

October 05, 2023

Annual Report Observations (FY23) | Sector: Building Materials

Greenply Industries Ltd

KEY OBSERVATIONS

A. Cessations from board since March 2022: Nil

B. Remuneration

Parameter	FY22	FY23
Consolidated Total Income (Rs. bn)	15.7	18.6
Consolidated PBT (Rs. bn)	1.2	1.1
Rajesh Mittal - CMD (Rs. mn)	59.6	60.6
Manoj Tulsian - CEO & Joint MD (Rs. mn)	52.0	67.4
Sanidhya Mittal - Joint MD (Rs. mn)	23.8	31.6
Executive remuneration (Rs. mn)	135.4	159.6
% of PBT	10.8%	14.4%

Source: Annual Report

Industry Peer Metrics (in Rs. mn for FY21)

Industry: Construction Materials	Minimum	Median	Maximum
Promoter MDs/CEOs/Executive Chairpersons	16.6	49.7	597.6
Non-Promoter MDs/CEOs/Executive Chairpersons	0.9	29.4	61.7

Based on data for the S&P BSE 500 companies

* Latest available figures for Non-Promoter MDs/CEOs/Executive Chairpersons in the sector (including fair value of ESOPs, if any)

C. Dividend Policy

Parameter	Assessment
Is Dividend Distribution Policy disclosed?	Yes
Does Dividend Distribution Policy specify a target payout ratio?	No

Company website

D. Auditor Tenure

Parameter	Assessment
Name of Auditor	B S R & Co LLP
Audit Network	KPMG
Tenure of auditor (yrs)	6

E. Auditor qualifications/ Emphasis of matters: Nil

F. Royalty payments: Nil

CMP	: Rs169
MCap	: Rs20.8bn

Stock data (as on October 04, 2023)

Nifty	19,436
Rs 52 Week h/l (Rs)	186 / 135
Market cap (Rs/USD mn)	20819 / 250
Outstanding Shares (mn)	123
6m Avg t/o (Rs mn):	33
Div yield (%):	0.3
Bloomberg code:	MTLM IN
NSE code:	GREENPLY

Stock performance



Shareholding pattern (As of Jun'23 end)

Promoter	52.1%
FII+DII	35.3%
Others	12.6%

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G. Major Related Party Transactions with promoter owned entities

For year ended 31-Mar	2023	Assessment
Rent paid (Rs. mn)	3.9	To R S Homcon Limited, Greenpanel Industries (Enterprise controlled by Key Management Personnel or their relatives) and Ms. Surbhi Poddar (daughter of promoter, Rajesh Mittal)
Rent received (Rs. mn)	0.1	From Karuna Investment Pvt Ltd (Enterprise controlled by Key Management Personnel or their relatives)
Professional fees paid (Rs. Mn)	0.8	Vinod Kothari & Company (Enterprise controlled by Key Management Personnel or their relatives)
Purchase of products (Rs. mn)	1.5	From Greenlam Industries and Greenpanel Industries (Enterprise controlled by Key Management Personnel or their relatives)
Sales of products (Rs mn)	0.7	To RKS Family Foundation (Enterprise controlled by Key Management Personnel or their relatives)
Contribution towards CSR (Rs. mn)	18.8	To Greenply Foundation (Enterprise controlled by Key Management Personnel or their relatives)
Total Major RPTs (Rs. mn)	25.8	
As a % of total income	0.2%	Relatively low

Standalone financials

H. Contingent Liabilities (Rs. mn)

As on 31-Mar	2022	2023	Assessment
Tax-related	315.9	259.9	Primarily towards disputed, excise duty sales tax (VAT) & indirect tax liabilities
Others	12.8	147.5	Consumer court cases in dispute and deferred duty on capital goods
Guarantees	227.3	246.5	Guarantee given to bank in respect of financial assistance to a JV
Total Contingent liabilities	556.0	653.9	
As a % of Networth	10.3%	10.4%	Relatively high

Consolidated financials

I: Guarantees given to related parties:

For year ended 31-Mar	2023	Assessment
Guarantee Commission Income (Rs. mn)	30.5	Primarily from wholly owned subsidiaries (Greenply Middle East Limited, Limited, Greenply Sandila Pvt Ltd, Greenply Gabon SA, Greenply Speciality Panels Private Limited) and JV (Greenply Alkema (Singapore) Pte.)
Financial Guarantee Given (Rs. mn)	1350.0	To Greenply Speciality Panels Private Ltd (wholly owned subsidiary)

Annual reports

J: Ownership structure

Assessment Parameter	Assessment	Number	Comment
Is the holding structure complex?	No	Wholly owned subsidiaries: 5 Joint Ventures: 2 Enterprises controlled by Key Management Personnel or their relatives: 7	-
Are company shares pledged?	No	-	-

Annual reports

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