited (Wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited.)

### b) Related parties with whom transactions have taken place during the year.

#### (i) Key Management Personnel (KMP)

i) Mr. Rajesh Mittal, Chairman cum Managing Director

ii) Mr. Sanidhya Mittal, Joint Managing Director

iii) Mr. Manoj Tulsian, Joint Managing Director & CEO

vi) Mr. Nitin Kalani, Chief Financial Officer (w.e.f. 14th February 2022)

v) Mr. Mukesh Agarwal, Chief Financial Officer (till 15th January 2022)

vi) Mr. Kaushal Kumar Agarwal, Company Secretary & Sr. Vice President - Legal

#### (ii) Non- executive Directors

i) Mr. Susil Kumar Pal, Independent Director

ii) Mr. Vinod Kumar Kothari, Independent Director

iii) Mr. Upendra Nath Challu, Independent Director

iv) Ms. Sonali Bhagwati Dalal, Independent Director

v) Ms. Vinita Bajoria, Independent Director (w.e.f 15th September 2021)

#### (iii) Relatives of Key Management Personnel (KMP)

i) Mrs. Karuna Mittal (Wife of Mr. Rajesh Mittal)

ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**(iv) Enterprises controlled by Key Management Personnel or their relatives**

i) RS Homcon Limited
ii) Mastermind Shoppers Private Limited
iii) Greenlam Industries Limited
iv) Greenpanel Industries Limited
v) Vinod Kothari & Company
vi) Greenply Foundation
vii) RKS Family Foundation

c) Related party transactions

| Name of the related party | Nature of transaction | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| Greenply Middle East Limited | Purchase of products | 4,032.38 | 2,119.75 |
| | Commission on guarantee | 115.78 | 124.62 |
| | Interest income | 99.15 | 114.33 |
| | Refund of loan | - | 218.10 |
| Greenply Alkemal (Singapore) Pte. Limited | Purchase of products | 424.06 | 399.01 |
| | Commission on guarantee | 22.28 | 22.16 |
| Greenply Gabon SA | Commission on guarantee | 22.18 | 33.48 |
| Greenply Sandila Private Limited | Rent received | 1.03 | - |
| | Guarantee Given | 7,350.00 | - |
| | Loan given | 3,400.00 | - |
| | Refund of loan | 3,400.00 | - |
| | Investment in Equity Shares | 1,000.00 | - |
| | Investment in Preference Shares | 2,500.00 | - |
| | Commission on guarantee | 3.00 | - |
| | Transfer/sale of Right of use assets and Capital work-in-progress | 2,828.85 | - |
| | Transfer of lease liabilities | 991.64 | - |
| | Interest Income | 56.54 | - |
| Baahu Panels Private Limited | Rent received | 0.79 | - |
| | Guarantee Given | 37,819.83 | - |
| | Loan given | 1,300.00 | - |
| | Refund of loan | 1,300.00 | - |
| | Investment in Equity Shares | 5,501.00 | - |
| | Investment in Preference Shares | 9,200.00 | - |
| | Commission on guarantee | 17.98 | - |
| | Interest Income | 31.05 | - |
| Greenpanel Industries Limited | Purchase of products | - | 36.88 |
| | Other Income | - | 0.01 |
| | Sale of products | - | 71.24 |
| | Rent paid | 0.59 | - |
| Greenlam Industries Limited | Purchase of products | 50.10 | 79.42 |
| Greenply Foundation | Contribution towards corporate social responsibility | 150.00 | 236.15 |
| RKS Family Foundation | Sale of products | - | 183.79 |
| | Sales return of products | 6.39 | - |






# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


| Name of the related party | Nature of transaction | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| Mr. Rajesh Mittal | Remuneration | 596.32 | 369.93 |
| | Rent paid | 5.54 | 4.88 |
| Mr. Sanidhya Mittal | Remuneration | 237.90 | 137.42 |
| | Rent paid | 5.54 | 4.88 |
| Mr. Manoj Tulsian | Remuneration | 520.25 | 283.44 |
| | Share application money received | 78.65 | - |
| Mr. Kaushal Kumar Agarwal | Remuneration | 54.81 | 59.78 |
| Mr. Mukesh Agarwal | Remuneration | 62.53 | 68.95 |
| Mr. Nitin Kalani | Remuneration | 15.77 | - |
| Ms. Vinita Bajoria | Remuneration | 13.64 | - |
| Mr. Susil Kumar Pal | Remuneration | 31.95 | 22.60 |
| Mr. Upendra Nath Challu | Remuneration | 32.45 | 22.60 |
| Mr. Vinod Kumar Kothari | Remuneration | 31.45 | 22.60 |
| Ms. Sonali Bhagwati Dalal | Remuneration | 20.20 | 17.40 |
| Mrs. Karuna Mittal | Rent paid | 13.48 | 4.88 |
| | Security deposit Paid | 3.36 | - |
| Mrs. Surbhi Poddar | Remuneration | 28.30 | 25.55 |
| Vinod Kothari & Company | Professional fees paid | 0.70 | - |
| RS Homcon Limited | Rent paid | 11.88 | 12.79 |
| Mastermind Shoppers Private Limited | Rent paid | 10.07 | 18.22 |

d) Outstanding balances

| Name of the related party | Nature of transaction | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| Greenply Middle East Limited | Loan given | 1,894.50 | 1,827.63 |
| | Trade payables | 2,416.58 | 1,574.66 |
| | Guarantee given | 5,807.61 | 6,497.24 |
| | Interest receivable | 26.17 | 26.28 |
| | Commission on guarantee receivable | 28.22 | 29.61 |
| Greenply Alkemal (Singapore) Pte. Limited | Trade payables | 261.22 | 74.37 |
| | Guarantee given | 2,273.40 | 2,193.15 |
| | Commission on guarantee receivable | 5.60 | 5.40 |
| Greenply Sandila Private Limited | Guarantee given | 7,350.00 | - |
| | Commission on guarantee receivable | 3.24 | - |
| Baahu Panels Private Limited | Guarantee given | 37,819.83 | - |
| | Commission on guarantee receivable | 19.41 | - |
| Greenply Gabon SA | Guarantee given | 4,611.78 | 4,716.37 |
| | Commission on guarantee receivable | 4.26 | 7.27 |
| Greenlam Industries Limited | Trade payables | 3.91 | - |
| RKS Family Foundation | Trade receivables | - | 183.79 |
| Mr. Rajesh Mittal | Remuneration | 184.00 | 122.50 |
| | Security deposit | 2.50 | 2.50 |
| Mr. Manoj Tulsian | Remuneration | 123.00 | 81.50 |
| Mr. Sanidhya Mittal | Remuneration | 90.00 | 122.50 |
| RS Homcon Limited | Security deposit | 2.07 | 2.57 |
| Mrs. Karuna Mittal | Security deposit | 3.36 | - |
| Mastermind Shoppers Private Limited | Security deposit | - | 2.90 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## e) Key Management Personnel compensation

Key management personnel's compensation comprised of the following:

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Nature of transaction** | | |
| Short-term employee benefits | 1,391.02 | 855.11 |
| Other long-term benefits | 96.56 | 64.41 |
| **Total compensation to key management personnel** | 1,487.58 | 919.52 |

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 are 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 Indian subsidiaries are at 7% p.a. and that given to foreign subsidiary is at 12 months USD Libor plus 500 basis points.

The guarantee given to related parties are 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 9).

Loan given to Greenply Sandila Private Limited and Baahu Panels Private Limited bears interest rate of 7% p.a. and is repayable within one year from the date of disbursement. All loans have been repaid back during the year.

### (ii) Details of investments

Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 8.

### (iii) Details of guarantee given / (closed) during the year :

Nature and purpose of guarantee given along with closing balances have been disclosed in note 38.

| Name of the Company | Date of undertaking | Purpose | 31 March 2022 |
|---|---|---|---|
| Greenply Sandila Private Limited | 28 December 2021 | Term Loan facility | 7,350.00 |
| Baahu Panels Private Limited | 28 December 2021 | Letter of credit for import of capital goods | 11,500.00 |
| Baahu Panels Private Limited | 24 February 2022 | Term Loan facility | 15,000.00 |
| Baahu Panels Private Limited | 31 March 2022 | ECB Loan | 11,319.83 |

| Name of the Company | Date of undertaking | Purpose | 31 March 2021 |
|---|---|---|---|
| Nil | Nil | Nil | Nil |





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 40. 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:

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial assets at amortised cost** | | | | |
| Investments | 22,423.22 | 22,423.22 | 4,222.22 | 4,222.22 |
| Loans | 2,013.19 | 2,013.19 | 1,918.80 | 1,918.80 |
| Other financial assets | 1,153.03 | 1,153.03 | 1,858.50 | 1,858.50 |
| Trade receivables | 15,886.54 | 15,886.54 | 16,332.22 | 16,332.22 |
| Cash and cash equivalents | 1,087.21 | 1,087.21 | 1,427.54 | 1,427.54 |
| Other bank balances | 961.96 | 961.96 | 10,984.89 | 10,984.89 |
| | 43,525.15 | 43,525.15 | 36,744.17 | 36,744.17 |
| **Financial assets at fair value through profit and loss** | | | | |
| **Level 1** | | | | |
| Investments | 0.62 | 0.62 | 0.54 | 0.54 |
| **Level 2** | | | | |
| Derivatives | - | - | - | - |
| **Level 3** | | | | |
| Investments | 381.22 | 381.22 | 313.38 | 313.38 |
| | 381.84 | 381.84 | 313.92 | 313.92 |
| **Total Financial Assets** | 43,906.99 | 43,906.99 | 37,058.09 | 37,058.09 |
| **Financial liabilities at amortised cost** | | | | |
| Borrowings | 4,369.36 | 4,369.36 | 5,850.65 | 5,850.65 |
| Lease liabilites | 681.12 | 681.12 | 1,121.47 | 1,121.47 |
| Other financial liabilities | 1,890.88 | 1,890.88 | 1,656.79 | 1,656.79 |
| Trade payables | 22,097.08 | 22,097.08 | 20,037.72 | 20,037.72 |
| | 29,038.44 | 29,038.44 | 28,666.63 | 28,666.63 |
| **Financial liabilities at fair value through profit and loss** | | | | |
| Level 2 | | | | |
| Derivatives | 13.64 | 13.64 | 32.05 | 32.05 |
| | 13.64 | 13.64 | 32.05 | 32.05 |
| **Total Financial Liabilities** | 29,052.08 | 29,052.08 | 28,698.68 | 28,698.68 |

## 41. 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

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 measurement are as follows :-

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Financial assets - Level 1** | | |
| Investments | 0.62 | 0.54 |
| **Financial assets - Level 2** | | |
| Derivatives | - | - |
| **Financial assets - Level 3** | | |
| Investments | 381.22 | 313.38 |
| **Financial liabilities - Level 2** | | |
| Derivatives | 13.64 | 32.05 |

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits 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:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of derivatives (forward foreign exchange contracts, etc) 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.

(c) The fair value of unquoted investments included in level 3 is determined using discounted cash flows, net asset value approach. Significant unobservable inputs comprise long term growth rates, market conditions of the specific industry etc. However, the changes in the 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 2022 and 31 March 2021.

### Level 3 Fair Values

Movement in the value of unquoted equity instruments through FVTPL

*Reconciliation from the Opening balances to the Closing Balance*

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Opening** | 313.38 | 209.00 |
| Additions | 16.00 | 85.00 |
| Gain on fair valuation of investments at fair value through profit and loss | 51.84 | 19.38 |
| **Closing** | 381.22 | 313.38 |





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 42. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

### 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. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. 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, lease liabilities and Other liabilities | Rolling cash flow forecasts | Adequate unused credit lines and borrowing facilities. |
| Market risk<br>Foreign exchange risk | Committed commercial transaction Financial asset and liabilities not denominated in INR | Sensitivity analysis | Forward foreign exchange contracts. |
| Interest rate | Borrowings at variable rates | Sensitivity analysis Interest rate movements | The company 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### 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 2022 | 31 March 2021 |
|---|---|---|
| Revenue from top customer | 3.29% | 4.61% |
| Revenue from top five customers | 7.66% | 9.06% |

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 losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever it is for longer period and involves higher risk. The movement of expected credit loss provision is as follows:

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Balance at the beginning | 434.17 | 730.72 |
| Movement in loss allowance | 173.90 | (296.55) |
| **Balance at the end** | 608.07 | 434.17 |

### (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, funding 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 TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| 31 March 2022 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 3,310.78 | 1,341.62 | - | 4,652.40 |
| Trade payables | 22,097.08 | - | - | 22,097.08 |
| Lease liabilites* | 160.33 | 654.41 | - | 814.74 |
| Other financial liabilities | 1,860.40 | 9.00 | | 1,869.40 |
| Derivatives | 13.64 | - | - | 13.64 |
| | 27,442.23 | 2,005.03 | - | 29,447.26 |

| 31 March 2021 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 2,977.00 | 3,475.05 | - | 6,452.05 |
| Trade payables | 20,037.72 | - | - | 20,037.72 |
| Lease liabilites* | 263.19 | 869.95 | 344.87 | 1,478.01 |
| Other financial liabilities | 1,624.39 | 1.00 | - | 1,625.39 |
| Derivatives | 32.05 | - | - | 32.05 |
| | 24,934.35 | 4,346.00 | 344.87 | 29,625.22 |

** 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 at the end of the reporting period are as follows:

| Particulars | Currency | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | Amount in Foreign currency in Lakhs | ₹ in Lakhs | Amount in Foreign currency in Lakhs | ₹ in Lakhs |
| - Hedged exposures * | | | | | |
| Borrowings - Buyers credit | USD | - | - | 3.71 | 271.05 |
| | | | - | | 271.05 |
| Trade payables | EURO | 1.31 | 109.84 | | - |
| Trade payables | USD | 41.92 | 3,176.70 | 32.44 | 2,371.82 |
| | | | 3,286.54 | | 2,371.82 |

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| Particulars | Currency | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | Amount in Foreign currency in Lakhs | ₹ in Lakhs | Amount in Foreign currency in Lakhs | ₹ in Lakhs |
| **- Unhedged exposures** | | | | | |
| Trade payables | EURO | 0.56 | 46.77 | 0.29 | 24.74 |
| | USD | 16.86 | 1,277.31 | 2.97 | 217.12 |
| | | | 1,324.08 | | 241.86 |
| Loans to subsidiaries | USD | 25.00 | 1,894.50 | 25.00 | 1,827.63 |
| | | | 1,894.50 | | 1,827.63 |
| Trade receivables | USD | 0.21 | 15.91 | - | - |

** These foreign exchange liabilities are covered with forward contract having a maturity of less than one year.*

### 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 | Effect | Nature | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|
| USD (1% Movement) | Strengthening | Increase in Profit | 6.33 | 16.11 |
| USD (1% Movement) | Weakening | Decrease in Profit | (6.33) | (16.11) |
| USD (1% Movement) | Strengthening | Increase in Equity, net of tax | 4.74 | 12.06 |
| USD (1% Movement) | Weakening | Decrease in Equity, net of tax | (4.74) | (12.06) |
| | | | | |
| EUR (1% Movement) | Strengthening | Increase in Profit | (0.47) | (0.25) |
| EUR (1% Movement) | Weakening | Decrease in Profit | 0.47 | 0.25 |
| EUR (1% Movement) | Strengthening | Increase in Equity, net of tax | (0.35) | (0.19) |
| EUR (1% Movement) | Weakening | Decrease in Equity, net of tax | 0.35 | 0.19 |

### (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 2022 | 31 March 2021 |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial assets | - | - |
| Financial liabilities | (86.44) | (402.21) |
| | (86.44) | (402.21) |
| **Variable rate instruments** | | |
| Financial assets | 1,894.50 | 1,827.63 |
| Financial liabilities | (3,710.42) | (4,723.44) |
| | (1,815.92) | (2,895.81) |






# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


### 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:

| Particulars | Effect | Nature | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|
| Variable rate instruments | Strengthening | Decrease in Profit | (18.16) | (28.96) |
| | Weakening | Increase in Profit | 18.16 | 28.96 |
| | Strengthening | Decrease in Equity, net of tax | (13.59) | (21.67) |
| | Weakening | Increase in Equity, net of tax | 13.59 | 21.67 |
| | | | | |
| Cash flow sensitivity (net) | Strengthening | Decrease in Profit | (18.16) | (28.96) |
| | Weakening | Increase in Profit | 18.16 | 28.96 |
| | Strengthening | Decrease in Equity, net of tax | (13.59) | (21.67) |
| | Weakening | Increase in Equity, net of tax | 13.59 | 21.67 |

## 43. 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 2022 | 31 March 2021 |
|---|---|---|
| Borrowings (refer note 20) | 4,369.36 | 5,850.65 |
| Less: Cash and cash equivalents (refer note 13) | 1,087.21 | 1,427.54 |
| **Adjusted net debt** | 3,282.15 | 4,423.11 |
| Equity (refer note 18 and 19) | 50,804.82 | 41,074.49 |
| **Debt to Equity (net)** | 0.06 | 0.11 |

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. which is maintained by the Company.

## 44. Segments information (Ind AS 108)

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**45.** 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.

## 46. Due to Micro enterprises and small enterprises

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| (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 | 158.59 | 49.89 |
| | - Interest | 0.17 | - |
| (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; | 336.59 | 190.83 |
| (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; | 1.42 | 1.36 |
| (d) | the amount of interest accrued and remaining unpaid at the end of each accounting year; and | 2.78 | 1.36 |
| (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. | - | - |

**47. 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 ₹ 541.08 lakhs (31 March 2021 ₹ 371.70 lakhs).

**48.**

| Ratio | 31 March 2022 | 31 March 2021 | Variance |
|---|---|---|---|
| Current Ratio (in times) | 1.21 | 1.60 | -24.53% |
| Debt Equity Ratio (in times) | 0.06 | 0.11 | -40.01% |
| Debt Service Coverage ratio (in times) | 5.30 | 2.89 | 83.26% |
| Return on Equity ratio (in %) | 19.33% | 15.09% | 28.10% |
| Inventory turnover ratio (in times) | 9.03 | 7.35 | 22.81% |
| Trade Receivables Turnover ratio (in times) | 8.51 | 4.29 | 98.28% |
| Trade Payables Turnover ratio (in times) | 5.29 | 3.70 | 42.96% |
| Net Capital turnover ratio (in times) | 20.63 | 5.97 | 245.44% |
| Net profit ratio (in %) | 6.48% | 5.73% | 13.09% |
| Return on Capital employed (in%) | 17.14% | 14.70% | 16.63% |
| Return on Investments (in%) | 14.92% | 7.53% | 98.24% |





# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**The following items are included in numerator and denominator of the above ratios.**

| | |
|---|---|
| **Current Ratio =** | Total Current Assets/ Total Current Liabilities |
| **Debt Equity Ratio =** | Total Borrowings less cash and cash equivalent/ Total Equity |
| | Total Borrowings= Non-current Borrowings + Current Borrowings |
| **Debt Service Coverage Ratio =** | Earnings available for debt service / Debt Service |
| | Earnings available for debt service= Profit for the year+ Depreciation and amortisation +Finance cost |
| | Debt Service= Interest paid and Principal repayments of borrowings |
| **Return on Equity Ratio=** | Profit for the year / Average Total Equity |
| | Average Total Equity= (Opening Equity+ Closing Equity)/2 |
| **Inventory Turnover ratio =** | Sale of products / Average Inventory |
| | Average Inventory= (Opening Inventory+ Closing Inventory)/2 |
| **Trade receivables turnover ratio =** | Sale of products / Average Trade Receivables |
| | Average Trade Receivables= (Opening Trade Receivables + Closing Trade Receivables)/2 |
| **Trade payables turnover ratio =** | Purchase of products and other expenses / Average Trade Payables |
| | Average Trade Payables= (Opening Trade Payables + Closing Trade Payables)/2 |
| **Net capital turnover ratio =** | Sale of products / Working Capital |
| | Working Capital = Total Current - Total Current Liabilities |
| **Net Profit Ratio =** | Profit for the year / Sale of products |
| **Return on Capital employed=** | Earning before interest/ Capital Employed |
| | Earning before interest = Profit for the year + Finance cost |
| | Capital Employed = Total Equity + Non-current Borrowings + Current Borrowings |
| **Return on investment =** | Gain on fair valuation of investments at fair value through profit and loss/ Average investments |
| | Average investments= {Opening investments(excluding investment on subsidiaries) + Closing investments(excluding investment on subsidiaries)}/2 |

**Explanation for change in the ratios by more than 25% as compared to the preceding year**

**Debt-Equity Ratio :** Improved due to reduction in borrowings.

**Debt Service Coverage Ratio :** Improved due to reduction in borrowings with corresponding increase in cash flow generation.

**Return on Equity Ratio :** Improved as a result of increase in profitability due to normalisation of operating environment.

**Trade Receivables turnover ratio:** This parameter improved as a result of decrease in receivables and improvement in revenue.

**Trade Payables turnover ratio:** Increased due to increase in Purchase of products and Other expenses in current year as compared to last year.

**Net Capital turnover ratio:** Increased due to increase in revenue in current year as compared to last year and reduction in working capital.

**Return on investment:** Increased due to increase in gain from fair valuation of investments as compared to previous year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### 49. Distribution made and proposed dividend

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Cash dividend on equity shares declared and paid** | | |
| Final dividend for the year ended on 31 March 2021: | 490.51 | 490.51 |
| ₹ 0.40 per share (31 March 2020: ₹ 0.40 per share) | | |
| **Total dividend paid** | 490.51 | 490.51 |
| **Proposed dividend on Equity shares** | | |
| Final dividend for the year ended on 31 March 2022: | 613.14 | 490.51 |
| ₹ **0.50 per share** (31 March 2021: ₹ 0.40 per share) | | |
| **Total dividend proposed** | 613.14 | 490.51 |

Proposed dividends on equity shares are subject to approval by the shareholders at the ensuing annual general meeting and are not recognised as a liability as at 31 March 2022.

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 : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Date : 16th May 2022





# 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 2022, 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 2022, 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 reports of the other auditors referred to in paragraph (a) of the "Other Matters" section 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 27 to the consolidated financial statements

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Company gives incentive to its dealers through various schemes.<br><br>Due to various schemes and a large variety of contractual terms across dealers, the computation of these incentives involves judgement. The amount of such incentive is also significant and requires significant auditor attention.<br><br>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:<br>• Evaluated the appropriates of the Company's accounting policy relating to the incentives to its dealers;<br>• Evaluated the design and implementation of key internal controls over computation of incentives and actual utilization against the corresponding liability. We also tested the operating effectiveness of such controls for a sample of transactions;<br>• Performed retrospective review of the management's judgement by comparing utlisation of incentives with previously recognized corresponding liability. We also considered the developments during the year and subsequent to the year-end that would significantly affect the measurement of the year-end incentive liability. |

### Other Information

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 consolidated financial statements and our auditor's 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 the respective 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 are 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 auditor's 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 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 made by the Management and Board of Directors.
- Conclude on the appropriateness of the 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 auditor's 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 auditor's 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 statements 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 the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. 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 paragraph (a) of the section titled "Other Matters" in this audit report.

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 auditor's 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 of five (5) subsidiaries (including one step-down subsidiary), whose financial statements reflect total assets (before consolidation adjustments) of ₹ 64,453.40 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 41,515.68 lakhs and net cash flows (before consolidation adjustments) amounting to ₹ 4,532.98 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 profit (and other comprehensive income) of ₹ 260.27 lakhs for the year ended 31 March 2022, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements 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 reports of the other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other 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 reports 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we report on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr No | Name of the entities | CIN | Holding Company/ Subsidiary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---|---|---|---|---|
| 1 | Baahu Panels Private Limited | U20299WB2021PTC245437 | Subsidiary | xvii |

2 (A) 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 Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) 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.

c) 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 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2022 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 its subsidiary companies incorporated in India 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 Auditor's 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 Matters" paragraph:





a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its joint ventures. Refer Note 39 (a) to the consolidated financial statements.

b) 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 2022.

c) 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 2022. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India during the year ended 31 March 2022

d) (i) To the best of its knowledge and belief, as disclosed in the note 10 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) To the best of its knowledge and belief, as disclosed in the note 10 to the accounts, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 48 to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies 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 and its subsidiary companies 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) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
***Chartered Accountants***
Firm's registration number: 101248W/W-100022

**Jayanta Mukhopadhyay**
**Partner**
Place: Kolkata Membership No. 055757
Date: 16 May 2022 UDIN: 22055757AJAKPN7685

## Annexure A to the Independent Auditors' report on the consolidated financial statements of Greenply Industries Limited for the year ended 31 March 2022

### 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 (2A(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 Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Greenply Industries Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, 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 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies 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 respective 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 respective 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 respective 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 auditors' 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 and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, 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 consolidated 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.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For **B S R & Co. LLP**
***Chartered Accountants***
Firm's registration number: 101248W/W-100022

**Jayanta Mukhopadhyay**
**Partner**
Membership No. 055757
UDIN: 22055757AJAKPN7685

Place: Kolkata
Date: 16 May 2022

# CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | Note | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| **Assets** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 30,855.64 | 27,923.48 |
| (b) Capital work-in-progress | 6 | 10,962.98 | 624.35 |
| (c) Right of use assets | 5 | 3,343.82 | 2,771.91 |
| (d) Intangible assets | 7 | 1,051.44 | 149.86 |
| (e) Investments accounted for using the equity method | 8 | 2,198.28 | 1,938.01 |
| (f) Financial assets | | | |
| (i) Investments | 9 | 381.84 | 313.92 |
| (ii) Loans and deposits | 10 | 44.57 | 51.20 |
| (iii) Other financial assets | 17 | 766.19 | 368.02 |
| (g) Non-current tax assets (net) | 11 | 1,257.44 | 1,167.90 |
| (h) Deferred tax assets (net) | 36 | 726.71 | 638.72 |
| (i) Other non-current assets | 16 | 9,372.12 | 1,374.90 |
| **Total non-current assets** | | 60,961.03 | 37,322.27 |
| **(2) Current assets** | | | |
| (a) Inventories | 12 | 22,563.31 | 17,919.80 |
| (b) Financial assets | | | |
| (i) Trade receivables | 13 | 18,643.46 | 19,390.00 |
| (ii) Cash and cash equivalents | 14 | 6,295.93 | 1,813.30 |
| (iii) Bank balances other than cash and cash equivalents | 15 | 961.96 | 10,984.89 |
| (iv) Loans | 10 | 74.12 | 39.97 |
| (v) Other financial assets | 17 | 916.37 | 1,464.06 |
| (c) Other current assets | 18 | 5,462.95 | 2,578.74 |
| **Total current assets** | | 54,918.10 | 54,190.76 |
| **Total assets** | | 1,15,879.13 | 91,513.03 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 19 | 1,226.27 | 1,226.27 |
| (b) Other equity | 20 | 52,590.23 | 42,444.83 |
| **Total equity** | | 53,816.50 | 43,671.10 |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 14,308.16 | 7,208.43 |
| (ii) Lease liabilities | 5 | 1,305.29 | 858.28 |
| (iii) Other financial liabilities | 22 | 9.00 | 1.00 |
| (b) Provisions | 23 | 563.88 | 545.67 |
| **Total non-current liabilities** | | 16,186.33 | 8,613.38 |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 14,878.33 | 11,963.08 |
| (ii) Lease liabilites | 5 | 456.22 | 263.19 |
| (iii) Trade payables | 24 | | |
| Total outstanding dues of micro and small enterprises | | 158.76 | 49.89 |
| Total outstanding dues of creditors other than micro and small enterprises | | 21,479.08 | 20,380.61 |
| (iv) Derivatives | 25 | 13.64 | 32.05 |
| (v) Other financial liabilities | 22 | 4,359.84 | 2,497.49 |
| (b) Other current liabilities | 26 | 2,842.76 | 2,463.24 |
| (c) Provisions | 23 | 1,687.67 | 1,579.00 |
| **Total current liabilities** | | 45,876.30 | 39,228.55 |
| **Total liabilities** | | 62,062.63 | 47,841.93 |
| **Total equity and liabilities** | | 1,15,879.13 | 91,513.03 |

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

Place : Kolkata
Dated : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Dated : 16th May 2022





# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| I. | Revenue from operations | 27 | 1,56,280.38 | 1,16,534.44 |
| II. | Other income | 28 | 990.20 | 676.92 |
| **III.** | **Total income (I+II)** | | 1,57,270.58 | 1,17,211.36 |
| **IV.** | **Expenses** | | | |
| | Cost of materials consumed | 29 | 56,001.96 | 42,891.74 |
| | Purchase of stock in trade | 30 | 39,635.49 | 26,041.44 |
| | Changes in inventories of finished goods, work-in-progress and stock in trade | 31 | (2,106.75) | (524.55) |
| | Employees benefits expense | 32 | 19,329.75 | 14,946.44 |
| | Finance costs | 33 | 1,193.15 | 1,664.97 |
| | Depreciation and amortisation expense | 34 | 2,584.60 | 2,307.89 |
| | Other expenses | 35 | 28,393.76 | 21,508.55 |
| | **Total expenses (IV)** | | 1,45,031.96 | 1,08,836.48 |
| V. | Share of profit/(loss) of a joint venture | | 260.27 | (236.53) |
| **VI.** | **Profit before exceptional items and tax (III-IV+V)** | | 12,498.89 | 8,138.35 |
| **VII.** | **Exceptional items** | | - | - |
| **VIII.** | **Profit before tax (VI-VII)** | | 12,498.89 | 8,138.35 |
| | **Tax expense** | 36 | | |
| | Current tax [including taxes pertaining to earlier years ₹ **15.35 lakhs** (Previous Year: ₹ 41.46 lakhs)] | | (3,124.40) | (1,647.39) |
| | Deferred tax (charge)/credit | | 98.08 | (399.74) |
| **IX.** | **Tax expense** | | (3,026.32) | (2,047.13) |
| **X.** | **Profit for the year (VIII+IX)** | | 9,472.57 | 6,091.22 |
| **XI.** | **Other comprehensive income** | | | |
| | **Items that will not be reclassified subsequently to profit or loss:** | | | |
| | Remeasurements of defined benefit (asset) | | 40.10 | 39.03 |
| | Income tax relating to items that will not be reclassified to profit or loss | | (10.09) | (9.82) |
| | **Other comprehensive income not to be reclassified subsequently to profit or loss (net of tax)** | | 30.01 | 29.21 |
| | **Items that will be reclassified subsequently to profit or loss:** | | | |
| | Exchange differences in translating financial statements of foreign operations reclassified to profit or loss | | - | - |
| | Exchange differences in translating financial statements of foreign operations | | (176.17) | 203.10 |
| | **Net other comprehensive income to be reclassified subsequently to profit or loss** | | (176.17) | 203.10 |
| | **Other comprehensive income for the year (net of tax)** | | (146.16) | 232.31 |
| **XII.** | **Total comprehensive income for the year attributable to owners of the company (X+XI)** | | 9,326.41 | 6,323.53 |
| **XIII.** | **Earnings per equity share** | 38 | | |
| | [Face value of equity share ₹ 1 each (previous year ₹ 1 each)] | | | |
| | - Basic (₹) | | 7.72 | 4.97 |
| | - Diluted (₹) | | 7.72 | 4.97 |

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

Place : Kolkata
Dated : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Dated : 16th May 2022

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## a) Equity share capital

| Particulars | Note | Amount |
|---|---|---|
| Balance as at 1 April 2020 | | 1,226.27 |
| Issue of equity share capital during the year | | - |
| Changes in Equity Share Capital due to prior period errors | | - |
| Changes in equity share capital during the year | 19 | - |
| Balance as at 31 March 2021 | | **1,226.27** |
| Issue of equity share capital during the year | | - |
| Changes in Equity Share Capital due to prior period errors | | - |
| Changes in equity share capital during the year | 19 | - |
| **Balance as at 31 March 2022** | | **1,226.27** |

## b) Other equity

| Particulars | Note | Share application money pending allotment | Reserves and surplus: Retained earnings | Reserves and surplus: Share options outstanding reserve | Items of OCI: Exchange differences on translation | Total |
|---|---|---|---|---|---|---|
| Balance as at 1 April 2020 | | - | 36,436.66 | - | 128.41 | 36,565.07 |
| **Total comprehensive income for the year ended 31 March 2021** | | | | | | |
| Profit for the year | | - | 6,091.22 | - | - | 6,091.22 |
| Other comprehensive income (net of tax) | | - | 29.21 | - | 203.10 | 232.31 |
| **Total comprehensive income** | | - | 6,120.43 | - | 203.10 | 6,323.53 |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| **Contributions by and distributions to owners** | | | | | | |
| Final dividend on equity shares | 48 | - | (490.51) | - | - | (490.51) |
| **Total transactions with owners** | | - | **(490.51)** | - | - | **(490.51)** |
| Recognition of share based payment expense | | | | 46.74 | | 46.74 |
| **Balance as at 31 March 2021** | | - | 42,066.58 | 46.74 | 331.51 | 42,444.83 |
| Balance as at 1 April 2021 | | - | 42,066.58 | 46.74 | 331.51 | 42,444.83 |
| **Total comprehensive income for the year ended 31 March 2022** | | | | | | |
| Profit for the year | | - | 9,472.57 | - | - | 9,472.57 |
| Other comprehensive income (net of tax) | | - | 30.01 | - | (176.17) | (146.16) |
| **Total comprehensive income** | | - | **9,502.58** | - | **(176.17)** | **9,326.41** |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| **Contributions by and distributions to owners** | | | | | | |
| Final dividend on equity shares | 48 | - | (490.51) | - | - | (490.51) |
| **Total contributions by and distributions to owners** | | - | **(490.51)** | - | - | **(490.51)** |
| **Total transactions with owners** | | - | **(490.51)** | - | - | **(490.51)** |
| Received during the year | | 104.09 | | | | 104.09 |
| Recognition of share based payment expense | | - | - | 1,205.41 | - | 1,205.41 |
| **Balance as at 31 March 2022** | | **104.09** | **51,078.65** | **1,252.15** | **155.34** | **52,590.23** |





# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**Description, nature and purpose of reserve:**

(i) **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/loss of defined benefit plan.

(ii) **Other comprehensive income (OCI):** It comprises of exchange differences in translating financial statements of foreign operations.

(iii) **Share options outstanding reserve:** This reserve relates to stock options granted by the group to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(iv) **Share application money pending allotment:** This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

**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

Place : Kolkata
Dated : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Dated : 16th May 2022

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| A. | **Cash flows from operating activities** | | |
| | **Profit before Tax** | **12,498.89** | 8,138.35 |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | **2,584.60** | 2,307.89 |
| | Finance costs | **1,193.15** | 1,664.97 |
| | (Gain) on fair valuation of investments | **(51.91)** | (19.68) |
| | Loss allowance on trade receivables (net) | **235.16** | (127.31) |
| | (Gain)/Loss on sale/discard of property, plant and equipment and intangible assets | **(43.19)** | 76.99 |
| | Liability no longer required written back | **(118.87)** | (28.49) |
| | Interest income | **(506.79)** | (321.42) |
| | Commission on guarantee given to joint venture | **(22.28)** | (22.16) |
| | Unrealised foreign exchange fluctuations (net) | **105.58** | (66.28) |
| | Share of (profit)/loss from a joint venture | **(260.27)** | 236.53 |
| | Share based payment expense | **1,205.41** | 46.74 |
| | **Cash generated from operation before working capital changes** | **4,320.59** | 3,747.78 |
| | **Operating cash flows before working capital changes** | **16,819.48** | 11,886.13 |
| | Working capital adjustments: | | |
| | Decrease in trade receivables | **510.68** | 16,387.36 |
| | Decrease/(Increase) in other non- current financial assets | **150.50** | (306.58) |
| | (Increase)/Decrease in other non current assets and loans | **(329.28)** | 103.64 |
| | Decrease/(Increase) in other current financial assets | **547.89** | (31.12) |
| | (Increase) in other current assets and loans | **(2,915.70)** | (423.47) |
| | (Increase) in inventories | **(4,643.51)** | (209.72) |
| | Increase/(Decrease) in trade payables | **1,346.63** | (2,689.63) |
| | Increase in other non current financial liabilities | **8.00** | - |
| | Increase in other current financial liabilities | **333.67** | 455.60 |
| | Increase in other current liabilities | **379.52** | 671.48 |
| | Increase/(Decrease) in provisions | **166.98** | (1,557.26) |
| | | **(4,444.62)** | 12,400.30 |
| | Cash generated from operations | **12,374.86** | 24,286.43 |
| | Income tax paid (net) | **(3,213.94)** | (1,507.52) |
| | **Net cash generated from operating activities** | **9,160.92** | 22,778.91 |
| B. | **Cash flows from investing activities** | | |
| | Acquisition of property, plant and equipment and capital work-in-progress | **(22,243.60)** | (2,262.73) |
| | Acquisition of intangible assets | **(955.63)** | (0.80) |
| | Proceeds from sale of property, plant and equipment | **269.96** | 495.43 |
| | Acquisition of investments | **(16.00)** | (85.00) |
| | Procceds/(Investment) in fixed deposits with banks (having maturity of more than 3 months) | **9,512.44** | (10,954.24) |
| | Commission received on guarantee given to joint venture | **22.08** | 22.41 |
| | Interest received | **466.12** | 317.72 |
| | **Net cash used in investing activities** | **(12,944.63)** | (12,467.21) |
| C. | **Cash flows from financing activities** | | |
| | Receipt of Share application money pending allotment | **104.09** | - |
| | Proceeds from non-current borrowings | **10,098.47** | 5,098.58 |
| | Proceeds/(Repayment) from current borrowings | **2,382.07** | (8,945.76) |
| | (Repayment) of non current borrowings | **(2,759.25)** | (3,272.97) |
| | Interest paid | **(1,126.21)** | (1,441.55) |





# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Repayment towards lease liabilities including interest | **(165.76)** | (163.96) |
| Dividend paid | **(490.51)** | (490.51) |
| **Net cash generated/used in financing activities** | **8,042.90** | (9,216.17) |
| **Net increase in cash and cash equivalents (A+B+C)** | **4,259.19** | 1,095.53 |
| Cash and cash equivalents at beginning of the year (less bank overdrafts) (refer note 14) | **(391.22)** | (1,569.04) |
| Effect of exchange rate fluctuations on cash held | **(66.54)** | 82.29 |
| **Cash and cash equivalents as at end of the year (refer note 14)** | **3,801.43** | (391.22) |

**Notes:**

(i) 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.

(ii) Acquisition of property, plant and equipment includes movement of capital work-in-progress (including capital advances and liability for capital goods) during the year.

(iii) Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management."

(iv) Change in liabilities arising from financing activities:

| **Particulars** | **As on 1 April 2021** | **Cash flows** | **Fair value changes** | **As on 31 March 2022** |
|---|---|---|---|---|
| **Non-current Borrowings including current maturities (note 21)** | 10,664.11 | 7,339.22 | - | **18,003.33** |
| **Current Borrowings (note 21)** | 6,302.88 | 2,382.07 | 3.71 | **8,688.66** |

| Particulars | As on 1 April 2020 | Cash flows | Fair value changes | As on 31 March 2021 |
|---|---|---|---|---|
| Non-current Borrowings including current maturities (refer note 21) | 8,838.50 | 1,825.61 | - | 10,664.11 |
| Current Borrowings (refer note 21) | 15,339.17 | (8,945.76) | (90.53) | 6,302.88 |

The following is the movement in lease liabilities during the year

| **Particulars** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Opening Balance | **1,121.47** | **1,145.24** |
| Additions | **643.29** | 29.53 |
| Interest on lease liabilities | **162.48** | 114.81 |
| Disposal | - | (4.15) |
| Payment of lease liabilities | **(165.74)** | (163.96) |
| **Closing Balance** | **1,761.50** | **1,121.47** |

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
Dated : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Dated : 16th May 2022

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

## 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:

(a) Greenply Holdings Pte. Limited incorporated in Singapore. It has invested in a Joint Venture Company viz. Greenply Alkemal (Singapore) Pte. Limited., incorporated in Singapore, is engaged in trading of veneers. Greenply Alkemal (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.

(c) Greenply Sandila Private Limited, incorporated in India, is engaged in manufacturing of plywood.

(d) Baahu Panels Private Limited , incorporated in India, is engaged in manufacturing of Medium density fibreboards and allied products.

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 16 May 2022.

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.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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

- Note 4 – useful life and residual value of property, plant and equipment;
- Note 32 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 36 – recognition of deferred tax assets;
- Note 39 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 42 – fair value measurement of investments;
- Note 43 – 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).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

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 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 42.

f. Basis of consolidation

(i) **Subsidiaries**

These Consolidated financial statements are prepared in accordance with Ind AS-110 on "Consolidated Financial Statements", 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 (%) | |
|---|---|---|---|
| | | March 31, 2022 | March 31, 2021 |
| Greenply Holdings Pte. Limited | Singapore | 100% | 100% |
| Greenply Middle East Limited | Dubai | 100% | 100% |
| Greenply Sandila Private Limited | India | 100% | - |
| Baahu Panels Private Limited | India | 100% | - |
| Greenply Gabob SA* | Gabon | 100% | 100% |

**wholly owned subsidiary of Greenply Middle East Limited*

(ii) **Loss of control**

When the Group losses 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 upto the same reporting date i.e. 31 March 2022.

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.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

(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:

| Name of the Company | Country of Incorporation | Percentage of Holding (%) | |
|---|---|---|---|
| | | March 31, 2022 | March 31, 2021 |
| Greenply Alkemal (Singapore) Pte. Limited* | Singapore | 50% | 50% |
| Greenply Industries (Myanmar) Private Limited* | Myanmar | 50% | 50% |

**wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited.*

## 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:

(i) it is expected to be realised in, or is intended for sale or consumption in the Group'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 Group'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 Group 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

**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.

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 Group 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.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

*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).

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

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 amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual 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*
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.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

*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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

### (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 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 as follows:

| | |
|---|---|
| Buildings | - 3 to 60 years |
| Plant and Equipments | - 10 to 25 years |
| Furniture and Fixtures | - 10 years |
| Vehicles | - 8 to 10 years |
| Office Equipments | - 3 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

### (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 useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis .





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

The estimated useful lives are as follows:

| | | |
|---|---|---|
| - | Trademarks | 5 years |
| - | Computer software | 5 years |
| - | Licenses | indefinite |

Useful lives and residual values are reviewed and adjusted if appropriate at the end of each financial year or whenever there is an indication that intangible assets may be impaired.

## f. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and 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 comprises 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 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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

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 write-off. 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 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.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

### h. Share-based payments

Share-based compensation benefits are provided to employees via Greenply Employee Stock Options Scheme 2020.

Employee Options

The fair value of the options granted under the Greenply Employee Stock Options Scheme 2020 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

### 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 short-term liability is recognised for the amount expected to be paid 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, employee's 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.

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 Other comprehensive income (OCI).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

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.

**(iv) 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 statement of Profit and Loss. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

**(v) 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.

**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 dispatched/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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 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. 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. 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 those 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 group 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 and Right to use assets**

With effect from 01 April 2019, the Group has applied Ind AS 116 using the modified retrospective approach. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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.

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.

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.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

### 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 are 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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

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 offset 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.

### 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 overdrafts are repayable on demand and form an integral part of an entity's cash management. Bank overdrafts 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.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

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.

### 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.

#### (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 to hedge its foreign currency 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 3A. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(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

| Particulars | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
|---|---|---|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | | | | |
| **Balance at 1 April 2020** | 6,164.18 | 13,118.48 | 16,453.84 | 1,737.36 | 2,040.60 | 973.93 | 40,488.39 |
| Additions | - | 460.89 | 860.68 | 188.54 | 303.53 | 125.80 | 1,939.44 |
| Disposals/ discard | - | - | (289.57) | (63.06) | (120.63) | (34.08) | (507.34) |
| Exchange differences on translation of foreign operations | 159.29 | 93.79 | 96.93 | 2.50 | 5.80 | 0.47 | 358.78 |
| **Balance at 31 March 2021** | 6,323.47 | 13,673.16 | 17,121.88 | 1,865.34 | 2,229.30 | 1,066.12 | 42,279.27 |
| **Balance at 1 April 2021** | **6,323.47** | **13,673.16** | **17,121.88** | **1,865.34** | **2,229.30** | **1,066.12** | **42,279.27** |
| **Additions** | **2,774.92** | **396.52** | **1,638.74** | **312.45** | **369.70** | **246.63** | **5,738.96** |
| **Disposals/ discard** | **-** | **(156.98)** | **(300.47)** | **(0.24)** | **(93.00)** | **(0.15)** | **(550.84)** |
| **Exchange differences on translation of foreign operations** | **(129.25)** | **(79.74)** | **(91.04)** | **(2.18)** | **(6.40)** | **(0.42)** | **(309.03)** |
| **Balance at 31 March 2022** | **8,969.14** | **13,832.96** | **18,369.11** | **2,175.37** | **2,499.60** | **1,312.18** | **47,158.36** |
| **Accumulated depreciation** | | | | | | | |
| **Balance at 1 April 2020** | - | 2,302.22 | 8,237.15 | 671.97 | 710.55 | 727.07 | 12,648.96 |
| Depreciation for the year | - | 516.28 | 1,060.14 | 163.94 | 256.81 | 87.80 | 2,084.97 |
| Disposals/ discard | - | - | (240.18) | (48.45) | (85.58) | (30.70) | (404.91) |
| Exchange differences on translation of foreign operations | - | 7.54 | 15.91 | 0.50 | 2.68 | 0.14 | 26.77 |
| **Balance at 31 March 2021** | - | 2,826.04 | 9,073.02 | 787.96 | 884.46 | 784.31 | 14,355.79 |
| **Balance at 1 April 2021** | **-** | **2,826.04** | **9,073.02** | **787.96** | **884.46** | **784.31** | **14,355.79** |
| **Depreciation for the year** | **-** | **532.75** | **1,252.80** | **173.80** | **283.60** | **109.69** | **2,352.64** |
| **Disposals/ discard** | **-** | **(20.18)** | **(264.64)** | **(0.24)** | **(64.06)** | **(0.14)** | **(349.26)** |
| **Exchange differences on translation of foreign operations** | **-** | **(17.25)** | **(35.33)** | **(1.12)** | **(2.39)** | **(0.36)** | **(56.45)** |
| **Balance at 31 March 2022** | **-** | **3,321.36** | **10,025.85** | **960.40** | **1,101.61** | **893.50** | **16,302.72** |
| **Carrying amounts (net)** | | | | | | | |
| **Balance at 31 March 2021** | 6,323.47 | 10,847.12 | 8,048.86 | 1,077.38 | 1,344.84 | 281.81 | 27,923.48 |
| **Balance at 31 March 2022** | **8,969.14** | **10,511.60** | **8,343.26** | **1,214.97** | **1,397.99** | **418.68** | **30,855.64** |

(b) For contractual commitment with respect to property, plant and equipment, refer note 39.

(c) Security

As at 31 March 2022, property, plant and equipment with a carrying amount of ₹ **21,299.51 lakhs** (31 March 2021: ₹ 12,510.31 lakhs) are subject to first charge to secured borrowings (see note 21).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 5. Right-of-use assets and leases

See accounting policy in note 3(m).

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 of 3-5 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 during the year.

| Particulars | Leasehold Land | Office premises/ godown | Vehicles | Total |
|---|---|---|---|---|
| Balance at 1 April 2020 | 2,660.44 | 52.14 | 204.08 | 2,916.66 |
| Additions | - | - | 29.53 | 29.53 |
| Disposals | - | - | 4.15 | 4.15 |
| Depreciation for the year | 30.42 | 52.14 | 87.57 | 170.13 |
| Balance at 31 March 2021 | 2,630.02 | - | 141.89 | 2,771.91 |
| **Balance at 1 April 2021** | **2,630.02** | **-** | **141.89** | **2,771.91** |
| **Additions** | **107.37** | **392.93** | **249.50** | **749.80** |
| **Depreciation for the year** | **31.06** | **58.38** | **88.45** | **177.89** |
| **Balance at 31 March 2022** | **2,706.33** | **334.55** | **302.94** | **3,343.82** |

The following is the movement in lease liabilities during the year.

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Opening Balance** | **1,121.47** | 1,145.24 |
| Additions | **643.29** | 29.53 |
| Interest on lease liabilities | **162.48** | 114.81 |
| Disposal | - | (4.15) |
| Payment of lease liabilities | **(165.74)** | (163.96) |
| **Closing Balance** | **1,761.50** | 1,121.47 |

The aggregate finance cost on lease liabilities is included under finance costs (refer note 33).

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Current lease liabilities | **456.22** | 263.19 |
| Non-current lease liabilities | **1,305.29** | 858.28 |
| **Total** | **1,761.51** | 1,121.47 |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Less than one year | **456.22** | 263.19 |
| One to five years | **1,430.28** | 869.95 |
| More than five years | **350.59** | 344.87 |
| **Total** | **2,237.09** | 1,478.01 |

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.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

The Group incurred ₹ **735.86 lakhs** (31 March 2021: ₹ 821.50 lakhs) for the year ended 31 March 2022 towards expenses relating to short term leases and leases of low value assets included under Rent (refer note 35).

The total cash outflow for leases is ₹ **901.62 lakhs** (31 March 2021: ₹ 985.46 lakhs) for the year ended 31 March 2022, including cash outflow for short term and leases of low value assets.

## 6. Capital work-in-progress

See accounting policy in note 3(d) and (g)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| At the beginning of the year | **624.35** | 516.58 |
| Additions during the year | **12,147.91** | 456.88 |
| Capitalised during the year | **(1,783.32)** | (352.20) |
| Sold during the year | **(25.19)** | - |
| Exchange differences on translation of foreign operations | **(0.77)** | 3.09 |
| **At the end of the year** | **10,962.98** | 624.35 |

### Capital work-in-progress includes:

Pre-operative Expenditure incurred during construction period on new manufacturing facility of the Group:

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **At the beginning of the year** | - | - |
| Additions during the year: | | |
| Finance costs | **505.63** | - |
| Employees benefits expense | **197.03** | - |
| Legal and professional fees | **167.61** | - |
| Miscellaneous expenses | **362.05** | - |
| | **1,232.32** | - |
| **At the end of the year** | **1,232.32** | - |

**Notes:**

(a) As at 31 March 2022, properties under capital work-in-progress with a carrying amount of ₹ **10,874.58 lakhs** (31 March 2021: ₹ 450.95 lakhs) are subject to first charge to secured borrowings (refer note 21).

(b) Ageing Schedule of Capital Work in Progress is given below

| CWIP Ageing | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| **Less Than One Year** | **10,962.98** | - | 624.35 | - |
| One to Two Years | - | - | - | - |
| Two to three years | - | - | - | - |
| More than Three Years | - | - | - | - |
| **Total** | **10,962.98** | - | 624.35 | - |

(c) There is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan for period ended 31st March 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 7. Other intangible assets

See accounting policy in note 3(e) and (g)

Reconciliation of carrying amount

| | Licenses (indefinite life) | Trade marks | Computer software | Total |
|---|---|---|---|---|
| **Cost (Gross carrying amount)** | | | | |
| Balance at 1 April 2020 | 470.00 | 22.87 | 753.74 | 1,246.61 |
| Additions | - | - | 0.80 | 0.80 |
| Disposals | (470.00) | - | - | (470.00) |
| Exchange differences on translation of foreign operations | - | - | 0.27 | 0.27 |
| **Balance at 31 March 2021** | **-** | **22.87** | **754.81** | **777.68** |
| **Balance at 1 April 2021** | **-** | **22.87** | **754.81** | **777.68** |
| **Additions** | **900.00** | **-** | **55.65** | **955.65** |
| **Exchange differences on translation of foreign operations** | **-** | **-** | **(0.21)** | **(0.21)** |
| **Balance at 31 March 2022** | **900.00** | **22.87** | **810.25** | **1,733.12** |
| **Accumulated amortisation** | | | | |
| Balance at 1 April 2020 | - | 20.61 | 554.15 | 574.76 |
| Amortisation for the year | - | 2.26 | 50.53 | 52.79 |
| Exchange differences on translation of foreign operations | - | - | 0.27 | 0.27 |
| Balance at 31 March 2021 | - | 22.87 | 604.95 | 627.82 |
| **Balance at 1 April 2021** | **-** | **22.87** | **604.95** | **627.82** |
| **Amortisation for the year** | **-** | **-** | **54.07** | **54.07** |
| **Exchange differences on translation of foreign operations** | **-** | **-** | **(0.21)** | **(0.21)** |
| **Balance at 31 March 2022** | **-** | **22.87** | **658.81** | **681.68** |
| **Carrying amounts (net)** | | | | |
| Balance at 31 March 2021 | - | - | 149.86 | 149.86 |
| **Balance at 31 March 2022** | **900.00** | **-** | **151.44** | **1,051.44** |

### Licenses (indefinite life):

For Licenses of the Group that are regarded to have indefinite useful lives. 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.

## 8. Investment accounted for using the equity method

See accounting policy in note 3(c) and (g)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current investments** | | |
| **Unquoted** | | |
| Investment in joint venture | | |
| 3,750,000 (31 March 2021: 3,750,000) equity shares of Greenply Alkemal (Singapore) Pte. Limited, (face value USD 1 each, fully paid-up) | **2,198.28** | 1,938.01 |
| Aggregate value of unquoted investments | **2,198.28** | 1,938.01 |
| Aggregate amount of impairment in value of investments | **-** | - |
| **Equity accounted investees** | | |
| Interest in a joint venture | **2,198.28** | 1,938.01 |





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

**Joint Venture**

Greenply Alkemal (Singapore) Pte. Limited is a joint arrangement in which the Group has 50% ownership interest. It is principally engaged in the business of trading and marketing of commercial veneers and other products. Greenply Alkemal (Singapore) Pte. Limited is not publicly listed.

Greenply Industries (Myanmar) Private Limited is a wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited. It is principally engaged in the business of manufacturing and marketing of commercial veneers.

Greenply Alkemal (Singapore) Pte. Limited is structured as a separate legal entity and the Group has an interest in the net assets of Greenply Alkemal (Singapore) Pte. Limited. Accordingly, the Group has classified its interest in Greenply Alkemal (Singapore) Pte. Limited as a joint venture.

The following table summarise the financial information of Greenply Alkemal (Singapore) Pte. Limited and the carrying amount of the Group's interest in Greenply Alkemal (Singapore) Pte. Limited.

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Percentage ownership interest** | **50%** | 50% |
| Non-current assets | **4,047.83** | 4,253.64 |
| Current assets (including cash and cash equivalents – 31 March 2022: ₹ **149.24 lakhs**, 31 March 2021: ₹ 200.30 lakhs) | **3,441.46** | 2,581.24 |
| | **7,489.29** | 6,834.88 |
| Non-current liabilities (non-current financial liabilities other than trade payables and other financial liabilities and provisions – 31 March 2022: ₹ **Nil lakhs**, 31 March 2021: ₹ Nil lakhs) | **(1,849.32)** | (1,827.83) |
| Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions – 31 March 2022: ₹ **1,082.31 lakhs**, 31 March 2021: ₹ 985.69 lakhs) | **(1,243.41)** | (1,131.04) |
| | **(3,092.73)** | (2,958.87) |
| **Net assets** | **4,396.56** | 3,876.01 |
| Group's share of net assets | **2,198.28** | 1,938.01 |
| Carrying amount of interest in joint venture | **2,198.28** | 1,938.01 |

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Percentage ownership interest** | **50%** | 50% |
| Revenue | **7,562.38** | 4,285.29 |
| Depreciation and amortisation | **(350.47)** | (349.29) |
| Interest expense | **(429.59)** | (413.16) |
| Income tax expense | **-** | (1.71) |
| Profit/(Loss) | **520.54** | (473.05) |
| Other comprehensive income/(loss) | **-** | - |
| Total comprehensive income/(loss) | **520.54** | (473.05) |
| Group's share of Profit/(loss) | **260.27** | (236.53) |
| Group's share of other comprehensive income/(loss) | **-** | - |
| Group's share of total comprehensive income/(loss) | **260.27** | (236.53) |

During the years ended 31 March 2022 and 31 March 2021, the Group did not receive dividends from the joint venture.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 9. Investments

See accounting policy in note 3(c) and (g)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current investments** | | |
| **Quoted** | | |
| **Equity instruments carried at fair value through profit and loss (FVTPL)** | | |
| **3,400** (31 March 2021: 3,400) equity shares of Indian Overseas Bank Limited (face value ₹ 10 each, fully paid-up) | 0.62 | 0.54 |
| **Unquoted** | | |
| **Investment accounted for using the equity method** | | |
| **11,40,000** (31 March 2021: 11,40,000) equity shares of Nemani Panels Private Limited (face value ₹ 10 each, fully paid-up) | 156.41 | 133.38 |
| **19,60,000** (31 March 2021: 18,00,000) equity shares of Panchjanaya ply & Board Private Limited (face value ₹ 10 each, fully paid-up) | 224.81 | 180.00 |
| | 381.84 | 313.92 |
| Aggregate book value of quoted investments | 0.62 | 0.54 |
| Aggregate market value of quoted investments | 0.62 | 0.54 |
| Aggregate value of unquoted investments | 381.22 | 313.38 |
| 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 42 and 43.

## 10. Loans

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current** | | |
| Loan to employees | 44.57 | 51.20 |
| | 44.57 | 51.20 |
| **Current** | | |
| Loan to employees | 74.12 | 39.97 |
| | 74.12 | 39.97 |
| | 118.69 | 91.17 |

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 11. Non-current tax assets

See accounting policy in note 3(o)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Advance income tax (Net of provision for tax) | 1,257.44 | 1,167.90 |
| | 1,257.44 | 1,167.90 |






# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


## 12. Inventories

*(Valued at the lower of cost and net realisable value)*

See accounting policy in note 3(f)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Raw materials | 8,992.35 | 6,444.13 |
| [including in transit ₹ **1,713.85 Lakhs** (31 March 2021 ₹ 886.90 lakhs)] | | |
| Work-in-progress | 2,072.48 | 1,098.48 |
| [including in transit ₹ **32.50 lakhs** (31 March 2021 ₹ Nil lakhs)] | | |
| Finished goods | 6,938.77 | 6,274.72 |
| [including in transit ₹ **3,419.63 lakhs** (31 March 2021 ₹ 3,705.13 lakhs)] | | |
| Stock in trade | 3,778.76 | 3,406.97 |
| [including in transit ₹ **1,301.83 lakhs** (31 March 2021 ₹ 968.37 lakhs)] | | |
| Stores and spares | 780.95 | 695.50 |
| [including in transit ₹ **Nil lakhs** (31 March 2021 ₹ Nil lakhs)] | | |
| | 22,563.31 | 17,919.80 |

For carrying amount of inventories pledged as securities against borrowings, refer note 21.

## 13. Trade receivables

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Current** | | |
| Unsecured | | |
| - Considered good | 19,297.96 | 19,830.06 |
| - Credit impaired | - | 1.42 |
| | 19,297.96 | 19,831.48 |
| Less: Loss allowances | 654.50 | 441.48 |
| **Net trade receivables** | 18,643.46 | 19,390.00 |

**Notes:**

(a) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

(b) Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 43.

(c) For receivables secured against borrowings, see note 21.

(d) There is no unbilled trade receivable as on 31st March 2022 and 31 March 2021

(e) Ageing Schedule for trade receivables is given below

| 31 March 2022 | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| Particulars | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 14,168.42 | 3,689.20 | 294.55 | 490.76 | 277.28 | 192.66 | 19,112.87 |
| (ii) Disputed trade receivable Considered good | - | 0.36 | - | 18.38 | 84.12 | 82.23 | 185.09 |
| **Total** | 14,168.42 | 3,689.56 | 294.55 | 509.14 | 361.40 | 274.89 | 19,297.96 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| 31 March 2021 | Outstanding of following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| Particulars | Not Due | Less Than Six Months | Six months to One Year | One to two years | Two to three years | More than three years | |
| (i) Undisputed trade receivable Considered good | 13,586.06 | 3,937.17 | 832.21 | 974.71 | 201.26 | 48.47 | 19,579.88 |
| (ii) Disputed trade receivable Considered good | - | 2.51 | 26.30 | 139.51 | 43.44 | 38.42 | 250.18 |
| (iii) Disputed trade receivables – credit impaired | - | - | - | - | - | 1.42 | 1.42 |
| **Total** | 13,586.06 | 3,939.68 | 858.51 | 1,114.22 | 244.70 | 88.31 | 19,831.48 |

## 14. Cash and cash equivalents

See accounting policy in note 3(s)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Cash on hand | 284.43 | 87.37 |
| Balances with banks | | |
| - On current accounts | 6,011.50 | 1,725.93 |
| **Cash and cash equivalents in balance sheet** | 6,295.93 | 1,813.30 |
| Bank overdrafts | (2,494.50) | (2,204.52) |
| **Cash and cash equivalents in the consolidated statement of cash flows** | 3,801.43 | (391.22) |

## 15. Bank balances other than cash and cash equivalents

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Bank deposits due to mature after 3 months of original maturities but within 12 months from the reporting date* | 955.58 | 10,978.68 |
| Earmarked balances with banks for unpaid dividend accounts | 6.38 | 6.21 |
| | 961.96 | 10,984.89 |

** Out of above ₹ **26.95 lakhs** (31 March 2021: ₹ 25.29 lakhs) pledged/lodged with various government authorities as security*

## 16. Other non-current assets

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Capital advances | 8,794.00 | 1,132.69 |
| **Advances other than capital advances** | | |
| Deposits against demand under appeal and/or under dispute | 60.56 | 55.05 |
| Amount due from government authorities | 56.77 | 55.07 |
| Prepaid expenses | 434.78 | 106.08 |
| Security deposits | 26.01 | 26.01 |
| | 9,372.12 | 1,374.90 |





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 17. Other financial assets

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current** | | |
| Security deposits* | 190.70 | 57.95 |
| Other receivables | 64.83 | 310.07 |
| Bank deposits due to mature after 12 months from the reporting date | 510.66 | - |
| | 766.19 | 368.02 |
| **Current** | | |
| Government grants receivable (refer note 17.1) | 157.43 | 715.90 |
| Security deposits* | 266.05 | 387.80 |
| Insurance claim receivable | 88.15 | 195.57 |
| Other receivables | 399.14 | 159.39 |
| Commision receivable from joint venture (refer note 40) | 5.60 | 5.40 |
| | 916.37 | 1,464.06 |
| | 1,682.56 | 1,832.08 |

**For security deposit given to related parties refer note 40.*

**17.1** Government grant receivable represents incentives against scheme of budgetary support under Goods and Services Tax Regime for the unit set-up in Tizit, Nagaland.

## 18. Other current assets

*(Unsecured, considered good)*

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **To parties other than related parties** | | |
| Advances to suppliers | 2,698.78 | 1,708.94 |
| Advances to employees | 82.80 | 134.52 |
| **Others** | | |
| Prepaid expenses | 678.91 | 521.88 |
| Gratuity (refer note 32) | 27.21 | - |
| Amount due from government authorities | 1,975.25 | 213.40 |
| | 5,462.95 | 2,578.74 |

## 19. Equity share capital

See accounting policy in note 3(q)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Authorised** | | |
| **160,000,000** (31 March 2021: 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 2021: 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

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | 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 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

(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, 3020 equity shares of the Holding Company held by 5 shareholders have been held in abeyance.

(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number | % | Number | % |
| **Equity shares of ₹ 1 each** | | | | |
| Rajesh Mittal On Behalf Of Trade Combines, Partnership Firm | 1,17,02,380 | 9.54% | - | 0.00% |
| Showan Investment Private Limited | 4,64,17,179 | 37.85% | - | 0.00% |
| S.M. Management Private Limited | - | 0.00% | 3,29,26,324 | 26.85% |
| Prime Holdings Private Limited | - | 0.00% | 1,20,42,800 | 9.82% |
| Shiv Prakash Mittal and Shobhan Mittal - Trade Combines | - | 0.00% | 1,17,02,380 | 9.54% |
| HDFC Trustee Company Limited | 90,64,020 | 7.39% | 1,07,62,907 | 8.78% |
| Mirae Asset Great Consumer Fund | 89,60,989 | 7.31% | - | 0.00% |

(d) Shares held by promoters at the end of the year

| | March 31, 2022 | | March 31, 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | % of total shares | No. of Shares | % of total shares | |
| Rajesh Mittal | 50,07,250 | 4.08% | 30,79,900 | 2.51% | 1.57% |
| Rajesh Mittal On Behalf of Trade Combines, Partnership Firm | 1,17,02,380 | 9.54% | - | 0.00% | 9.54% |
| Sanidhya Mittal | 1,21,300 | 0.10% | 1,00,000 | 0.08% | 0.02% |
| Karuna Mittal | 7,33,600 | 0.60% | 6,80,000 | 0.55% | 0.05% |
| Rajesh Mittal & Sons, Huf | 1,61,821 | 0.13% | 1,22,021 | 0.10% | 0.03% |
| Showan Investment Private Limited | 4,64,17,179 | 37.85% | - | 0.00% | 37.85% |
| Shobhan Mittal | - | 0.00% | 7,39,000 | 0.60% | -0.60% |
| Shiv Prakash Mittal and Shobhan Mittal On Behalf of Trade Combines, Partnership Firm | - | 0.00% | 1,17,02,380 | 9.54% | -9.54% |
| Santosh Mittal | - | 0.00% | 11,65,900 | 0.95% | -0.95% |
| Prime Holding Private Limited | - | 0.00% | 1,20,42,800 | 9.82% | -9.82% |
| S.M.Management Private Limited | - | 0.00% | 3,29,26,324 | 26.85% | -26.85% |
| Vanashree Properties Private Limited | - | 0.00% | 14,48,055 | 1.18% | -1.18% |
| | 6,41,43,530 | 52.31% | 6,40,06,380 | 52.18% | 0.13% |






# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


(e) Stock option schemes

Information relating to Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 37.

(f) The Holding 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.

## 20. Other equity

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Retained earnings** | | |
| Balance at the commencement of the year | 42,066.58 | 36,436.66 |
| Add: Profit for the year | 9,472.57 | 6,091.22 |
| Less: Dividend on equity shares | 490.51 | 490.51 |
| Add: Remeasurements of the net defined benefit plans | 30.01 | 29.21 |
| **Balance at the end of the year** | 51,078.65 | 42,066.58 |
| **Share application money pending allotment** | | |
| At the commencement of the year | - | - |
| Add: Received during the year | 104.09 | - |
| **Balance at the end of the year** | 104.09 | - |
| **Share option outstanding reserve** | | |
| At the commencement of the year | 46.74 | - |
| Add: Provision during the year | 1,205.41 | 46.74 |
| **Balance at the end of the year** | 1,252.15 | 46.74 |
| **Other comprehensive income (OCI)** | | |
| Balance at the commencement of the year | 331.51 | 128.41 |
| Exchange differences in translating financial statements of foreign operations | (176.17) | 203.10 |
| Balance at the end of the year | 155.34 | 331.51 |
| | 52,590.23 | 42,444.83 |

(a) Description, nature and purpose of reserve:

(i) **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.

(ii) **Share options outstanding reserve:** This reserve relates to stock options granted by the group to eligible employees under Greenply Employee Stock Option Plan 2020 (Scheme). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options.

(iii) **Other comprehensive income (OCI):** It comprises of exchange differences in translating financial statements of foreign operations.

(iv) **Share application money pending allotment:** This relates to amount received against application money received from employees under the Stock options exercised under Greenply Employee Stock Option Plan 2020 (Scheme).

(b) Disaggregation of changes in items of OCI

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Retained earnings** | | |
| Exchange differences in translating financial statements of foreign operations | 155.34 | 331.51 |
| | 155.34 | 331.51 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 21. Borrowings

See accounting policy in note 3 (c) and (p)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current borrowings** | | |
| **Secured** | | |
| Term loans from banks | | |
| Foreign currency loans | 6,453.43 | 5,809.51 |
| Rupee loans | 11,463.46 | 4,723.44 |
| | 17,916.89 | 10,532.95 |
| Less: Current maturities of non-current borrowings | 3,645.94 | 3,410.83 |
| | 14,270.95 | 7,122.12 |
| Loan against vehicles | 86.44 | 131.16 |
| Less: Current maturities of loan against vehicles | 49.23 | 44.85 |
| | 37.21 | 86.31 |
| | 14,308.16 | 7,208.43 |
| **Current borrowings** | | |
| **Secured** | | |
| From banks | | |
| Foreign currency loan - buyers credit | - | 271.05 |
| Foreign currency loans - repayable on demand | 5,622.83 | 4,011.01 |
| Bank overdraft | 2,494.50 | 2,204.52 |
| Rupee loans - repayable on demand | 583.26 | - |
| Current maturities of non-current borrowings | 3,645.94 | 3,410.83 |
| Current maturities of loan against vehicles | 49.23 | 44.85 |
| | 12,395.76 | 9,942.26 |
| **Unsecured** | | |
| From banks | | |
| Channel finance assurance facility* | 572.50 | 725.00 |
| Foreign loans - bill discounting | 1,910.07 | 1,295.82 |
| | 2,482.57 | 2,020.82 |
| | 14,878.33 | 11,963.08 |

** 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 43.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### (A) Terms of repayment

| | Name of the lender | Interest rate | Repayment schedule | Year of maturity | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|---|---|
| (i) | **Foreign currency term loans** | | | | | |
| | Axis Bank Limited [**USD 9.99 lakhs** (31 March 2021: USD 16.65 lakhs)] | 3 month Libor +2.75% | Repayable at quarterly rest: 6 of USD 1.67 lakhs | 2023-24 | **757.04** | 1,217.20 |
| | Export-Import Bank of India [**EURO 17.19 lakhs** (31 March 2021: Euro 30.94 lakhs)] | 3 month Euribor +3.25% | Repayable at quarterly rest: 5 of EURO 3.43 lakhs | 2023-24 | **1,441.18** | 2,652.96 |
| | BGFI Bank [**XAF 2000 lakhs** (31 March 2021: XAF 1500 lakhs)] | 8.5%+ 1% Cess | Repayable at quarterly rest: 16 | 2026-27 | **2,493.04** | 1,939.35 |
| | UGB Bank [**XAF 1400 lakhs** (31 March 2021: XAF Nil)] | 8.5%+ 1% Cess | Repayable at monthly rest: 30 | 2024-25 | **1,762.17** | - |
| | | | | | **6,453.43** | 5,809.51 |
| (ii) | **Rupee term loans** | | | | | |
| | HDFC Bank Limited | 3 year MCLR | Repayable at quarterly rest: 2 of ₹ 150.00 lakhs and 4 of ₹ 300.00 lakhs | 2023-24 | **1,499.47** | 2,098.82 |
| | HDFC Bank Limited | 3 months MCLR +0.45% | Repayable at quarterly rest: 4 of ₹ 180.00 lakhs | 2022-23 | **719.23** | 1,437.21 |
| | HDFC Bank Limited | 3 months MCLR +0.45% | Repayable at quarterly rest: 13 of ₹ 70.00 lakhs | 2024-25 | **908.46** | 1,187.41 |
| | HDFC Bank Limited | Linked to 3 Month T-Bill + spread | Repayable at 28 structured quarterly from fy 2024-25 | 2023-24 | **1,000.00** | - |
| | HDFC Bank Limited | Linked to 1 Month T-Bill + spread | Repayable at quarterly rest: 20 of ₹ 36.75 lakhs | 2027-28 | **7,336.30** | - |
| | | | | | **11,463.46** | 4,723.44 |
| | **Total** | | | | **17,916.89** | 10,532.95 |

### (B) Details of security

(a) Term loan of Greenply Middle East Limited from Axis Bank Limited of ₹ **757.04 lakhs** (31 March 2021: ₹ 1,217.20 lakhs) is secured by Standby letter of credit.

(b) Term loan of Greenply Gabon SA from Export Import Bank of India of ₹ **1,441.18 lakhs** (31 March 2021: ₹ 2,652.96 lakhs) is secured by exclusive charge on the movable project assets including current assets at Gabon and Corporate gurantee from the Holding Company. Pledge of 100% shares of the Greenply Gabon SA held by Greenply Middle East Limited U.A.E.

(c) Term Loan of Greenply Gabon SA from BGFI Bank ₹ **2,493.04 lakhs** (31 March 2021: ₹ 1,939.35 lakhs) is secured by (i) mortgage of factory Land at Gabon. This bank medium Term Loan repayble on demand and bearing interest rate 8.5% p.a. repayble in 5 years commencing quarterly from 31/05/2023.

(d) Term Loan of Greenply Gabon SA from UGB Bank ₹ **1,762.17 lakhs** (31 March 2021: ₹ Nil lakhs) is secured by (i) Mortgage of Equipment. This bank medium Term Loan repayble on demand and bearing interest rate 8.5% p.a. repayble in 2.5 years commencing monthly from 22/09/2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

(e) Rupee term loans of ₹ **3,127.16 lakhs** (31 March 2021: ₹ 4,723.44 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.

(f) Rupee term loans of Bahu Panels Private Limited of ₹ **1,000 Lakhs** (31 March 2021: Nil) are secured by:

i) First pari-passu charge on immovable fixed assets situated at Vadodra, Gujarat, India, including land and building (pertaining to project).

ii) First Pari Passu charge on all movable fixed assets of the company, present and future except for one exclusively charged to LBBW(pertaining to project).

iii) Second pari passu charge on all the Current Assets of the Company.

iv) Unconditional and Irrevocable Corporate Guarantee of Holding company for entire tenure of loan.

(g) Rupee term loans of Greenply Sandila Private Limited of ₹ **7,336.30 Lakhs** (31 March 2021: ₹ Nil) are secured by:

i) Exclusive charge on immovable fixed assets situated at Sandilia Industrial Area, Hardoi, India.

ii) Exclusive charge on all movable fixed assets of the company, present and future.

iii) Second exclusive charge on all current assets of the company.

iv) Unconditional and Irrevocable Corporate Guarantee of Holding company for entire tenure of loan.

(h) Rupee loan repayable on demand of ₹ **583.26 lakhs** (31 March 2021: ₹ Nil lakhs) are secured by:

i) First pari passu charge on all the current assets of the Holding Company.

ii) Second 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 immovable fixed assets of the Holding Company situated at Kriparampur (West Bengal).

(i) 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.

(j) Working capital loans of Greenply Middle East Limited of ₹ **2,121.84 lakhs** (31 March 2021: ₹ 2,046.94 lakhs) and Bank overdraft of Greenply Middle East.Limited of ₹ **2,494.50 lakhs** (31 March 2021: ₹ 2,204.52 lakhs) are secured by Standby letter of credit issued by Axis Bank Limited, India and CITI Bank, India on behalf of the Holding Company.

(k) Short Term borrowings repayable upto 90 days and working capital loans repayable on demand of Greenply Gabon SA of ₹ 3,500.99 lakhs (31 March 2021: ₹ 1,964.07 lakhs) from local banks at gabon are secured by (i) an irrevocable domiciliation of receipts up to 20% - 40% of turnover (ii) a pledge of goodwill having interest rates of 8% to 8.5% p.a

(l) Foreign currency loan - buyers credit and bill discounting of ₹ **Nil lakhs** (31 March 2021: ₹ 271.05 lakhs) is secured by standby letter of credit/letter of credit issued by banks using fund based limit of the Holding Company.

(m) The Group has submitted quarterly statements of financial information as required by banks which are in agreement with the books of accounts.






# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


## 22. Other financial liabilities

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current** | | |
| Security deposits from customers | 1.00 | 1.00 |
| Security deposits from Suppliers | 8.00 | - |
| | 9.00 | 1.00 |
| **Current** | | |
| Interest accrued but not due on borrowings | 46.40 | 73.17 |
| Liability for capital goods | 2,242.27 | 686.99 |
| Employee benefits payable (refer note c below) | 2,064.79 | 1,731.12 |
| Unclaimed dividend | 6.38 | 6.21 |
| | 4,359.84 | 2,497.49 |

(a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2022.

(b) Information about the Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 43.

(c) It includes remuneration payable to related parties, refer note 40.

## 23. Provisions

See accounting policy in note 3(i) and (j)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Non-current** | | |
| Provisions for employee benefits: | | |
| Liability for compensated absences | 563.88 | 545.67 |
| | 563.88 | 545.67 |
| **Current** | | |
| Provision for Litigation (refer note below) | 1,516.03 | 1,516.03 |
| Provisions for employee benefits: | | |
| Net defined benefit liability - gratuity | - | 10.33 |
| Liability for compensated absences | 171.64 | 52.64 |
| | 1,687.67 | 1,579.00 |

### (a) Movement of provisions (Current)

| | Provision for litigation |
|---|---|
| **Balance as at 1 April 2020** | 2,897.80 |
| Add: Provisions made during the year 2020-21 | 243.85 |
| Less: Amount paid during the year 2020-21 | 1,625.62 |
| **Balance as at 31 March 2021** | 1,516.03 |
| Add: Provisions made during the year 2021-22 | - |
| Less: Amount paid during the year 2021-22 | - |
| **Balance as at 31 March 2022** | **1,516.03** |

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 and 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 Parent Company is one of the Respondents in the subject matter. Based on the

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

management's assessment, the Parent 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 Parent 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 Parent 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 Parent 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 during the previous year ended 31 March 2020. In addition to the above, the Parent 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 result for the year ended 31 March 2020 was ₹ 4,997.05 lakhs. Considering the nature and size of transaction, the Group has already disclosed the above mentioned impact as an "exceptional items" in the financial result for the year ended 31 March 2020.

During year ended 31 March 2021, the Parent company has paid under protest its share of liability of ₹ 1,625.62 lakhs (being 60% of total demand as reffered above) as on 31 March 2021. Also the Company has made a provision of ₹ 243.84 lakhs towards interest in the previous year ended 31 March 2021. The Parent 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.

## 24. Trade payables

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Dues to micro and small enterprises | 158.76 | 49.89 |
| Dues to other than micro and small enterprises | 21,213.95 | 20,306.24 |
| Dues to related parties (refer note 40) | 265.13 | 74.37 |
| | 21,637.84 | 20,430.50 |

Information about the Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 43.

| 31 March 2022 | Outstanding of following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| Particulars | Not Due | Less Than Six Months | One to two years | Two to three years | More than three years | |
| (i) MSME | 137.79 | 20.97 | - | - | - | 158.76 |
| (ii) Others | 10,055.88 | 5,761.75 | 24.53 | 24.93 | 38.36 | 15,905.45 |
| Total | 10,193.67 | 5,782.72 | 24.53 | 24.93 | 38.36 | 16,064.21 |
| Unbilled Trade payables | | | | | | 5,573.63 |
| | | | | | | 21,637.84 |

| 31 March 2021 | Outstanding of following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| Particulars | Not Due | Less Than Six Months | One to two years | Two to three years | More than three years | |
| (i) MSME | 43.77 | 6.12 | - | - | - | 49.89 |
| (ii) Others | 10,046.58 | 5,999.43 | 106.90 | 137.82 | 1.47 | 16,292.20 |
| Total | 10,090.35 | 6,005.55 | 106.90 | 137.82 | 1.47 | 16,342.09 |
| Unbilled Trade payables | | | | | | 4,088.41 |
| | | | | | | 20,430.50 |





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 25. Derivatives

See accounting policy in note 3(c)(v)

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Derivative Liability** | | |
| Foreign exchange forward contracts | 13.64 | 32.05 |
| | 13.64 | 32.05 |

Information about the Group's exposure to interest rate and currency risks related to derivatives is disclosed in note 43.

## 26. Other current liabilities

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Statutory dues* | 1,371.84 | 1,075.75 |
| Advance from customers | 1,470.92 | 1,387.49 |
| | 2,842.76 | 2,463.24 |

*Primarily includes GST, TDS, TCS and Entry tax.*

## 27. Revenue from operations

See accounting policy in note 3(k) and (l)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Sale of products** | | |
| Finished goods | 1,06,359.52 | 84,511.37 |
| Stock-in-trade | 49,377.23 | 31,651.37 |
| | 1,55,736.75 | 1,16,162.74 |
| **Other operating revenue** | | |
| Government grants | | |
| - Refund of goods and service tax (refer note 47) | 541.08 | 371.70 |
| -Export incentives | 2.55 | - |
| | 543.63 | 371.70 |
| | 1,56,280.38 | 1,16,534.44 |
| **Reconciliation of revenue from sale of products with the contracted price** | | |
| Contracted price | 1,64,154.38 | 1,23,590.81 |
| Less : Reduction towards variable consideration components. | 8,417.63 | 7,428.07 |
| Sale of products | 1,55,736.75 | 1,16,162.74 |

a) The Group is in the business of manufacture and sale of plywood, medium density fibreboards 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.

b) For contract balances i.e. trade receivables and advance from customers, refer note 13 and 26.

c) For information on revenue from contracts with customers disaggregated on the basis of geographical region, refer note 45.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 28. Other income

| | Year ended 31 March 2022 | | Year ended 31 March 2021 |
|---|---|---|---|
| Interest on fixed deposits with banks and others | 466.11 | | 317.71 |
| Interest on other financial assets | 40.68 | | 3.71 |
| Income from related party: | | | |
| - Commission on guarantee given to joint venture (refer note 40) | 22.28 | | 22.16 |
| Liabilities no longer required written back | 118.87 | | 28.49 |
| Interest on income tax refund | - | | 24.78 |
| Loss allowance | | | |
| - loss allowance | | 289.14 | |
| - Bad debts | - | (161.83) | 127.31 |
| Gain on fair valuation of investments at fair value through profit and loss | 51.91 | | 19.68 |
| Gain on sale and discard of property, plant and equipment | 43.19 | | - |
| Miscellaneous income | 247.16 | | 133.08 |
| | 990.20 | | 676.92 |

## 29. Cost of materials consumed

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Inventory of raw materials at the beginning of the year | 6,444.13 | 6,615.03 |
| Add: Purchases | 58,550.18 | 42,720.84 |
| Less: Inventory of raw materials at the end of the year | (8,992.35) | (6,444.13) |
| | 56,001.96 | 42,891.74 |

## 30. Purchase of stock in trade

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Purchase of stock-in-trade | 39,635.49 | 26,041.44 |
| | 39,635.49 | 26,041.44 |

## 31. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **Opening inventories** | | | |
| Work-in-progress | | 1,098.48 | 2,949.80 |
| Finished goods | | 6,274.72 | 4,260.03 |
| Stock in trade | | 3,406.97 | 3,042.99 |
| | (A) | 10,780.17 | 10,252.82 |
| **Closing inventories** | | | |
| Work-in-progress | | 2,072.48 | 1,098.48 |
| Finished goods | | 6,938.77 | 6,274.72 |
| Stock in trade | | 3,778.76 | 3,406.97 |
| | (B) | 12,790.01 | 10,780.17 |
| Effect of foreign exchange fluctuations | (C) | (96.91) | 2.80 |
| | (A-B+C) | (2,106.75) | (524.55) |





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 32. Employees benefits expense

See accounting policy in note 3(i)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Salaries,wages and bonus | 16,258.49 | 13,437.90 |
| Contribution to provident and other funds {refer note 32(a) below} | 748.50 | 617.67 |
| Expenses related to post-employment defined benefit plan | 216.92 | 185.78 |
| Expenses related to compensated absences {refer note 32(b) below} | 315.84 | 192.68 |
| 'Expenses on Employees Stock Options Scheme (refer note 37) | 1,205.41 | 46.74 |
| Staff welfare expenses | 584.59 | 465.67 |
| | 19,329.75 | 14,946.44 |

Salaries, wages and bonus includes ₹ **3,005.48 lakhs** (31 March 2021: ₹ 2,560.18 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 and Pension 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 ₹ **708.99 lakhs** (31 March 2021: ₹ 583.81 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 ₹ **39.51 lakhs** (31 March 2021: ₹ 33.86 lakhs) has been charged to the Consolidated 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 an insurance company only by the parent company.

The following table sets out the amounts recognized in the financial statements for the defined benefit plan of the Holding company and its subsidiaries

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| (c) | **Actuarial valuation of gratuity liability** | | |
| | **Defined benefit cost** | | |
| | Current service cost* | 231.50 | 184.87 |
| | Interest expense on defined benefit obligation | 131.25 | 125.19 |
| | Interest income on plan assets | (135.19) | (124.28) |
| | **Defined benefit cost in Statement of Profit and Loss** | 227.56 | 185.78 |
| | Remeasurements from financial assumptions | (9.05) | 19.76 |
| | Remeasurements from experience adjustments | (45.95) | (65.39) |
| | Remeasurements from financial assumptions on plan assets | 14.90 | 6.60 |
| | **Defined benefit cost in Other Comprehensive Income (OCI)** | (40.10) | (39.03) |
| | **Total defined benefit cost in Statement of Profit and Loss and OCI** | 187.46 | 146.75 |

** During the year Gratuity expenses for construction period on new manufacturing facility of the Group has been transferred to pre-operative expenses.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Movement in defined benefit obligation** | | |
| Balance at the beginning of the year | 1,902.22 | 1,790.22 |
| Interest cost | 131.25 | 125.19 |
| Current service cost | 231.50 | 184.87 |
| Actuarial losses/(gains) recognised in other comprehensive income | (55.00) | (45.63) |
| Benefits paid | (90.11) | (152.43) |
| **Balance at the end of the year** | 2,119.86 | 1,902.22 |
| | | |
| **Movement in fair value of plan assets** | | |
| Balance at the beginning of the year | 1,891.89 | 1,776.64 |
| Interest income | 135.19 | 124.28 |
| Employer contributions | 225.00 | 150.00 |
| Benefits paid | (90.11) | (152.43) |
| Remeasurements from financial assumptions on plan assets | (14.90) | (6.60) |
| **Balance at the end of the year** | 2,147.07 | 1,891.89 |
| | | |
| **Net asset/(liability) recognised in the Consolidated Balance Sheet** | | |
| Present value of defined benefit obligation | (2,119.86) | (1,902.22) |
| Fair value of plan asset | 2,147.07 | 1,891.89 |
| **Net asset/(liability)** | 27.21 | (10.33) |
| | | |
| **Sensitivity analysis** | | |
| **Increase/(Decrease) in present value of defined benefit obligation at the end of the year** | | |
| Salary escalation - Increase by 1% | 158.50 | 154.58 |
| Salary escalation - Decrease by 1% | (138.97) | (136.47) |
| Withdrawal rates - Increase by 1% | 7.05 | 4.98 |
| Withdrawal rates - Decrease by 1% | (8.45) | (6.05) |
| Discount rates - Increase by 1% | (137.95) | (129.08) |
| Discount rates - Decrease by 1% | 158.63 | 148.27 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

| | | | |
|---|---|---|---|
| | **Actuarial assumptions** | | |
| | Mortality table | IALM 2012-2014 | IALM 2012-2014 |
| | Discount rate (per annum) | 7.10% | 6.90% |
| | Rate of escalation in salary (per annum) | 6.00% | 6.00% |
| | Withdrawal rate | 1% - 8% | 1% - 8% |
| | **Expected benefit payments** | | |
| | Not later than 1 year | 620.38 | 235.44 |
| | Later than 1 year and not later than 5 years | 497.96 | 832.39 |
| | 5 to 10 years | 772.89 | 676.54 |
| | **Weighted average duration of defined benefit obligation (in years)** | 4.61 | 4.95 |
| (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 | 74.59% | 71.39% |
| | Fund with Kotak Mahindra Life Insurance Company Limited | 25.41% | 28.61% |
| | | 100.00% | 100.00% |

(e) The Group's expected contribution during next year is ₹ **214.35 lakhs** (31 March, 2021 ₹ 199.95 lakhs)





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 33. Finance costs

See accounting policy in note 3(p)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost | 967.37 | 1,385.54 |
| Interest on Lease Liabilities (refer note 5) | 90.00 | 114.81 |
| Other borrowing cost | 135.78 | 164.62 |
| | 1,193.15 | 1,664.97 |

## 34. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 4) | 2,352.64 | 2,084.97 |
| Depreciation of Right of use Assets (refer note 5) | 177.89 | 170.13 |
| Amortisation of intangible assets (refer note 7) | 54.07 | 52.79 |
| | 2,584.60 | 2,307.89 |

## 35. Other expenses

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Consumption of stores and spares | 1,315.44 | 1,029.74 |
| Power and fuel | 2,445.91 | 2,072.64 |
| Rent (refer note 5) | 735.86 | 821.50 |
| Repairs to: | | |
| - Buildings | 89.93 | 24.99 |
| - Plant and equipment | 568.52 | 415.74 |
| - Others | 728.41 | 582.38 |
| Insurance | 626.49 | 793.56 |
| Rates and taxes | 73.67 | 247.43 |
| Travelling expenses | 1,597.60 | 752.44 |
| Freight and delivery expenses | 7,407.32 | 5,611.15 |
| Export related expenses | 2,950.52 | 1,889.90 |
| Advertisement and sales promotion | 5,213.95 | 3,372.47 |
| Commission paid to independent directors | 68.14 | 60.00 |
| Directors sitting fees | 61.55 | 25.20 |
| Payment to auditors | 49.15 | 49.38 |
| Donation | 23.16 | 2.46 |
| Expenditure on corporate social responsibility | 150.00 | 236.15 |
| Loss on sale/discard of property, plant and equipment | - | 76.99 |
| Legal and Professional fees | 640.35 | 593.96 |
| Commission expenses | 706.92 | 895.90 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| | Year ended 31 March 2022 | | Year ended 31 March 2021 | |
|---|---|---|---|---|
| Loss allowance and bad debts | | | | |
| - Bad debts | 23.11 | | - | |
| - Loss allowance | 212.05 | 235.16 | - | - |
| Foreign exchange fluctuations (net) | | 390.51 | | 67.44 |
| Miscellaneous expenses | | 2,315.20 | | 1,887.13 |
| | | 28,393.76 | | 21,508.55 |

## 36. Income tax and deferred tax assets (net)

See accounting policy in note 3(o)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| (a) | **Amount recognised in Profit and Loss** | | |
| | Current tax | 3,139.75 | 1,688.85 |
| | Taxes pertaining to earlier years | (15.35) | (41.46) |
| | **Income tax** | 3,124.40 | 1,647.39 |
| | Deferred tax | (98.08) | 399.74 |
| | **Deferred tax** | (98.08) | 399.74 |
| | **Tax expense recognised in Statement of Profit and Loss** | 3,026.32 | 2,047.13 |
| | Deferred tax in other comprehensive income | 10.09 | 9.82 |
| | **Tax expense in Total Comprehensive Income** | 3,036.41 | 2,056.95 |
| (b) | **Reconciliation of effective tax rate for the year** | | |
| | **Profit before tax** | 12,498.89 | 8,138.35 |
| | Applicable Income Tax rate | 25.168% | 25.168% |
| | **Computed tax expense** | 3,145.72 | 2,048.26 |
| | **Tax impact relating to:** | | |
| | Exempt income of subsidiaries | (131.23) | (134.56) |
| | Share of (profit)/loss of joint venture | (65.50) | 59.53 |
| | Income tax of earlier years | (15.35) | (41.46) |
| | Non-deductible expenses for tax purposes | 47.52 | 78.20 |
| | Other differences (net) | 45.16 | 37.16 |
| | **Tax expense in Statement of Profit and Loss** | 3,026.32 | 2,047.13 |

(c) **Movement in deferred tax liabilities and assets balances:**

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Deferred tax liabilities | 369.56 | 346.88 |
| Less: Deferred tax assets | (1,096.27) | (985.60) |
| Net deferred tax (assets)/liabilities | (726.71) | (638.72) |





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

(d) **Movement in deferred tax asset / liability**

| Movement in deferred tax asset / liability | 1 April 2021 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 346.88 | 22.68 | - | 369.56 |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (211.79) | (111.63) | 10.09 | (313.33) |
| Expenses allowed for tax purposes when paid | (540.65) | - | - | (540.65) |
| Provisions for Trade receivables | (148.27) | (35.71) | - | (183.98) |
| Other temporary differences | (84.89) | 26.58 | - | (58.31) |
| | (638.72) | (98.08) | 10.09 | (726.71) |

| Movement in deferred tax asset / liability | 1 April 2020 | Movement through Statement of Profit and Loss | Movement through Other Comprehensive income | 31 March 2021 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and intangible assets | 291.21 | 55.67 | - | 346.88 |
| **Deferred tax assets** | | | | |
| Provisions for employee benefits | (199.25) | (22.36) | 9.82 | (211.79) |
| Expenses allowed for tax purposes when paid | (888.42) | 347.77 | - | (540.65) |
| Provisions for Trade receivables | (213.20) | 64.93 | - | (148.27) |
| Other temporary differences | (38.62) | (46.27) | - | (84.89) |
| | (1,048.28) | 399.74 | 9.82 | (638.72) |

## 37. Share based payments

### (a) Employee stock option scheme

See accounting policy in note 3(h)

The "Greenply Employee Stock Option Plan 2020" (herewith reffered to as "ESOP Scheme 2020") was approved by the Nomination and Remuneration Committee (NRC) of Board of Directors of the Parent Company, in their meeting held on 14 August 2020. Approval of the Shareholders were received on 15 October 2020 (for approval of ESOPs) and 23 December 2020 (modification of ESOPs previously approved) with respect to ESOP Scheme 2020. The Scheme is designed to provide incentives to eligible employees to deliver long term returns. Under the Scheme each Option entitles the holder thereof to apply for and be allotted one equity shares of the Parent Company of Re.1 each upon payment of the exercise price at the time of exercise of options by employees. The exercise period commences from the date of vesting of the Options and expires at the end of 4 years from the date of vesting. The first options were granted on 17th March 2021 to all the eligible employees followed by second options on 16th March 2022.

Vesting schedule of the said options granted on 17th March 2021 was as follows :-

**Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)**

- After 12 Months from the date of grant : 35 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 30 Months from the date of grant : 30 % of the options granted

**For Employees other than Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 3,44,500)**

- After 12 Months from the date of grant : 50 % of the options granted
- After 24 Months from the date of grant : 50 % of the options granted

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

The new options were granted on 16th March 2022 to Mr. Manoj Tulsian, Joint Managing Director & CEO

Vesting schedule of the above options granted is as below:-

### Mr. Manoj Tulsian, Joint Managing Director & CEO (Options Granted 10,00,000)

- After 12 Months from the date of grant : 50 % of the options granted
- After 18 Months from the date of grant : 50 % of the options granted

### Measurement of fair value

The fair value of ESOP Scheme 2020 as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

| Particulars | Vest-1 | Vest-2 | Vest-3 | Vest-4 | Vest-5 |
|---|---|---|---|---|---|
| Grant date | Wednesday, 17 March 2021 | | | Wednesday, 16 March 2022 | |
| Fair value at grant date (₹) | 134.57 | 137.43 | 139.04 | 128.57 | 130.20 |
| Share price at grant date (₹) | 181.85 | 181.85 | 181.85 | 175.05 | 175.05 |
| Exercise price (₹) | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 |
| Expected volatilty | 43.92% | 40.73% | 40.73% | 46.21% | 45.04% |
| Expected Life (expected weighted average life) | 3.00 | 4.00 | 4.51 | 3.00 | 3.51 |
| Expected dividend yield (%) | 0.22 | 0.22 | 0.22 | 0.23 | 0.23 |
| Risk free interest rate (based on zero-yield curve for Government Securities) | 5.16% | 5.59% | 5.77% | 5.45% | 5.67% |

Expected volatility - since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Parent Companys stock price on NSE over the years.

### Reconciliation of outstanding share options

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Number of Options Outstanding at the beginning of the year | 13,35,000 | - |
| Number of Options granted during the year | 10,00,000 | 13,44,500 |
| Number of Options forfeited/lapsed during the year | 33,000 | 9,500 |
| Number of Options vested during the year | 5,01,000 | - |
| Number of Options exercised during the year | 1,89,250 | - |
| Number of Options outstanding at the end of the year | 21,12,750 | 13,35,000 |
| Number of Options exercisable at the end of the year | 3,11,750 | - |
| | | |
| For stock options exercised during the period, the weighted average share price at the date of exercise (₹) | 186.33 | - |

### (b) Expense arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of consolidated Profit and Loss as part of employee benefit expense are as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Expenses on Employees Stock Options Scheme | 1,205.41 | 46.74 |
| | 1,205.41 | 46.74 |





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 38. Earnings per share

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **Basic and diluted earnings per share** | | | |
| (i) Profit for the year, attributable to the equity shareholders | (A) | 9,472.57 | 6,091.22 |
| (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 |
| **Weighted average number of equity shares for computing basic earning per share** | (B) | 122,627,395 | 122,627,395 |
| Weighted average number of potential equity shares on account of employee stock options | (C) | 94,355 | - |
| **Weighted average number of equity shares for computing diluted earning per share** | [D =( B + C)] | 12,27,21,750 | 122,627,395 |
| **Basic earnings per share (₹)** | (A/B) | 7.72 | 4.97 |
| **Diluted earnings per share (₹)** | (A/D) | 7.72 | 4.97 |

## 39. Contingent liability and commitments

*(to the extent not provided for)*

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Contingent liabilities** | | |
| **(a) Claims against the Group not acknowledged as debts:** | | |
| (i) Excise duty, sales tax and other indirect tax matters in dispute/ appeal | 3,159.02 | 3,345.99 |
| (ii) Consumer court cases in dispute | 128.39 | 63.76 |
| 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 will account for the impact of the judgement after clarification is obtained in interpreting aspects of the judgement and after knowing the effective date of its application. The Holding Company does not expect the impact to be material. | | |
| **c) Guarantees outstanding** | | |
| (i) Guarantee given to bank in respect of financial assitance to a joint venture company (refer note 40) | 2,273.40 | 2,193.15 |
| **Guarantee outstanding:** The Holding company had issued guarantee in favour of banker on behalf of its joint venture company - Greenply Alkemal (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) | 34,593.30 | 532.90 |
| (ii) Other commitments: proposed investment to be made in an entity | 190.00 | - |

**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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 40. Related party disclosure

a) Related parties where control exists

Company in which a subsidiary is a Joint Venture Partner:

i) **Greenply Alkemal (Singapore) Pte. Limited, Singapore**

(Joint venture of Greenply Holdings Pte. Limited, Singapore with Alkemal Singapore Pte. Limited, Singapore)

ii) **Greenply Industries (Myanmar) Private Limited (Wholly owned subsidiary of Greenply Alkemal (Singapore) Pte. Limited.)**

b) Related parties with whom transactions have taken place during the year.

(i) Key Management Personnel (KMP)

i) Mr. Rajesh Mittal, Chairman cum Managing Director
ii) Mr. Sanidhya Mittal, Joint Managing Director
iii) Mr. Manoj Tulsian, Joint Managing Director & CEO
vi) Mr. Nitin Kalani, Chief Financial Officer (w.e.f. 14th February 2022)
v) Mr. Mukesh Agarwal, Chief Financial Officer (till 15th January 2022)
vi) Mr. Kaushal Kumar Agarwal, Company Secretary & Sr. Vice President - Legal

(ii) Non-executive Directors

i) Mr. Susil Kumar Pal, Independent Director
ii) Mr. Vinod Kumar Kothari, Independent Director
iii) Mr. Upendra Nath Challu, Independent Director
iv) Ms. Sonali Bhagwati Dalal, Independent Director
v) Ms. Vinita Bajoria, Independent Director (w.e.f 15th September 2021)

(iii) Relatives of Key Management Personnel (KMP)

i) Mrs. Karuna Mittal (Wife of Mr. Rajesh Mittal)
ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)

(iv) Enterprises controlled by Key Management Personnel or their relatives

i) RS Homcon Limited
ii) Mastermind Shoppers Private Limited
iii) Greenlam Industries Limited
iv) Greenpanel Industries Limited
v) Vinod Kothari & Company
vi) Greenply Foundation
vii) RKS Family Foundation





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

c) Related party transactions

| Name of the related party | Nature of transaction | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| Greenply Alkemal (Singapore) Pte. Limited | Purchase of products | 424.06 | 399.01 |
| | Commission on guarantee | 22.28 | 22.16 |
| | Other advance | 7.58 | - |
| Greenpanel Industries Limited | Purchase of products | - | 36.88 |
| | Other Income | - | 0.01 |
| | Sale of products | - | 71.24 |
| | Rent paid | 0.59 | - |
| Greenlam Industries Limited | Purchase of products | 50.10 | 79.42 |
| Greenply Foundation | Contribution towards corporate social responsibility | 150.00 | 236.15 |
| RKS Family Foundation | Sale of products | - | 183.79 |
| | Sales return of products | 6.39 | - |
| Mr. Rajesh Mittal | Remuneration | 596.32 | 369.93 |
| | Rent paid | 5.54 | 4.88 |
| Mr. Sanidhya Mittal | Remuneration | 237.90 | 137.42 |
| | Rent paid | 5.54 | 4.88 |
| Mr. Manoj Tulsian | Remuneration | 520.25 | 283.44 |
| | Share application money received | 78.65 | - |
| Mr. Kaushal Kumar Agarwal | Remuneration | 54.81 | 59.78 |
| Mr. Mukesh Agarwal | Remuneration | 62.53 | 68.95 |
| Mr. Nitin Kalani | Remuneration | 15.77 | - |
| Ms. Vinita Bajoria | Commission and sitting fees | 13.64 | - |
| Mr. Susil Kumar Pal | Commission and sitting fees | 31.95 | 22.60 |
| Mr. Upendra Nath Challu | Commission and sitting fees | 32.45 | 22.60 |
| Mr. Vinod Kumar Kothari | Commission and sitting fees | 31.45 | 22.60 |
| Ms. Sonali Bhagwati Dalal | Commission and sitting fees | 20.20 | 17.40 |
| Mrs. Surbhi Poddar | Remuneration | 28.30 | 25.55 |
| Mrs. Karuna Mittal | Rent paid | 13.48 | 4.88 |
| | Security deposit Paid | 3.36 | - |
| Vinod Kothari & Company | Professional fees paid | 0.70 | - |
| RS Homcon Limited | Rent paid | 11.88 | 12.79 |
| Mastermind Shoppers Private Limited | Rent paid | 10.07 | 18.22 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### d) Outstanding balances

| Name of the related party | Nature of transaction | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| Greenply Alkemal (Singapore) Pte. Limited | Trade payables | 261.22 | 74.37 |
| | Guarantee given | 2,273.40 | 2,193.15 |
| | Commission on guarantee receivable | 5.60 | 5.40 |
| | Other advance | 129.10 | 117.23 |
| Greenlam Industries Limited | Trade payables | 3.91 | - |
| Mr. Rajesh Mittal | Remuneration | 184.00 | 122.50 |
| | Security deposit | 2.50 | 2.50 |
| Mr. Manoj Tulsian | Remuneration | 123.00 | 81.50 |
| Mr. Sanidhya Mittal | Remuneration | 90.00 | 122.50 |
| RKS Family Foundation | Trade receivables | - | 183.79 |
| RS Homcon Limited | Security deposit | 2.07 | 2.57 |
| Mrs. Karuna Mittal | Security deposit | 3.36 | - |
| Mastermind Shoppers Private Limited | Security deposit | - | 2.90 |

### e) Key Management Personnel compensation

Key management personnels compensation comprised of the following:

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Nature of transaction** | | |
| Short-term employee benefits | 1,391.02 | 855.11 |
| Other long-term benefits | 96.56 | 64.41 |
| **Total compensation key management personnel** | 1,487.58 | 919.52 |

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 are 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.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 41. 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 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial assets at amortised cost** | | | | |
| Loans | 118.69 | 118.69 | 91.17 | 91.17 |
| Other financial assets | 1,682.56 | 1,682.56 | 1,832.08 | 1,832.08 |
| Trade receivables | 18,643.46 | 18,643.46 | 19,390.00 | 19,390.00 |
| Cash and cash equivalents | 6,295.93 | 6,295.93 | 1,813.30 | 1,813.30 |
| Bank balances other than cash and cash equivalents | 961.96 | 961.96 | 10,984.89 | 10,984.89 |
| | 27,702.60 | 27,702.60 | 34,111.44 | 34,111.44 |
| **Financial assets at fair value through profit and loss** | | | | |
| **Level 1** | | | | |
| Investments | 0.62 | 0.62 | 0.54 | 0.54 |
| **Level 2** | | | | |
| Derivatives | - | - | - | - |
| **Level 3** | | | | |
| Investments | 381.22 | 381.22 | 313.38 | 313.38 |
| | 381.84 | 381.84 | 313.92 | 313.92 |
| **Total Financial Assets** | 28,084.44 | 28,084.44 | 34,425.36 | 34,425.36 |
| **Financial liabilities at amortised cost** | | | | |
| Borrowings | 29,186.49 | 29,186.49 | 19,171.51 | 19,171.51 |
| Lease liabilites | 1,761.51 | 1,761.51 | 1,121.47 | 1,121.47 |
| Other financial liabilities | 4,368.84 | 4,368.84 | 2,498.49 | 2,498.49 |
| Trade payables | 21,637.84 | 21,637.84 | 20,430.50 | 20,430.50 |
| | 56,954.68 | 56,954.68 | 43,221.97 | 43,221.97 |
| **Financial liabilities at fair value through profit and loss** | | | | |
| **Level 2** | | | | |
| Derivatives | 13.64 | 13.64 | 32.05 | 32.05 |
| **Total Financial Liabilities** | 56,968.32 | 56,968.32 | 43,254.02 | 43,254.02 |

## 42. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

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 2022 | 31 March 2021 |
|---|---|---|
| **Financial assets - Level 1** | | |
| Investments | 0.62 | 0.54 |
| **Financial assets - Level 2** | | |
| Derivatives | - | - |
| **Financial assets - Level 3** | | |
| Investments | 381.22 | 313.38 |
| **Financial liabilities - Level 2** | | |
| Derivatives | 13.64 | 32.05 |

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:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of derevatives (forward foreign exchange contracts,etc) 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.

(c) The fair value of unquoted investments included in level 3 is determined using discounted cash flows, net asset value approach. Significant unobservable inputs comprise long term growth rates, market conditions of the specific industry etc. However, the changes in the fair values due to changes in unobservable inputs will not be material to the financial statements.

There were no tranfer of financial assets or liabilities measuredat fair value between level 1 and level 3, or tranfer into or out of level 3 during the year ended 31 March 2022 and 31 March 2021."

### Level 3 Fair Values

**Movement in the value of unquoted equity instruments through FVTPL**

Reconciliation from the Opening balances to the Closing Balance

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening | 313.38 | 209.00 |
| Additions | 16.00 | 85.00 |
| Gain on fair valuation of investments at fair value through profit and loss | 51.84 | 19.38 |
| Closing | 381.22 | 313.38 |





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 43. 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. 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, lease liabilities 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 | Sensitivity analysis | Forward foreign exchange contracts. |
| Interest rate | Non current borrowings at variable rates | Sensitivity analysis Interest rate movements | The Group has held 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 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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### 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 2022 | 31 March 2021 |
|---|---|---|
| Revenue from top customer | 2.90% | 4.03% |
| Revenue from top five customers | 7.64% | 8.89% |

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. The movement of expected credit loss provision is as follows:

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Balance at the beginning | 441.48 | 730.72 |
| Movement in loss allowance | 212.05 | (289.14) |
| Exchange differences on translation of foreign operations | 0.97 | (0.10) |
| **Balance at the end** | 654.50 | 441.48 |

### (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.

| 31 March 2022 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 16,168.25 | 16,286.88 | - | 32,455.13 |
| Trade payables | 21,637.84 | - | - | 21,637.84 |
| Lease liabilites* | 456.22 | 1,430.28 | 350.59 | 2,237.09 |
| Other financial liabilities | 4,313.44 | 9.00 | - | 4,322.44 |
| Derivatives | 13.64 | - | - | 13.64 |
| | 42,589.39 | 17,726.16 | 350.59 | 60,666.14 |





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

| 31 March 2021 | < 1 year | 1 - 5 years | > 5 years | Total |
|---|---|---|---|---|
| Borrowings (including current maturities)* | 15,100.13 | 5,521.40 | - | 20,621.53 |
| Trade payables | 20,430.50 | - | - | 20,430.50 |
| Lease liabilites* | 263.19 | 869.95 | 344.87 | 1,478.01 |
| Other financial liabilities | 2,424.32 | 1.00 | - | 2,425.32 |
| Derivatives | 32.05 | - | - | 32.05 |
| | 38,250.19 | 6,392.35 | 344.87 | 44,987.41 |

** 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 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | Amount in Foreign currency in Lakhs | ₹ in Lakhs | Amount in Foreign currency in Lakhs | ₹ in Lakhs |
| **- Hedged exposures *** | | | | | |
| Borrowings - Buyers credit | USD | - | - | 3.71 | 271.05 |
| | | | - | | 271.05 |
| Trade payables | EURO | 1.31 | 109.84 | - | - |
| | USD | 41.92 | 3,176.70 | 32.44 | 2,371.82 |
| | | | 3,286.54 | | 2,371.82 |
| **- Unhedged exposures** | | | | | |
| Trade payables | EURO | 0.56 | 46.77 | 0.29 | 24.74 |
| | USD | 16.88 | 1,279.08 | 3.90 | 284.24 |
| | | | 1,325.85 | | 308.98 |
| Cash and cash equivalents | EURO | - | - | 2.04 | 174.53 |
| | | | - | | 174.53 |
| Trade receivables | EURO | 10.27 | 861.17 | 7.91 | 677.90 |
| | USD | 2.57 | 194.88 | 3.53 | 258.32 |
| | | | 1,056.05 | | 936.22 |

** These foreign exchange liabilities are covered with forward contract having a maturity of less than one year.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

### 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 2022 | 31 March 2021 |
|---|---|---|---|---|
| USD (1% Movement) | Strengthening | Decrease in Profit | (10.84) | (0.27) |
| USD (1% Movement) | Weakening | Increase in Profit | 10.84 | 0.27 |
| USD (1% Movement) | Strengthening | Decrese in Equity, net of tax | (8.56) | 2.24 |
| USD (1% Movement) | Weakening | Increase in Equity, net of tax | 8.56 | (2.24) |
| EUR (1% Movement) | Strengthening | Increase in Profit | 8.14 | 8.28 |
| EUR (1% Movement) | Weakening | Decrease in Profit | (8.14) | (8.28) |
| EUR (1% Movement) | Strengthening | Increase in Equity, net of tax | 8.26 | 12.57 |
| EUR (1% Movement) | Weakening | Decrese in Equity, net of tax | (8.26) | (12.57) |

### (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 2022 | 31 March 2021 |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial liabilities | (9,753.07) | (4,621.00) |
| | (9,753.07) | (4,621.00) |
| **Variable rate instruments** | | |
| Financial liabilities | (18,860.92) | (13,825.51) |
| | (18,860.92) | (13,825.51) |

### 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:

| Particulars | Effect | Nature | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|
| Variable rate instruments | Strengthening | Decrease in Profit | (188.61) | (138.26) |
| | Weakening | Increase in Profit | 188.61 | 138.26 |
| | Strengthening | Decrese in Equity, net of tax | (169.73) | (130.97) |
| | Weakening | Increase in Equity, net of tax | 169.73 | 130.97 |
| Cash flow sensitivity (net) | Strengthening | Decrease in Profit | (188.61) | (138.26) |
| | Weakening | Increase in Profit | 188.61 | 138.26 |
| | Strengthening | Decrese in Equity, net of tax | (169.73) | (130.97) |
| | Weakening | Increase in Equity, net of tax | 169.73 | 130.97 |





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

## 44. 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 2022 | 31 March 2021 |
|---|---|---|
| Borrowings (refer note 21) | 29,186.49 | 19,171.51 |
| Less: Cash and cash equivalents (refer note 14) | 6,295.93 | 1,813.30 |
| **Adjusted net debt** | 22,890.56 | 17,358.21 |
| Equity (refer note 19 and 20) | 53,816.50 | 43,671.10 |
| **Debt to Equity (net)** | 0.43 | 0.40 |

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. which is maintained by the Group.

## 45. Operating segments

### A. 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 has two reportable segments, as described below, which is the Group's strategic business units. These business units are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

| Reportable segment | Operations |
|---|---|
| Plywood and allied products | Manufacturing and trading |
| Medium Density Fibre Boards and allied products | Manufacturing |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)

B. **Information about reportable segments**

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Chief operating decision maker (CODM). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

| Particulars | Year ended 31 March 2022 | | | Year ended 31 March 2021 | | |
|---|---|---|---|---|---|---|
| | Plywood and allied products | Medium Density Fibre Boards and allied products | Total | Plywood and allied products | Medium Density Fibre Boards and allied products | Total |
| Segment revenue: | | | | | | |
| - External revenues | 1,56,280.38 | - | 1,56,280.38 | 1,16,534.44 | - | 1,16,534.44 |
| - Inter-segment revenue | - | - | - | - | - | - |
| **Total revenue** | 1,56,280.38 | - | 1,56,280.38 | 1,16,534.44 | - | 1,16,534.44 |
| Segment result | 13,525.57 | (167.16) | 13,358.41 | 9,803.32 | - | 9,803.32 |
| Reconciliation to profit before tax | | | | | | |
| Finance costs | | | 1,193.15 | | | 1,664.97 |
| Other unallocated expenditure (net of unallocated income) | | | (333.63) | | | - |
| Profit before tax | | | 12,498.89 | | | 8,138.35 |
| Taxes | | | 3,026.32 | | | 2,047.13 |
| **Profit for the year** | | | 9,472.57 | | | 6,091.22 |
| Segment depreciation and amortisation* | 2,563.85 | 20.75 | 2,584.60 | 2,307.89 | - | 2,307.89 |
| Capital expenditure | 10,052.23 | 13,147.00 | 23,199.23 | 2,263.53 | - | 2,263.53 |
| Share of profit/(loss) of a joint venture | 260.27 | - | 260.27 | (236.53) | - | (236.53) |
| Segment assets | 92,935.53 | 17,334.62 | 1,10,270.15 | 89,575.02 | - | 89,575.02 |
| Investments accounted for using the equity method | 2,198.28 | - | 2,198.28 | 1,938.01 | - | 1,938.01 |
| Unallocated assets | | | 3,410.70 | | | - |
| **Total assets** | | | 1,13,680.85 | | | 89,575.02 |
| Segment liabilities | 59,280.37 | 2,775.88 | 62,056.25 | 47,841.93 | - | 47,841.93 |
| Unallocated liabilities | | | 6.38 | | | - |
| **Total liabilities** | | | 62,062.63 | | | 47,841.93 |

**There are no material non cash expesnes other than depreciation and amortisation.*

Property, plant and equipment are allocated based on location of the assets.

The Group's revenue from external customers by location of operations and information about its non- current assets by location of assets are detailed below:-

**Geographical information**

| Particulars | Within India | | Outside India | | Total | |
|---|---|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| External revenue by location of customers | 1,39,802.16 | 1,03,394.10 | 15,934.59 | 12,768.64 | 1,55,736.75 | 1,16,162.74 |
| Non current assets other than finacial assets and deferred tax assets. | 48,820.08 | 21,371.79 | 10,221.64 | 14,578.62 | 59,041.72 | 35,950.41 |






# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All Amount in ₹ Lakhs, unless otherwise stated)


**Major customer**

The Group does not receive 10% or more of its revenues from transactions with any single external customer.

**46.** 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.

**47.** 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 ₹ **541.08 lakhs** (31 March 2021 ₹ 371.70 lakhs).

## 48. Distribution made and proposed dividend

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Cash dividend on equity shares declared and paid** | | |
| Final dividend for the year ended on 31 March 2021: | 490.51 | 490.51 |
| ₹ 0.40 per share (31 March 2020: ₹ 0.40 per share) | | |
| **Total dividend paid** | 490.51 | 490.51 |
| **Proposed dividend on equity shares** | | |
| Final dividend for the year ended on 31 March 2022: | 613.14 | 490.51 |
| **₹ 0.50 per share** (31 March 2021: ₹ 0.40 per share) | | |
| **Total dividend proposed** | 613.14 | 490.51 |

Proposed dividends on equity shares are subject to approval by the shareholders at the ensuing annual general meeting and are not recognised as a liability as at 31 March 2022.

## 49. 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 |
| **Holding Company** | | | | |
| Greenply Industries Limited | 94.40% | 50,804.82 | 93.76% | 8,881.33 |
| **Subsidiaries:** | | | | |
| **Indian** | | | | |
| Greenply Sandila Private Limited | -0.05% | (28.70) | -0.30% | (28.70) |
| Baahu Panels Private Limited | -0.30% | (161.68) | -1.71% | (161.68) |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | -0.02% | (12.29) | -0.08% | (7.49) |
| Greenply Middle East Limited ^ | 6.35% | 3,417.90 | 5.58% | 528.84 |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | -0.38% | (203.55) | 2.75% | 260.27 |
| **Non-controlling interests in all subsidiaries** | 0.00% | - | 0.00% | - |
| **At 31 March 2022** | 100.00% | 53,816.50 | 100.00% | 9,472.57 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(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 |
| **Holding Company** | | | | |
| Greenply Industries Limited | -20.53% | 30.01 | 95.55% | 8,911.34 |
| **Subsidiaries:** | | | | |
| **Indian** | | | | |
| Greenply Sandila Private Limited | 0.00% | - | -0.30% | (28.70) |
| Baahu Panels Private Limited | 0.00% | - | -1.71% | (161.68) |
| **Foreign** | | | | |
| Greenply Holdings Pte. Limited | 0.21% | (0.30) | -0.08% | (7.79) |
| Greenply Middle East Limited ^ | 120.32% | (175.87) | 3.75% | 352.97 |
| **Joint venture:** | | | | |
| **Foreign** | | | | |
| Greenply Alkemal (Singapore) Pte. Limited | 0.00% | - | 2.79% | 260.27 |
| **Non-controlling interests in all subsidiaries** | 0.00% | - | 0.00% | - |
| **At 31 March 2022** | **100.00%** | **(146.16)** | **100.00%** | **9,326.41** |

*^ includes a wholly owned step down subsidiary company - Greenply Gabon SA*

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
Dated : 16th May 2022

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

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

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

**Nitin Kalani**
*Chief Financial Officer*

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

Place : Kolkata
Dated : 16th May 2022

# CORPORATE INFORMATION

## Board of Directors

**Mr. Rajesh Mittal,**
*Chairman cum Managing Director*

**Mr. Manoj Tulsian,**
*Joint Managing Director & CEO*

**Mr. Sanidhya Mittal,**
*Joint Managing Director*

**Mr. Susil Kumar Pal**

**Mr. Vinod Kumar Kothari**

**Mr. Upendra Nath Challu**

**Ms. Sonali Bhagwati Dalal**

**Ms. Vinita Bajoria**

## 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**

**Ms. Vinita Bajoria**
(appointed w.e.f. 17.03.2022)

## Corporate Social Responsibility Committee

**Mr. Vinod Kumar Kothari**

**Mr. Upendra Nath Challu**

**Mr. Rajesh Mittal**

**Mr. Sanidhya Mittal**

**Ms. Vinita Bajoria**
(appointed w.e.f. 17.03.2022)

## Operational Committee

**Mr. Rajesh Mittal**

**Mr. Sanidhya Mittal**

**Mr. Susil Kumar Pal**

**Mr. Vinod Kumar Kothari**

## Risk Management Committee

**Mr. Manoj Tulsian, Chairman**

**Mr. Sanidhya Mittal**

**Mr. Susil Kumar Pal**

**Mr. Upendra Nath Challu**

**Mr. Mukesh Agarwal**
(up to 15.01.2022)

**Mr. Nitin Kalani**
(w.e.f. 14.02.2022)

## Chief Financial Officer

**Mr. Mukesh Agarwal**
(up to 15.01.2022)

**Mr. Nitin Kalani**
(w.e.f. 14.02.2022)

## Chief Investor Relations Officer:

**Mr. Gautam Jain**
(w.e.f. 14.02.2022)

## 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.**

**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.
D/42, Katju Nagar Colony, Ground Floor,
Near South City Mall, PO & PS - Jadavpur
Kolkata, West Bengal - 700 032
Phone: (033) 2412-0027/0029
Fax: (033) 2412-0027

## 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
- Sandila, Uttar Pradesh (WOS)
  (capacity added as on June 30, 2022)

Greenply
Industries Limited

www.greenply.com

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)