



# Bettering

Readying for the next orbit

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### Forward-looking statement

In this Annual Report we have disclosed 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. We have tried wherever possible 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 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. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Note: The figures in the non-statutory section are based on the consolidated financials unless otherwise stated.



Online report  
[www.greenlamindustries.com](http://www.greenlamindustries.com)

## PART 1

An introduction to the 'bettering' world of Greenlam



At no time in the history of our existence has the concept of bettering become more relevant.

Bettering the world.

Bettering environment cleanliness.

Bettering air quality.

Bettering our lives.

Bettering the way we understand each other.

Bettering the way we enhance business trust.

The result is that bettering is no longer limited to select pockets.

It is about the way we can rethink our complete existence.

So that we leave it better for succeeding generations.



At Greenlam, bettering is not just about focusing on the next quarter or year.

It is about addressing the present but investing in the future.

It is about enunciating a clarity of where the company is headed.

It is about creating a Balance Sheet that empowers the company to think big and different.

It is about broad-basing to build a more sustainable business.

It is about creating multiple revenue engines to address a larger market opportunity.

It is about preparing to graduate from the good to the great.

So that we build a well-rounded and profitable business today for tomorrow.

**Corporate snapshot**

Greenlam.

Among the three largest laminate brands across the globe.

Largest laminate exporter of India for twelve consecutive years.

An integrated multi-surface solutions provider.

Extending from standalone products to a comprehensive solution.

Moving from surface solutions to substrate products.

Entering a new orbit.

**Background**

Greenlam commenced its business operations in 1993 with a manufacturing facility for laminate sheets at Behror, Rajasthan. The Company expanded its manufacturing to compact panels, cladding solutions, restroom cubicle and locker solutions, kitchen solutions, decorative veneers, engineered wooden flooring, staircase solutions and engineered wooden door sets, in addition to providing a comprehensive range of decorative laminates.

**Best sectorial practices**

Greenlam's commitment towards the environment was showcased in confidence-enhancing certifications like FSC, PEFC, ISO 14001 and ISO 45001. The Company enjoyed specific certifications like ISO 9001, CE, UL, NSF, SEFA, Greenlabel, Greenguard and NEMA (US and BS), reinforcing its respect as a quality-driven company. The Company also enjoys a SEDEX certification for Ethical Trade Initiatives.

**A focus on credible financials**

Greenlam de-leveraged its Balance Sheet, strengthened its working capital management through superior trade terms, increased the proportion of value-added products and moderated costs. The result: enhanced competitiveness across market cycles.

**Management**

Greenlam Industries Limited is led by Mr. Saurabh Mittal (Managing Director & CEO), possessing more than 25 years of experience in the laminates business. The Company is professionally managed and consists of a strong multi-competence teams that introduced innovative products and expanded the company's footprint. The Company comprised 5000+ employees (including contractual employees).

**Wide and deep distribution presence**

The Company provided products proximate to consumers. The Company's products were marketed through nine large regional distribution centres, 21 branch offices, five warehouses and 14,000+ distributors, dealers and retailers, among the largest footprints within the sector in India during the year under review. Greenlam's products were also available in over 100 countries, supported by four international distribution centres, 15 international offices, eight operational overseas subsidiaries and 100+ multi-cultural employees.

**Corporate social responsibility**

Greenlam is committed to inclusive community engagement. The Company is committed to enhance the life quality of communities around its manufacturing facilities. The Company strengthened its corporate citizenship by engaging with NGOs in the fields of health, education, environment and vocational training.

**Listing and valuation**

Greenlam Industries Limited continued to be listed on the BSE Limited and National Stock Exchange of India Limited. The Company enjoyed a market capitalisation of ₹4,386.18 cr as on March 31, 2022 (based on the closing price on National Stock Exchange of India Limited).

**World-class manufacturing capabilities**

Greenlam manufactures products in two state-of-the-art manufacturing facilities in Behror, Rajasthan, and Nalagarh, Himachal Pradesh, possessing a manufacturing capacity of 15.62 mn laminate sheets per annum, 4.2 mn square meters of decorative veneers, 1.0 mn square meters of engineered wooden floors and 1.2 lac engineered doors and frames per annum. The Behror plant also manufactures melamine-faced chip boards, decorative veneers, engineered wooden flooring and engineered wooden doors.

**Export award**

2022: Largest exporter of laminates from India for 12 consecutive years



The Plastic Export Promotion Council, India



Our green credentials

The Company manufactures today's products with tomorrow's sensibilities. We manufacture laminates that progressively reduce wood consumption in the manufacture of furniture. The Company makes a responsible use of resources and processes with the key objectives being waste reduction, complete utilisation of natural resources and enhancement of business sustainability.

| IGBC  | Green label   | FSC®  | Urea free product   | ISO   |
|---|---|---|---|---|
|  |  |  |  |                          |
| Member of Indian Green Building Council   | First Indian brand to be certified by Green Label, Singapore                      | First Indian brand to get certified with FSC® chain of Custody Certification.     | We do not use urea in our laminate manufacturing process                          | Greenlam Industries has been certified with ISO 9001, ISO 14001 and OH&SMS certifications for all its units |



India's leading decorative veneer brand

India's only engineered wooden flooring manufacturer

India's first organised manufacturer of engineered wooden door sets

Now extending to the manufacture of plywood and particle board

Driven by the objective to emerge as an integrated single-point solution provider.

# Greenlam. Driven by values

|  |  |
|--|--|
| <p><b>Trust</b></p> <p>We trust people to be reliable and responsible and earn their trust similarly.</p>                            | <p>As an organisation, Greenlam deals with the environment, which includes individual employees, vendors, business partners, investors, customers and society at large with good faith. We trust people and strive to earn the trust of them as well. Therefore, we do not deal with anybody who breaches our trust or the trust placed on us by our environment. The Company empowers its employees by placing trust on them for decision-making in the best interest of the organisation and as per the promulgated norms.</p> |
| <p><b>Performance</b></p> <p>We value performance across products, people and processes.</p>   | <p>The Company considers product to be the core ingredient for sustainability and is therefore, the underlying metric for people, product and process selection for the organisation. Moreover, other values only add to the performance. Performance means delivery on commitment in every parameter. This also refers to the effort and a continuing endeavour to enhance the status quo in order to achieve excellence.</p>   |
| <p><b>Learning</b></p> <p>We encourage learning: creating and nurturing talent.</p>  | <p>Greenlam facilitates employee learning and continuously transforms itself. We also support formal learning through structured programs for the empowerment of the people outperforming their individual potential.</p>  |
| <p><b>Speed and agility</b></p> <p>We are quick with our decisions, responses and execution.</p>                                     | <p>The Company values decisions being made without undue procrastination and being implemented within the shortest time possible as we value it as a source of competitive advantage. Therefore, individuals will be held accountable in case of any delay being caused because of them either in the decision making or in the process of implementation. Similarly, we shall respond to the market proactively rather than reacting when the situation reaches a point, where inaction becomes unaffordable.</p>               |
| <p><b>Teamwork</b></p> <p>The Company achieves more through its collaboration with the stakeholders, both internal and external.</p> | <p>Given the inter-linkage of others' output with our performance, we nurture a sense of collective destiny with our environment. Internally, if a peer fails, the team cannot succeed and individual success is negligible in a failed team. Moreover, our customers, partners and investors need to succeed. Therefore, the goals of the organisation come before the goals of the department. Furthermore, dealers, distributors and vendors are our partners.</p>  |

# Products portfolio

## Decorative Laminate & Allied Products



### Laminates

- Commodity to Premium products



### Compact Panels

- Standard Compact Panels
- Lab Guardian - Chemical Resistant Variant
- Restroom & Locker Solutions
- Clads-Façade Panels
- Stratus Kitchen Solutions



### MFC

- Melamine Faced Chip Board

## Veneer & Allied Products



### Decorative Veneer

- Natural Veneer
- Engineered Veneer
- Teak Veneer



### Mikasa Floor

- Engineered Wooden Flooring & matching accessories



### Mikasa Door

- Engineered Wooden Doors and Door sets (Door + Frames)



# Our consolidated financial performance, FY 2021-22

## Background

**Consolidated net revenues** grew 42.0% to ₹1,703.4 cr compared to ₹1,199.6 cr in FY 2020-21, despite a challenging year.

**EBITDA** grew 7.9% to ₹187.0 cr compared to ₹173.3 cr in FY 2020-21.

**PAT** grew 22.9% to ₹90.6 cr against ₹73.7 cr in FY 2020-21 (after an exceptional expense of ₹2.6 cr).

## Products

**Laminate** revenues grew 46.1% to ₹1,556.3 cr from ₹1,065.3 cr in FY 2020-21

**Decorative veneer** revenues grew 6.5% to ₹83.7 cr from ₹78.6 cr in FY 2020-21

**Engineered wood flooring** revenues grew 15.7% to ₹36.7 cr against ₹31.7 cr in FY 2020-21

**Engineered door** business revenues grew 11.6% to ₹26.8 cr against ₹24.0 cr in FY 2020-21

## Business health

**Gross profit** in absolute terms grew 26.9% to ₹759.1 cr compared to ₹598.0 cr in FY 2020-21

**Gross margin** declined 520 bps to 44.6% from 49.8% in FY 2020-21

**EBITDA margin** de-grew 340 bps to 11.0% from 14.4% in FY 2020-21

**Working capital** cycle improved by 7 days to 81 days of turnover equivalent

# Greenlam in numbers





# 5 big messages of this Annual Report



## What we earned from our business in FY 2021-22



\*Profit after tax  
+ Depreciation  
- Dividend payout

## How we allocated our surplus in FY 2021-22



What we achieved in the last 7 years

- We** focused principally on the manufacture and marketing of laminates
- We** positioned ourselves as a global company manufacturing out of India
- We** created a company respected for our Balance Sheet integrity
- We** established market leadership in India's laminates space
- We** created a strong brand respected for quality and integrity

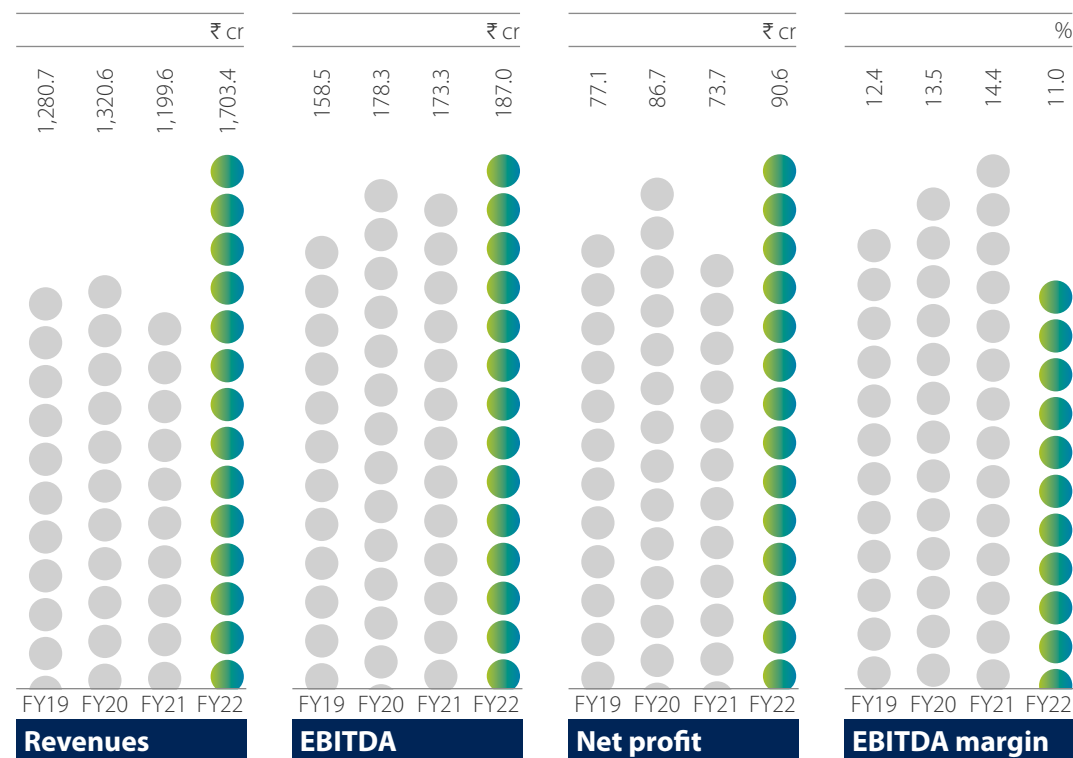
What we achieved in the last one year

- We** overcame an unprecedented increase in resource costs
- We** overcame two Covid closures to report record results
- We** enunciated the initiation of the next leg of our growth journey
- We** embarked on building fresh capacity in two locations
- We** strengthened our market leadership

What we wish to achieve in the next five years

- We** will strengthen our Greenlam brand to stand for a complete peace of mind
- We** have charted out a five-year growth roadmap starting 2021
- We** will broaden our portfolio towards a one-stop solution
- We** will deepen our financial discipline and security – across a larger scale
- We** will position ourselves as an integrated surface and substrate solution provider

# How we have grown over the years



## Definition

Growth in revenue net of taxes

## Why this is measured

It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the company's success can be compared with sectoral peers

## What this means

Helps enhance incomes that in turn makes it possible to amortise or pay for expenses

## Value impact

Aggregate revenues grew 42.0% to ₹1,703.4 cr in FY 2021-22, despite the resurgence of the pandemic during the year under review. The Company reported an impressive increase in revenue as a result of better product mix, supported by a preference for branded products, market recovery and price improvements.

## Definition

Earning before the deduction of interest, depreciation, extraordinary items and tax

## Why this is measured

It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers

## What this means

Helps create a robust growth surplus-generating engine that enhances reinvestment and debt servicing capability

## Value impact

The Company reported a 7.9% growth in EBITDA in FY 2021-22 on account of higher revenues

## Definition

Profit earned during the year after deducting all expenses and provisions

## Why this is measured

It highlights the strength of the business model in enhancing value for shareholders

## What this means

This ensures that adequate cash is available for reinvestment, leading to business sustainability

## Value impact

The growth in net profit by 22.9% due to higher revenues

## Definition

EBITDA margin is a profitability measure to ascertain a company's operating efficiency

## Why this is measured

The EBITDA margin provides an idea of how much a company earns (before accounting for interest, depreciation, amortisation and taxes) on each rupee of sales

## What this means

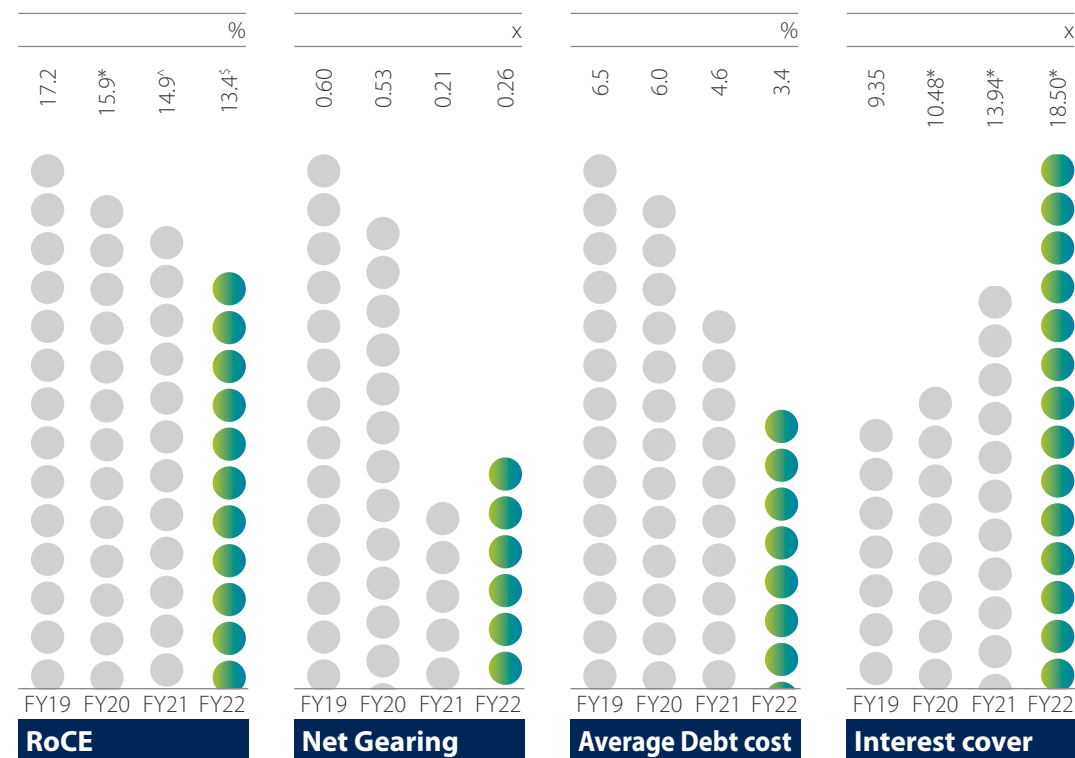
This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus

## Value impact

The Company reported a 340 bps decrease in EBITDA margin in FY 2021-22 due to input cost pressures

## A dashboard: How we performed across the four quarters of FY 2021-22

| ₹/lac              | Q1     | Q2     | Q3     | Q4     |
|--------------------|--------|--------|--------|--------|
| Revenues           | 33,613 | 45,417 | 44,971 | 46,339 |
| EBIDTA             | 3,820  | 4,590  | 5,335  | 4,956  |
| EBIDTA Margin      | 11.4%  | 10.1%  | 11.9%  | 10.7%  |
| PAT                | 1,734  | 2,070  | 2,689  | 2,565  |
| Receivable in days | 35     | 27     | 26     | 26     |
| Inventory in days  | 122    | 93     | 99     | 99     |



\*16.8% RoCE without considering investment in subsidiaries' greenfield projects

^15.7% RoCE without considering investment in subsidiaries' greenfield projects and prior to exceptional items

\$14.9% RoCE without considering investment in subsidiaries' greenfield projects and prior to exceptional items

## Definition

This is a financial ratio that measures efficiency with which capital is employed in the company's business

## Why this is measured

RoCE is an insightful metric to compare profitability across companies based on their respective capital efficiency

## What this means

Enhanced RoCE can potentially drive valuations and market perception

## Value impact

The Company reported a 150 bps decrease in RoCE in FY 2021-22 on account of higher capital employed

## Definition

This is the ratio of net debt (debt less cash and cash equivalents) to net worth (less revaluation reserves)

## Why this is measured

This is one of the defining measures of a company's financial health. This indicates the ability of the company to operate efficiently on lower debt levels

## What this means

This indicates whether the company enhances shareholder value by enhancing net worth and moderating debt

## Value impact

The Company's net gearing stood at 0.26 in FY 2021-22 due to long term non-convertible debentures raised during the year

## Definition

This is derived through the computation of the average cost of the consolidated average debt on the Company's books.

## Why this is measured

This indicates the company's ability in convincing debt providers of the robustness of our business model and negotiating a lower debt cost (leading to higher margins).

## What this means

This translates into a lower cost of debt, enabling more funds for re-investment and shareholder distribution.

## Value impact

The Company's debt cost declined from 4.6% in FY 2020-21 to 3.4% in FY 2021-22 (a mix of forex and rupee debt), yet another year of decline in funds cost

\*Interest expense does not include interest expense on 'Right to Use Liability' under IndAS 116

## Definition

This is derived through the division of EBITDA by interest outflow

## Why this is measured

Interest cover indicates the profit buffer available within the company to service interest – the higher the better.

## What it means

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important measures in assuring shareholder returns.

## Value impact

The Company's interest cover strengthened from 13.94 in FY 2020-21 to 18.50 in FY 2021-22.

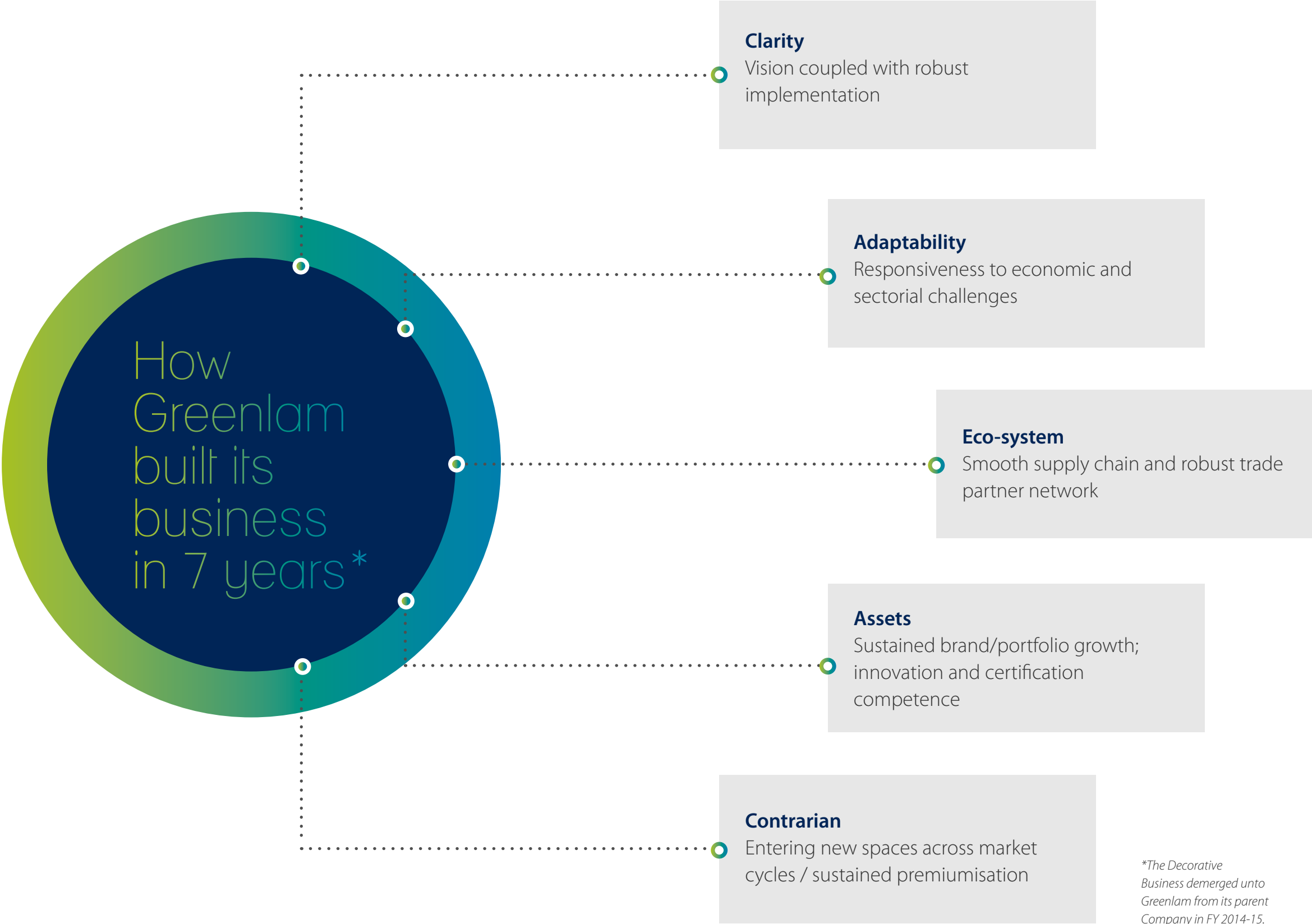


## PART 2

Bettering:  
How we  
built our  
business  
in the last  
seven  
years

From listing in FY 2014-15 to here

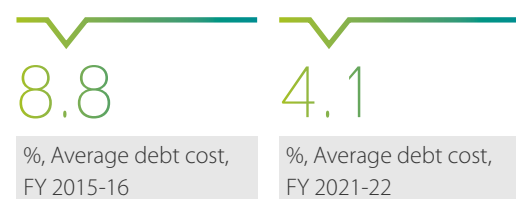
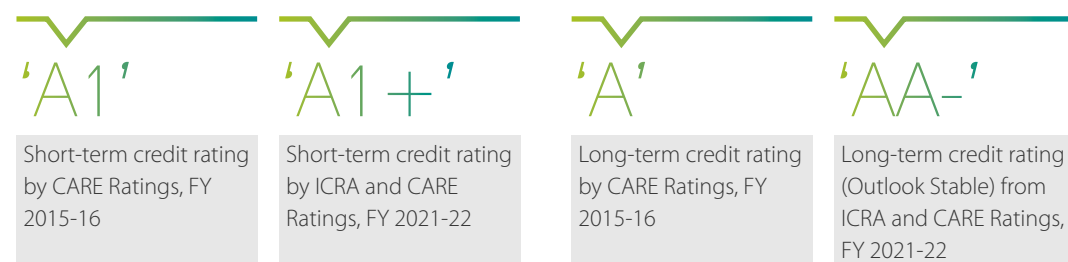
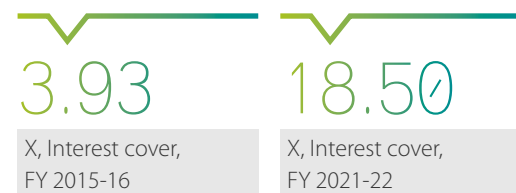
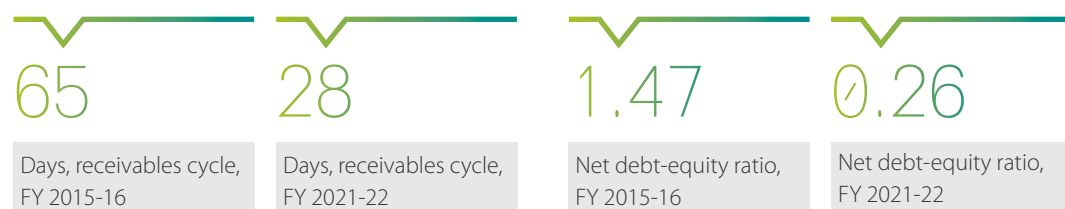






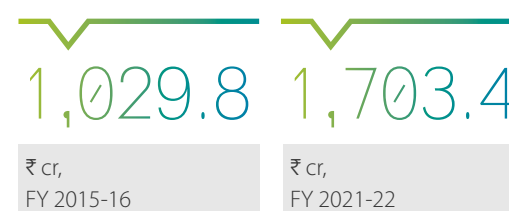
In 7 years, we transformed the quality of our business...

### Superior financial hygiene

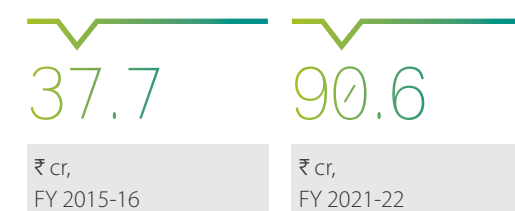


How we built profitability and sustainability

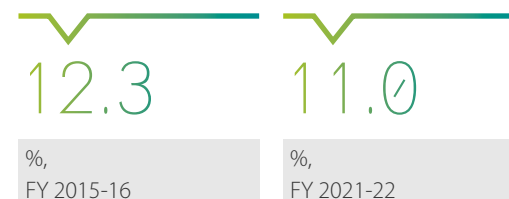
### Revenues



### PAT



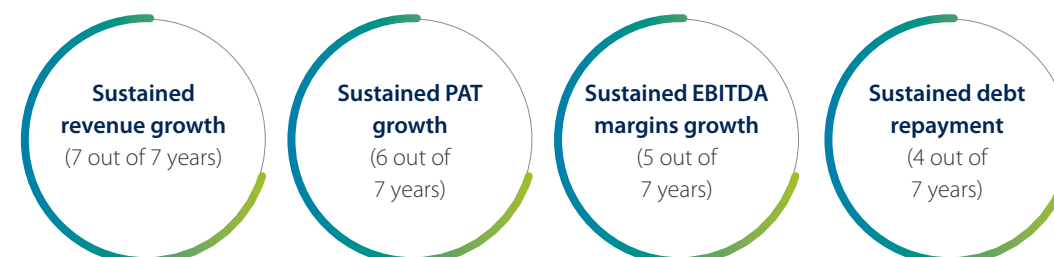
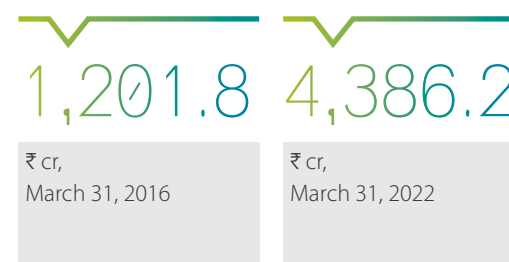
### EBITDA margin



### Net worth



### Market capitalisation





PART 3

# Bettering: Preparing Greenlam for the next orbit

The company is readying for Greenlam 2.0



After seven successful years, the most comfortable thing we could have done was to maintain status quo.



We rethought. We restructured. We decided to extend beyond instead.



| 5 furniture market trends          |  |                          |                     |                                 |
|------------------------------------|--|--------------------------|---------------------|---------------------------------|
| Increase in online furniture sales | Eco-friendly furniture will enjoy growing demand | More buyers than in 2021 | Flexible workspaces | More flexibility for purchasers |

## The incentive to change: More consumers, larger budgets and a diverse products appetite

At Greenlam, the most visible transforming reality is what we see at the consumers end.

**One**, most consumers aspire to live and work in more aesthetic interior spaces.

**Two**, there is a greater consumer willingness to appraise products around a superior long-term price-value proposition (not the lowest cost).

**Three**, consumers seek to buy products on the basis of how close the products are available and accessible.

**Four**, consumers prefer to buy products from a single outlet or brand, making choices easy.

**Five**, more consumers now ask questions like 'Is the product made from environment-friendly resources?' or 'Is

the company I am buying from high on integrity?'

**Six**, consumers are more willing to pay more today for branded products with demonstrably better value.

## The second big change: the Indian interior products sector is at the cusp of its biggest transformation

There are two growth curves in India's interior products space: one is the growth of the sector itself and the second is the increasing share being carved out by organised players.

The result is that organised players are positioned to prise away a considerably larger share of market growth across the coming years.

There are a number of additional realities

catalysing the growth for organised players in this sector.

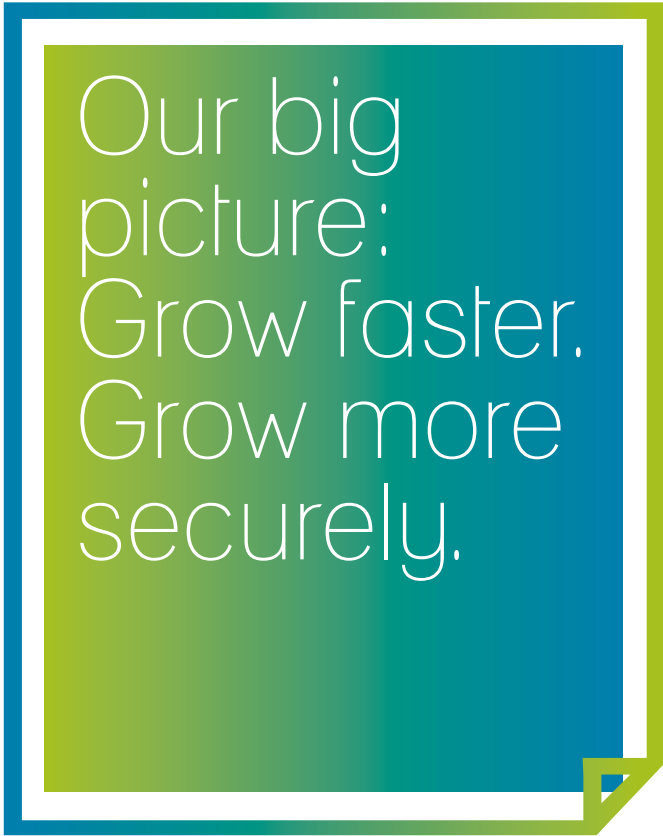
In this growing market, there is a dearth of credible quality-driven brands.

Even as interest rates have begun to climb, the cost of mortgage finance is holistically low to sustain sectoral growth for years

Revolutionary regulatory changes like GST and e-Way

Bill are likely to favour the role of organised players over their unorganised counterparts.

There is a growing preference for quality mechanised furniture driven by product standardisation, delivery and installation, warranting the use of quality resources.



At Greenlam, we expect to compress the growth of the last few decades\* in just the next few years.

\*Since commissioning of the first laminate plant at Behror, Rajasthan



What Greenlam achieved in 7 years from its existing business has been creditable.

The time has come to extrapolate this capability across additional revenue engines.



PART 4

Bettering:  
Greenlam is  
positioned  
at the cusp  
of a new  
growth curve

Preparing for Greenlam 2.0





Managing Director &amp; CEO's perspective

## Preparing for Greenlam 2.0

### Overview

The test of an individual or organisation is the nature of its performance in its most challenging moment. This is the filter by which we would like our performance of FY 2021-22 to be appraised.

The year under review was possibly the most challenging in our existence for a range of reasons that could not have been anticipated.

Just when one felt that the pandemic had been tamed in India, the virus rebounded with greater ferocity, manifesting in the second wave in the first quarter of the year under review and thereafter in the fourth quarter, affecting consumer confidence and our revenues. Besides, the pandemic translated into all-time high costs of a range of raw materials in addition to a shortage of certain chemicals and supply chain disruptions in the availability and cost of containers and frequency of vessels. The complement of these

challenges affected our company as it imports a large part of raw materials and exports nearly 50% production, warranting the use of container movements within and out of the country. The sharp increase in raw material costs affected working capital outlay and margins but due to timely interventions and supply chain engagement, the impact was moderated.

To compound our challenges, our Behror factory operation was temporarily suspended on account of air pollution issues in

National Capital Region. This led to a loss of production for 17 days and restricted our operating hours in December, 2021 and January 2022, resulting in a notional revenue loss of approximately ₹75 cr with a corresponding impact on our margins and working capital during the second half of the year. Besides, there were exceptional entry tax expenses of ₹2.59 cr. That the Company was required to incur.

## Our performance

When appraised against this background, the Company's performance was outstanding. A simple explanation of an increase in revenues by 42.0% to ₹1,703.4 cr, increase in EBITDA by 7.9% to ₹187.0 cr and a 22.9% rise in profit after tax to ₹90.6 cr will not do justice to the various initiatives embarked upon by the company to better its benchmarks and create a robust platform to graduate into the next orbit. Besides, this was accompanied by volume growth, the ability to place products on time on shelves across the country and strengthen the laminates product mix towards a wider variety.

The growth represented a validation of our business model: the commitment to enhance product value, the ability to widen and deepen our sales footprint, the launch of products that make our portfolio more complete, the capacity to enhance brand visibility and a fiscal discipline to prioritise cash flows over profits. Even as the cumulative impact of the challenges resulted in a decline in margins and capital efficiency, we believe that the decline was less pronounced than the probable impact: EBITDA margin declined 340 bps to 11.0% on account of an increase in raw

material costs while Return on Equity declined marginally by 150 bps to 13.4% on account of increased inventory and investments in new business segments that will pay off only in the future. We perceive these declines to be temporary and expect our profitability to improve across the foreseeable future when prevailing realities begin to normalise.

It was our ability to balance all businesses – marked by diverse pulls and pressures – that translated into a superior performance. For instance, even as circumstances turned challenging for our laminates business, we could pass on raw material cost increases to the market with a time lag. The result was that even as EBITDA percentage declined, EBITDA quantum improved as the raw material cost increase could be passed on in the midst of various challenges through a prudent leverage of inventory management, hands-on engagement and visible brand. Even as the working capital cycle was distorted on the inventory side (for logistics-related reasons outside our control), the improved receivables position was a validation of our brand strength.

The result was that our laminate revenue growth during the last financial year proved creditable despite a challenging year. This indicates that even at a time of challenge, we did not just seek to protect our business but to grow it and widen our leadership in a competitive marketplace. The company was tested across every aspect of its business and yet it delivered in terms of volume, value, absolute profits and receivable days on a larger revenue base.

What is creditable is that despite the challenging immediate environment, the company continued to build for the long-term. It strengthened its sales team, increased its marketing expenditure, outlined a medium-term capital expenditure plan in existing and new products, strengthened digitalisation, invested in the brand and made new product launches across categories. The result was even as we were addressing the immediate, we were investing in building a new foundation, the outcomes of which will only become more visible across the foreseeable future.

## A strategic reset

At Greenlam, our performance of the last financial year was balanced by a strategic enunciation of where our business is headed. The result is that during the year under review, we did not just fire-fight for the day; we also began to build our business for the future. We believe that this proactive initiative will extend us from addressing the profitability

needs of the day to building sustainability for the future.

Greenlam's strategic direction is being built around a considered top-down argument. The Indian GDP is expected to grow 7%-plus across the coming years; the country is expected to emerge as a US\$ 5 trn economy by the later part of this decade on the

back of a sustained increase in disposable incomes. This will translate into extensive demand growth in the housing, retail, hospitality and commercial sectors. Besides, in a decisive inflection trend, the unorganised plywood sector of India is yielding ground after decades. Following the introduction of GST, these unorganised players are unable

to address raw material cost volatility, unable to pass cost inflation to consumers, unable to manage increased working capital requirements, unable to extend beyond the commodity and low realisations trap, unable to address regulatory compliances and unable to address declining consumer trust due to inferior product quality.

There are two options through which we can respond to these

emerging realities: one, the organic growth momentum and two, a disruptive growth approach. At Greenlam, we have selected the latter option. We have charted out an exciting blueprint to graduate into the next orbit, which makes us larger, stronger and more profitable.

We believe that when the Indian economy grows from around US\$ 3 to US\$ 5 trn, there could be a disproportionate increase

in discretionary spending, now that the basic human needs of the large Indian majority appear to have been addressed. Besides, the Indian retail consumption economy is shifting from the unorganised to the organised following GST introduction, home sector expansion and population growth. Your company is in the right place at the right time to capitalise on an unprecedented sectorial opportunity.

## Linkage with plantations

At Greenlam, we have always believed in the 'wood is good' story for various reasons. Fundamentally, we believe that wood as a building material is superior to steel and cement. As disposable incomes rise and there is a greater propensity to build or own new homes, there will be a larger appetite for mechanised furniture. Besides, wood is recyclable, the basis of sustainability across generations. The time has come for agro-forestry, social forestry and plantation-based resources to play a larger role in helping build this country with wood grown from within the country (as opposed to imported).

We believe that an organised approach towards wood cultivation is a win-win for country, environment, farmer, company and consumer. This approach will help transform degraded or barren or vacant lands, increase farmer incomes, strengthen tree cover outside of forests, provide uniform quality resource, provide India's furniture sector with local resource and moderate imports. Proximate wood availability will moderate the cost – financial and environmental – of logistics,

reducing the national carbon footprint. Besides, by growing more wood within India, we will be reinforcing the Make in India emphasis, ensuring that we import less and promote local resource chain partners. Just as we believe that the time has come for a company like Greenlam to graduate to the next orbit, the time has also come for India's social forestry to deepen its transformational impact.

At Greenlam, our extension into the next orbit can only be secured by access to quality, abundant and cost-effective wood access. The company recognises the priority to secure resource access in a sustainable way to feed its growing requirement. The company has provided the importance to sustainable wood resource creation through the creation of an exclusive corporate structure, scientific base and grassroots approach. In a pioneering initiative, the company conceptualised the creation of a 'wood basket' around its wood-based plants, enhancing livelihoods, green cover, logistical proximity and resource availability – a win-win solution for the grower, company, consumer, society and nation.

The company will create a long-term blueprint for systematic, scientific and large-scale plantation development across its command areas of proposed wood-based operations in Naidupeta (Andhra Pradesh) and Tindivanam (Tamil Nadu). The company expects to create suitable agro-forestry and farm forestry models, promote large plantation development around the visibility of its manufacturing units, motivate farmers to extend to plantation development, establish a nursery to generate quality planting stock, engage in clonal R&D through an association with research institutions, facilitate projects for carbon sequestration, certifications and traceability and deepen its wood supply chain. Greenlam will commence setting up the necessary infrastructure and network from FY 2022-23 concurrent with the commissioning of downstream capacities.

Our goal

At Greenlam, our goal is to graduate from the manufacture of standalone surfacing products to an integrated (surface and substrate) solutions provider. We expect to deepen our sectorial position and emerge as India's leading wood panel player, broad-basing our portfolio across growing product categories. In doing so, we expect to graduate from a presence in existing categories (laminates, engineered wooden floor & doors and decorative veneers) to existing and emerging (plywood and particle board) categories.

We believe that these initiatives will have a positive trickle-down impact on our brand, making it possible for Brand Greenlam to evolve from a position of acceptance to one of first recall and from a position of respect to a point where we are loved.

We believe that this approach will make it possible for us to cross-sell; it will reinforce our positioning as a complete solutions provider and provide our trade partners with the opportunity to enhance their incomes and an opportunity for us to maximise wallet share. We believe that this approach will help create a long-term platform for relevant product buckets. Over time, this initiative will help mature our business (in terms of scale and scope), strengthening our resilience that translates into business stability and sustainability.

A new Greenlam

The cumulative impact of these initiatives is expected to build a new Greenlam. This new personality of our Company will be well-rounded; this cross-sale-driven Greenlam will service all wood panel needs, extending from decorative wood to commercial wood panel categories, addressing demand across the entire value chain.

The reinvention is likely to treble our FY 2021-22 revenues by FY 2025-26. To put this growth in perspective, it took Greenlam's business nearly three decades to grow from scratch to our present scale; based on the existing blueprint, it could take the Company just five years to treble this, an effective time-compression proposition that enhances value for all those associated with our Company.

This time compression is based on the addressable size of our markets. The Greenlam of today (engaged in the manufacture of laminates and veneers) addresses a cumulative market of ₹11,000 cr; the Greenlam of tomorrow (with plywood and particle board additions) is expected to address a market size of nearly ₹46,000 cr with corresponding growth room. This extension of our focus is relevant as the new segments of our presence are large or rapidly growing and some can even be considered sunrise in India with a large opportunity headroom.

What I wish to assure stakeholders is that to address this growth opportunity – the Company intends to invest ₹950 cr in the space of 2-3 years as against an existing gross block of ₹840 cr (excluding assets under right to use except land) aggregated across 30 years – will not come at the cost of our Balance Sheet. If there is anything that we have prioritised and cherished it is the quality of our business. This 'quality' is not a vague attribute; it is manifested in our revenue growth higher than the sectorial average, low gearing, low debt cost, declining receivables cycle, low working capital as a proportion of our employed capital and attractive margins. Our objective will be to protect or even improve these attributes following the expansion, based on the increased cross-flow of synergies.

In a world where it is increasingly relevant to service stakeholder needs (as opposed to merely enhancing shareholder value), we believe that this business model will be competently relevant. We will address the needs of our primary customers (trade partners) through increased dealer throughput and enhanced trade loyalty; we will address the needs of our secondary customers by addressing the complete wood panel needs of our consumers; we will address shareholder needs by sustaining our business growth through a prudent mix of accruals and low cost debt; we expect to address vendor needs through larger procurement volumes that translate into procurement economies for our Company as well; we expect to secure the interests of our lenders through timely debt repayment and interest servicing.

Optimism

It is with this sense of confidence and optimism that I end my address to you. Greenlam is positioned at the cusp of a new milestone in its journey. This will not only enhance our overall competitiveness but also widen the circle of prosperity for all our stakeholders, strengthening our respect across markets and market cycles.

**Saurabh Mittal**  
Managing Director and CEO

The big numbers



**Rethinking our business. Entering new spaces.**

We have charted out a five-year business roadmap starting 2021

**Growth:** We intend to significantly grow our business starting 2021

**Brand:** We will broad base our portfolio towards providing a one-stop solution

**Gearing:** We expect our gearing to remain in control during this capex phase

**Governance:** We will deepen our financial discipline – across a larger scale

**Our goals**

To emerge as India's leading wood panel player

To graduate from standalone surfacing products provider to an integrated (surface and substrate) solution provider

To grow from a position of respect to first recall

**These are the product segments where we are present**

|                                 |
|---------------------------------|
| Laminates                       |
| Decorative veneer               |
| Engineered wooden floor & doors |

**These are the product segments where we intend to be present**

|                                    |
|------------------------------------|
| Laminates                          |
| Decorative veneers                 |
| Engineered wooden floors and doors |
| Plywood                            |
| Particle board                     |



PART 5

Bettering:  
How  
Greenlam  
has been  
structured  
to enhance  
stakeholder  
value

Building a track record of profitable  
and sustainable growth



Integrated value-creation report

At Greenlam, we have been structured to enhance stakeholder value in a sustainable way

Overview

In the modern world, it is no longer enough to enhance shareholder value. The operative term that is being increasingly used is 'stakeholder value'.

By the very nature of the term, 'stakeholder' does not merely refer to the interest group that owns shares in the company. It refers to every single individual or sentient being that is likely to be influenced by the company's brand, product or operations. In short, it refers to everyone and everything, living or not.

This represents an understanding of how the value sought to be created needs to be integrated across all stakeholders, the measure by which all companies are appraised. This Integrated Value-Creation

Report is being increasingly respected for its appraisal of 'hard' and 'soft' initiatives in its reporting format. The report draws on diverse strands (financial, management commentary, governance, remuneration and sustainability reporting) in explaining an organisation's ability to create, enhance and sustain value.

Interestingly, the influence of an Integrated Report enhances an understanding across diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers), underlining the need for our organisation to enhance value in a sustainable manner.

Our sustainability framework

| Strategy  |  |  |
|---|--|--|
| Manufacture products that address unmet needs                         | Ensure environment responsibility through products and processes | Provide an integrated products basket                          |
| Procurement economies   |  |  |
| Procure the best resource quality through knowledge and relationships | Procure most economically through better terms of trade          | Procure sustainably through superior relationships             |
| Distribution footprint  |  |  |
| Global footprint across 100+ countries                                | Reach products where consumers are present                       | Address primary customers (channel partners, OEM and projects) |
| Manufacturing excellence  |  |  |
| Maximise asset utilisation  | Invest in cutting-edge technologies                              | Manufacturing products as per global trends                    |
| Brand and customer capital  |  |  |
| Invest in corporate and product brands                                | Widen the products portfolio and consumer choice                 | Launch products of the future; create markets                  |
| Financial structure   |  |  |
| Moderate debt / debt cost; timely debt repayment                      | Strengthen working capital efficiency                            | Focus on value-addition  |
| Environment integrity   |  |  |
| Moderate resource consumption per unit of production                  | Protect the region's environment balance                         | Benchmark as per prevailing compliance standards               |
| People competence   |  |  |
| Enhance talent productivity   | Invest in knowledge, experience and passion                      | Deepen the culture of outperformance                           |
| Community support   |  |  |
| Provide community support   | Focus on integrated development                                  | Engage in a sustainable way for extended impact                |

# Our sustainability is derived from a favourable sectorial reality

**Rising population**

India's population is around 1.40 bn in 2022 and is expected to surpass China by 2023, catalysing the prospects of the Indian substrate and decorative segments

**Urbanisation**

India is urbanising, strengthening the demand for furniture decorative and substrate products

**Demographic dividend**

The Indian population's median age of 28 (2022) compares well with the global average (30), driving demand for engineered products over home-fabricated equivalents.

**Growing replacement demand**

Increased disposable incomes are enhancing life quality in India, reflected in a better standard of home and office environments (driving the demand for wood panel products).

**Rise in home demand**

The Indian real estate market of US\$ 200 bn is expected to grow to US\$ 1 trn by 2030, driving the offtake of Indian furniture and constituents

**Online retail sector**

An increasing furniture quantum is being marketed through e-commerce, earlier estimated to grow to US\$ 200 bn by 2026 but now expected to achieve this target earlier

**Rental furniture**

There is a growing trend towards renting furniture through online portals instead of buying outright.

**Shift in consumer preference**

Ever since the pandemic there has been a preferential shift towards branded products due to hygiene awareness and the need for customers to invest in value-for-money products

(Source: Population U, Business Standard, Indian Retailer, Statista, India.com)

# The value-creation journey at Greenlam

**Our resources**

**Financial capital**

The financial resources that we seek are based on the funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

**Manufactured capital**

Our manufacturing assets, technologies and equipment constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.

**Human capital**

Our management, employees and contract workers form a part of our workforce, their experience and competence enhancing our value.

**Natural capital**

We consume raw materials sourced from nature, indicating a moderate impact on the natural environment.

**Intellectual capital**

We possess a proprietary knowledge that enhances our operational excellence and competitive advantage.

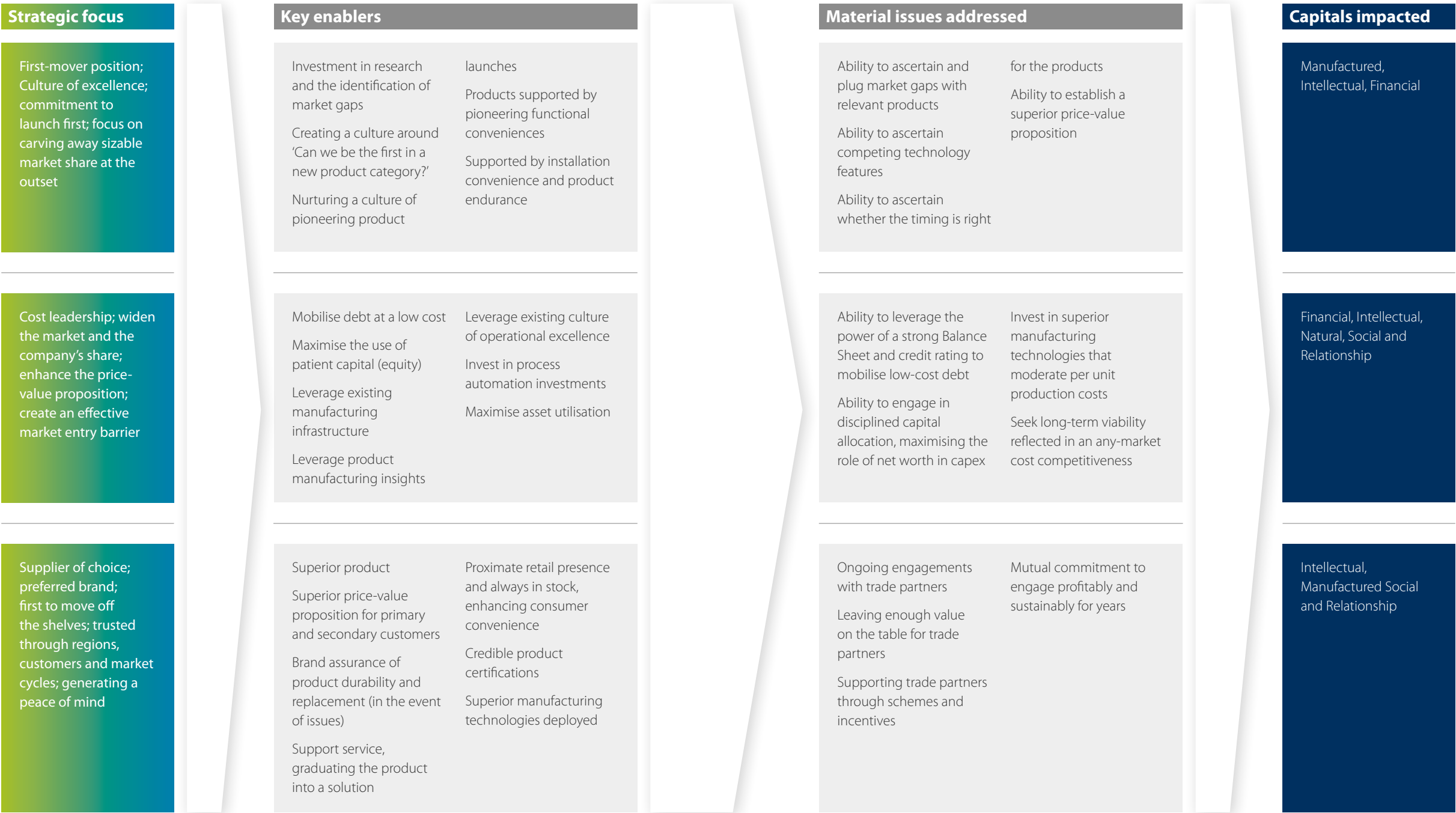
**Social and Relationship capital**

Our relationships with communities and partners (vendors, suppliers and customers) define our role as a responsible corporate citizen.

# How the sectorial context is translating into value at Greenlam



# Our strategy





Our strategy *Continued*

Strategic focus

Robust people practices; need to enhance talent productivity; need to generate rising revenues and profits per person employed; need to inspire continuing excellence; focus on retaining position as an employer of choice

Responsible corporate citizenship; addressing the unmet needs of communities; focusing on measurable improvements

Stakeholder value-creation; need to establish credibility as a well-rounded organisation

Key enablers

- People-centric policies
- Industry-benchmarked remuneration
- Work-life balance for employees
- Fair and equitable compensation structure
- People engagement marked by respect for dignity, delegation,

empowerment, responsibility and accountability

- High retention, renewal, motivation and outperformance

- Greenlam allocated ₹1.96 cr for CSR activities in FY 2021-22
- These activities covered the following priorities; promoting education, promoting health care, promoting

gender equality and ensuring environmental sustainability

- The engagements were carried out through a complement of NGOs

- Addressing the needs of all stakeholders
- All stakeholders comprising customers, employees, vendors, government, lenders and shareholders

Material issues addressed

- Creating a professional culture seeking overarching excellence in everything the Company does
- Greenlam employed approximately 5,000+ people (full-time and contractual)

- Need to ascertain unmet community needs
- Need to create the right CSR team to see projects to conclusion
- Need to work with the right NGOs to enhance outcomes

- Need to derive measurable outcomes to establish credibility

- Need for a holistic understanding of the needs of all stakeholders
- Need to enhance value through the manufacture of a superior product, high asset sweating and high resource utilisation,

among others

- Greenlam also invested in governance, resulting in strategic stability, coupled with investments in business automation and systems

Capitals impacted

Intellectual, Human Relationship, Natural

Social and Relationship

Intellectual, Manufactured, Social and Relationship

# How Greenlam engages with all its stakeholders

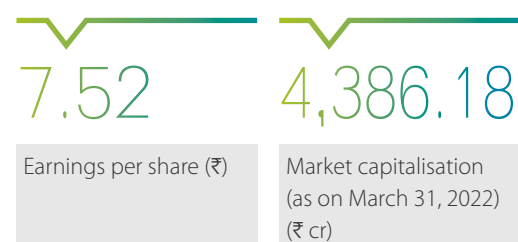
We recognise the importance of fostering and maintaining strong relationships with key stakeholders through transparent, sincere and effective engagements. We are enhancing our rapport with them.

| Stakeholder group                 | Greenlam's considerations   | Stakeholder interests   |   |
|-----------------------------------|---|---|---|
| Customers                         | <p>Our products are intended to enhance pride, utility and aesthetics</p> <p>We provide products that plug the unmet needs of customers</p>                                       | <ul style="list-style-type: none"><li>Quality, availability, accessibility and affordability</li><li>Consistent, reliable and on time product supply</li></ul>  | <ul style="list-style-type: none"><li>Impact of product recalls and any quality or efficacy concerns that may arise</li></ul>   |
| Government, competent authorities | <p>Our ability to produce, market and distribute products is dependent on regulatory approvals by the concerned government authorities</p>  | <ul style="list-style-type: none"><li>Legal and regulatory compliance</li><li>Social and environmental impact of operations</li><li>Tax revenues and investments</li></ul>  |   |
| Employees                         | <p>Employees play a critical role in ensuring that we achieve our strategic objectives. We seek to understand the needs, challenges and aspirations of this stakeholder group</p> | <ul style="list-style-type: none"><li>Job security</li><li>Equitable remuneration, performance incentives and benefit structures</li><li>Diversity and inclusivity</li></ul>                                      | <ul style="list-style-type: none"><li>Performance management, skills development and career planning</li><li>Reputation as an ethical employer</li><li>Employee health, safety and wellness</li></ul>             |
| Suppliers                         | <p>These stakeholders play an important role in enabling us to meet our commitments to customers</p>  | <ul style="list-style-type: none"><li>Fair engagement terms and timely settlement</li><li>Ongoing communication on</li></ul>  | <p>our expectations and service levels provided</p> <ul style="list-style-type: none"><li>Fair and timely payment</li></ul>   |
| Investors and lenders             | <p>As providers of capital, these stakeholders require to be kept informed of material developments impacting the Group and its prospects</p>                                     | <ul style="list-style-type: none"><li>Growth in revenue, EBITDA and returns on investment</li><li>Appropriate management of capital expenditure, working capital and expenses</li><li>Gearing, solvency</li></ul> | <p>and liquidity</p> <ul style="list-style-type: none"><li>Dividends</li><li>Security over assets, ethical stewardship of investments and good corporate governance</li><li>Fair executive remuneration</li></ul> |

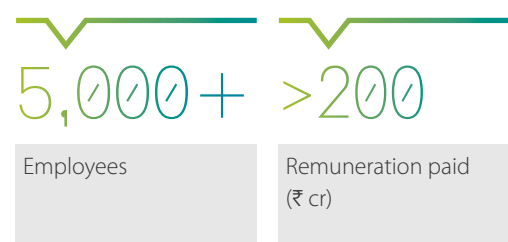
| How we engage  | Capitals impacted  |
|--|--|
| <ul style="list-style-type: none"><li>Engage with primary buyers (trade partners) and architects</li><li>Transparent communication with customers through commercial discussions and meetings</li></ul>  | <ul style="list-style-type: none"><li>Intellectual</li><li>Manufactured</li></ul>                              |
| <ul style="list-style-type: none"><li>Audit of manufacturing sites by regulatory authorities to ensure Good Manufacturing Practices (GMP) and regulatory compliance</li><li>Participation in industry bodies</li><li>Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes</li><li>Involvement in government programmes aimed at creating jobs and uplifting disadvantaged communities</li></ul> | <ul style="list-style-type: none"><li>Manufactured</li><li>Social &amp; Relationship</li><li>Natural</li></ul> |
| <ul style="list-style-type: none"><li>Direct engagements by supervisors and business management</li><li>Induction and internal training</li><li>Employee wellness campaigns</li></ul>  | <ul style="list-style-type: none"><li>Human</li></ul>  |
| <ul style="list-style-type: none"><li>Conducting various training programmes and encouraging them in sustainable practices</li></ul>   | <ul style="list-style-type: none"><li>Social &amp; Relationship</li><li>Financial</li></ul>                    |
| <ul style="list-style-type: none"><li>Dedicated investor and analyst presentations</li><li>Stock exchange announcements, media releases and published results</li><li>Annual General Meetings</li><li>Investor relations section of Greenlam's website</li></ul>   | <ul style="list-style-type: none"><li>Financial</li></ul>  |

## The value we created in FY 2021-22

### Financial capital



### Human capital



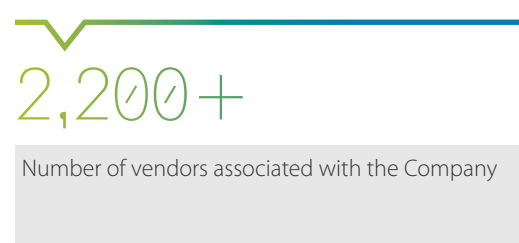
### Manufacturing capital



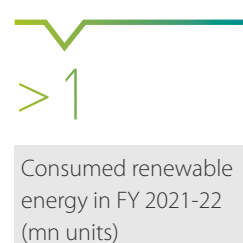
### Intellectual capital



### Social and Relationship capital



### Natural capital

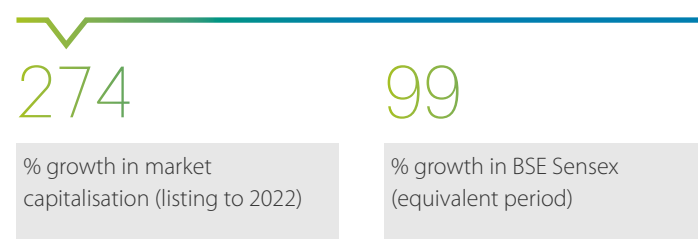


## How Greenlam has enhanced shareholder value

### Capital appreciation



### Relative outperformance



## How we consistently enhanced shareholder value

### Credit rating

Strengthened long-term credit rating ('A' in FY 2015-16 by CARE to 'AA-' (Stable) by CARE and ICRA in FY 2021-22)

Under-leveraged Balance Sheet

Empowered the company to raise low-cost debt

**Impact:** Validation of the company's competitiveness

### Brand

The company invested deeper in its brands

The brands were woven around superior features

The brands became platforms for probable extensions

**Impact:** Market-leading presence; premium realisations

### Scale

The company is among the world's three largest laminate companies

This scale has generated superior economies

These economies have translated into larger market presence and share

**Impact:** Ability to provide on time-in full; higher shelf space

### Surface products solution

The company specialised in surface solutions

These solutions comprised laminates decorative veneers, engineered wooden floors and doors

The multi-surface products approach facilitated cross-sale

**Impact:** Superior overall profitability

### Footprint

The company is among the three largest global laminate companies

The company is present across 100+ countries

The company generated 49.4% of revenues from the global markets (FY 2021-22)

**Impact:** Hedged the company from an over-dependence on few countries

### Depreciated facilities

The assets of the Company have been substantially written down

They continue to deliver a high productivity

**Impact:** Increasing Return on Gross Block

### Balance Sheet robustness

The company focused on cash flows over cash profits

Cash flows secured through controlled receivable management

Business growth achieved largely through accruals – no additional equity infusion

**Impact:** Attractive credit rating; comfortably low Net debt/ EBITDA

### Responsibility

ESG-compliant business model

Extensively de-risked approach; established global corporate credibility

Robust governance and disclosures

**Impact:** Stronger valuation on the markets than the sectorial average

## Value shared with the following partners

**Investors:** The Company paid out ₹12.07 cr as dividend and delivered 93.88% growth in capital appreciation in FY 2021-22.

**Suppliers:** The Company sourced materials and services of more than ₹1,000 cr from vendors in FY 2021-22.

**Government and regulations:** The Company paid approx. ₹75 cr to the exchequer in India in FY 2021-22.

**Customers:** The Company manufactured products, generating ₹1,703.4 cr in revenues from customers in FY 2021-22

**Employees:** The Company provided remuneration worth more than ₹200 cr in FY 2021-22.



PART 6

Bettering:  
The  
Greenlam  
brand

The company's single biggest asset



Our product  
categories

Greenlam.  
Transforming interiors.  
Making them aesthetic  
and enduring.  
Enhancing pride  
of ownership and  
association.



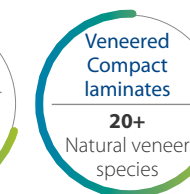
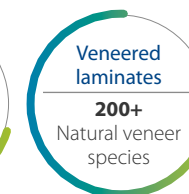
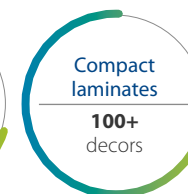
# Laminates and compact laminates



15.62  
mn sheets a year of  
installed capacity

1,556.3  
Consolidated revenues,  
FY 2021-22 (₹ in cr)

## Products



## Applications

The laminates business has witnessed change in terms of design evolution and product performance.

It has graduated from a commodity product to a lifestyle and low maintenance surfacing option. Greenlam offers a variety of laminates catering to application needs starting from liners to specialised material for segments like hospitality, health, education, retail, commercial and

residential spaces.

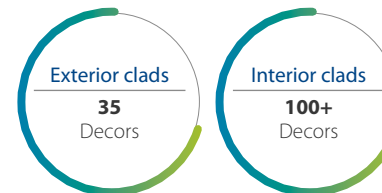
Greenlam offers products across dimensions (3'x7', 4'x8', 4'x10', 4.25'x10', 5'x12', 6'x12') and thickness (0.5mm -30mm). The products can be used on vertical and horizontal surfaces. They are available in an array of designs, colours and textures. These can be applied on almost every surface - table tops, doors, shelves and counters to reception desks and furniture.



# Clads



## Products



## Applications

Resistant to weather, fading and fire.

Extensively used in residential and commercial applications.

The interior cladding solution represents a fully integrated wall

protection system. Anti bacterial properties, impact and scratch resistance make them ideal in health care, education and commercial applications.

# Restroom cubicle and locker solutions



## Products



## Applications

Manufactured in strict adherence with accepted fire safety norms, enhancing their utility.

Assortment of restroom products comprising restroom cubicles, specially

adapted hand-holds for the differently-abled and privy divider panels - a complete solution for commercial and public area applications.



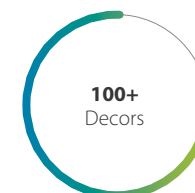
# Melamine- faced chipboard



2.00

mn sq. m production  
capacity annually

## Products



## Applications

With an increase in organised carpentry (OEM) in India, the use of engineered wood like MFC is gaining pace in the kitchen & modular furniture segment.

Engineered wood complements laminate sales to the OEM segment. The company offers best-in-class quality comprising European and Japanese décor paper.

Greenlam's product comes in varied dimensions (4'x8', 6'x8', 6'x9') and thicknesses (9mm, 12mm, 18mm, 25mm) that are ideal for interiors and furniture surfacing.

The product is extensively used in commercial and residential applications across cabinets, shelves, partitions, office furniture and retail stores etc.



# Decorative veneers

**decowood**  
PREMIUM VENEERS  
NATURAL | TEAK | ENGINEERED

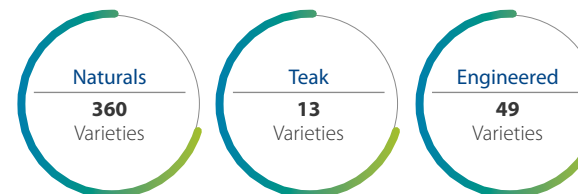
4.20

mn sq. m per annum  
capacity (largest in India)

83.7

Consolidated revenues,  
FY 2021-22 (₹ in cr)

## Products



## Applications

The specification industry leads the sales of this category.

Decowood Veneer comes in three categories – Natural, Engineered & Teak. Decowood comprises a wide and beautiful range of decorative veneers. Its premium range of natural decorative veneers is sourced from across the globe with over 200 species.

The 'Natural collection' offers rich natural colours, intricate grain and the warmth of natural wood. Apart from natural veneers, Decowood offers the collection of hand-crafted veneers wherein the look of natural veneers is enhanced using special surface textures, treatments and patterns, giving customers a larger palette of woods to choose from.



# Engineered wooden flooring



1.00

mn sq. m per annum capacity;  
only manufacturer in India

36.7

Consolidated revenues,  
FY 2021-22 (₹ in cr)

## Products



## Applications

Mikasa offers unparalleled flooring solutions through its premium engineered wooden flooring. The engineered wooden flooring is used in commercial and residential spaces. Made for the first time in India, the wide collection aggregates the most

exotic wood species from the world over. Mikasa offers a large collection of over 100 unique engineered wooden flooring products, which evoke free-flowing contours of peace, health and comfort.

# Engineered wooden doors

0.12

mn doors per annum (only  
organised manufacturer in India)

26.8

Consolidated revenues,  
FY 2021-22 (₹ in cr)



## Products



## Applications

This product is increasingly used in high-end realty development.

Unlike traditional doors (where the door and frame were separate units), Mikasa doors and frames are integrated and ready-to install. A factory-finish

ensures consistent quality and unique designs. The product consolidates beauty and excellence, engineered to perform. These doors and frames can be fabricated in any size and dimension.



# Our brand report for FY 2021-22

## Greenlam and its brand family

### Overview

The biggest asset in Greenlam – brand – is not to be found on its Balance Sheet.

The most potent driver of Greenlam's growth is the capacity of the business to carve out a larger sales quantum from existing customers and for the Company to evoke confidence across new customers for them to respond

with 'If it is Greenlam, then it must be good.'

Over the years, the brand has been invested with financial, ethical, product and promotional resources, enhancing an unaided recall across existing and prospective consumers. This recall represents the fundamental driver of the Company's sustained

sectorial outperformance: the ability to report sales growth higher than the industry average and the ability to sell more than the Company's revenues in the previous year.

### Greenlam brand attributes

At Greenlam, it is not just one or few attributes that have contributed to brand salience. There is an entire family of positive attributes that has translated into a favourable recall, making it possible for the Company to sell more, sell wider and sell better. This family comprises the following attributes:

**Positioning:** The focus is not being the cheapest in price but the most competitive – in terms of the distribution network, influencer appeal, consumer acceptance, global appeal and responsibly certified.

**Price-value proposition:** There is a fundamental reason why consumers prefer Greenlam; the brand provides a considerably superior value to consumers as against the price paid by them (economically described as 'consumer surplus').

**Pioneered:** At Greenlam, we have pioneered products, based on the conviction that consumers will need better or different products; we have also created new price points across the products of our presence, enhancing product affordability

**Convenience:** At Greenlam, we make it convenient for our

consumers to buy, whether through a larger basket of products from a single location or the appointment to retailers proximate to where consumers live / work.

**Cross-buy:** At Greenlam, we have widened and deepened our portfolio: we do not just provide a larger range within product categories but also provide a larger number of product categories to select from.

**Future-proof:** At Greenlam, we future-proof consumers in various ways – the ability to provide enduring products manufactured using futuristic technologies on the one hand and trendy designs and finishes that enhance the appeal of a consumer's interiors.

**International:** At Greenlam, we provide products of international standards largely due to our broad-based international

presence; we were present in 100+ countries at the close of FY 2021-22

**Range:** At Greenlam, we have widened our premium positioning to address the needs of entry-level consumers has well, without diluting the premium sheen of our brand

**Architecture:** At Greenlam, we have evolved standalone brands into families (comprising relevant extensions).

**Extension:** At Greenlam, we have extended from a core product (laminates) into synergic non-laminates categories that plug interior infrastructure needs.

**Products:** At Greenlam, we have demonstrated the courage to extend resources into downstream solutions (kitchen worktop solution).

### Greenlam brand outcomes

**Leadership:** Greenlam is the undisputed leader in India's competitive laminates market (estimated share of around 18% of the organised laminate market); it is also India's largest laminate exporter and the largest Indian company with a consistent international presence

**Benchmark:** The Company has emerged as a benchmark

**Profitability:** Greenlam's brand strength is reflected in its sustained revenue growth. The Company's revenue grew by 42% at ₹1,703.4 cr

**Revenue growth:** Greenlam has grown revenues in 6 years out of last seven years; its revenues grew 84% between the terminal years ending FY 2021-22; it has consistently grown higher than the sector's growth

**Margins:** Greenlam enjoys attractive blended margins (across all businesses).

**Terms of trade:** Greenlam has grown without compromising the quality of its terms of trade. Receivables declined from 65 days of turnover equivalent in FY 2015-16 to 28 days in FY 2021-22;

working capital as a proportion of total revenue has remained at 37-38% levels with no significant reduction, during the year under review.

**Brand productivity:** Revenues generated per rupee of brand spending increased from ₹17.5 in FY 2015-16 to ₹30.3 during the year under review

### Brand outlook

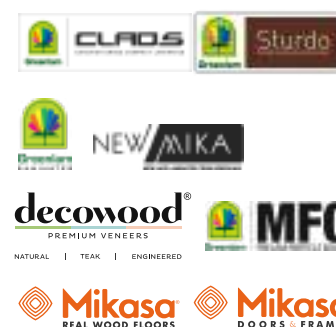
The Greenlam brand is poised to enter new segments while commissioning larger capacities in its existing product segments. This will empower Greenlam to provide the entire range of surface/substrate products under a consolidated Greenlam brand. The company will create the foundation of a complete multi-product solution provider (surface

and substrate), the upsides of which could translate into sustainable sectorial leadership.

At Greenlam, we believe that this brand transformation could translate into a decisive value-creation opportunity that generates significant growth within a compressed time frame. As the company moves towards higher margins through

synergies and positive cash flows from existing businesses, there could be a lower working capital outlay for the new businesses, shorter maturity curve of new projects, better profitability and a corresponding repayment of debt. This could create the cash surplus required to sustain the brand, a strengthening of the virtuous cycle.

### Our brands portfolio



### Our brand personality

- Young
- Playing for pride
- Confident Indian
- Forward-looking
- Local and global (Glocal)
- Rooted in values
- Environmentally responsible
- Driven by governance
- Benefiting all stakeholders

### How our brand is likely to evolve in Greenlam 2.0

- Greenlam brand will become larger
- More profitable
- More sustainable across market cycles
- Closer access to ports
- Integrated manufacturing plant (laminates + compact laminates)

# Review of our Brands Performance, FY 2021-22

## Q Was the management satisfied with Greenlam's brand performance of FY 2021-22?

The management was pleased with our brands performance in FY 2021-22 for some good reasons. We have always believed that our biggest test would be during a challenging year. The year under review was our most challenging for the sheer range of variables and unforeseens: the two pandemic waves transpired almost without warning, the container shortage and increased freight cost was of the kind one has not seen in years; there was a sustained increase in the price of oil that had a spillover impact on the cost of related resources right

into the last quarter (following the Russian invasion of Ukraine). Our business was affected by the government's decision to impose a closure of manufacturing units within the hinterland of the National Capital Region. These realities affected the stability of our brand during the year under review.

This is only one aspect of the challenges that we encountered. The other aspect was a sharp change in market sentiment that released pent-up consumer demand. The suddenness of this

reality made it imperative for the Company to rapidly build systemic inventory, put products on shelves and capitalise on the demand upturn. This challenged the responsiveness of our brand to market dynamics, any delay in which could have affected our market share and reputation.

The fact that we grew revenues 42.0% during the year under review indicates the capacity of our brand to remain nimble, flexible and responsive.

## Q What was the secret behind the outperformance?

It would have been usual for any Company in our position to have complained about an unprecedented convergence of challenging realities. Greenlam was different: the Company capitalised with speed on the fact that a number of unorganised

manufacturers would not be able to access raw material or put products on retail shelves. Greenlam capitalised on this market gap by building raw material inventory at a time when retail confidence was at a low during the first two months of the

last financial year. This capacity to service trade partners helped shift the needle of retail trust and dependability towards organised players, of which Greenlam was among the most credible.

## Q How does Greenlam expect to build on this?

Greenlam embarked on a number of initiatives during the last financial year to strengthen its brand. The first initiative was the decision of the Company to widen its product portfolio. The Company announced an expansion that will extend the

Company to the manufacture of plywood and particle board (in addition to enhancing laminates capacity). This outcome will not just comprise more of the same (laminates) but the beginning of the different as well. We believe that this is one of the most

significant brand-strengthening initiatives we have undertaken in years that could graduate Greenlam into an overarching brand umbrella and a larger corporate brand.

## Q How will this expansion enrich the Company's brand?

The Company's brand will be enriched in the following ways.

**One**, the wider portfolio will send out an unambiguous message to stakeholders that Greenlam is future-driven, progressive and solutions-oriented.

**Two**, the established sheen of the Greenlam brand will extend to products likely to be introduced across the future (plywood and particle board).

**Three**, the wider products basket will strengthen the revenues

and loyalty of our trade partners, accounting for a larger share of their wallet.

**Four**, we believe that product cross-sale will enhance the efficiency of our brand spending.

## Q How has the Company's brand become increasingly relevant in the last couple of years?

The last couple of years were those of upheaval that warranted a speed and decisiveness of decision-making. The Company responded successfully to these upheavals. For instance, when it became apparent that the unorganised laminate manufacturers would not be able to put their products on retail shelves, the Company capitalised with speed and a difference. The Company had increased its focus on the mass premium segment of

the laminates market during the peak pandemic period; sensing an unprecedented opportunity, the Company began to offer products addressing the mid-priced segment as well. This was not as easy as it may appear: there was a challenge in protecting the established sheen of the Company's premium products while increasing mid-priced segment revenues. Greenlam did well in this regard: even as the proportion of mid-priced

laminates accounted for sizable domestic laminate revenues during the year under review, laminate realisations strengthened during the year on the back of an improved product-mix and price increases announced to counter raw material cost inflation. This indicates a mature competence in managing diverse product segments without compromising their brand characteristics.

## Q What convinces you that the Greenlam brand stands at the cusp of an unprecedented opportunity?

During the last few years, a number of structural changes have transpired within the Indian economy that have created attractive headroom for organised and branded interior infrastructure players. These structural changes have comprised demonetisation, GST introduction, RERA launch and the pandemic. The bottom-line for all these four events of seminal importance are a growing role and recognition for India's organised sector. The result is not

just limited to a decline in the cost differential between products manufactured by the organised and unorganised players that makes the latter more competitive coupled with access to formal banking or financing channels. There is something else at play: there has been a visible decline in the price-sensitivity of the Indian consumer. This consumer no longer seeks the lowest price products; this consumer seeks the best price-value proposition

across every price point; the consumer is willing to pay more for superior products; the consumer recognises that the cost of enhancing residential or office aesthetics is negligible when compared with the cost of space acquisition. This transition in consumer psyche has opened up a large opportunity within the country's interior infrastructure space.

Q What else indicates that the next few years are likely to be decisive for the interior infrastructure sector?

There are advance indicators that perhaps India's interior infrastructure sector is placed an attractive take-off point. For one, there is a vast headroom between the sizes of the Indian and Chinese furniture markets; the result is that there is a near-20x difference between the respective plywood markets of the two countries even as the

populations of the countries are largely identical. There is another point to be considered: the Indian government proposed a 35% increase in the infrastructure outlay in the FY 2022-23 Union Budget. We believe that this sizable increase will kickstart India's infrastructural capital expenditure: more roads, more homes, more workplaces and

hence more spending on interiors. In view of this infrastructure-driven economic blueprint, we believe that the country's interiors sector stands at an attractive inflection point. Growth from this onwards is expected to be larger, raising the water level for prepared players.

Q What is exciting about Greenlam's preparedness for this emerging reality?

The Company is widening and deepening its product portfolio. Across the next two years, the Company will enter new product spaces. The result is that ever since the Company was demerged into a separate entity, its addressable market was ₹11,000 cr (estimated

towards the end of FY 2021-22). However, following the portfolio expansion, the Company's addressable market is likely to grow to an estimated ₹46,000 cr In the space of the next two years, the Company will be able to demonstrate its competitiveness

across a larger sectorial platform, enhancing revenues and profits. This will strengthen visibility, salience and competitiveness of the Company's brand.

Q What else provides the optimism that the Company's brands possess a robust foundation?

The Company's optimism is derived from the credibility of its Balance Sheet. The Company's pre-expansion net gearing was

0.26 (as on March 31, 2022); the post-expansion gearing is expected to remain under control. This will ensure that the

Company will be in a position to keep investing perpetually in its brands, strengthening business sustainability.

How we strengthened our brands in FY 2021-22

- 1 Launched a Mikasa Collection 2022 catalogue (flooring) that was well received

2 Strengthened the brand around end-to-end solutions - Greenlam Stratus Kitchen Surface Solutions for kitchen worktop solutions and varied solutions for restroom cubicles, lockers, façades, engineered wood flooring and engineered door product categories

3 Promoted products through digital means (smartphone apps and social media)

4 Digitalised the customer selection process using QR
- codes to enhance product and buying experience

5 Positioned products around health, safety and hygiene with anti-bacterial and anti-virus and anti-Covid properties across laminates, strengthening recall. As an extension, the Company will continue to seed new categories with corresponding products that enhance the relevance of its brand.

6 Deeper brands in the Tier 2 and 3 Indian urban clusters

7 Mikasa Floors recently launched the Floors Visualiser tool. The platform helps
- architects, designers and consumers to visualise how the products will look in their homes/spaces with just a click of the computer mouse.

8 Mikasa Doors recently launched its Fire Rated 120 product range.

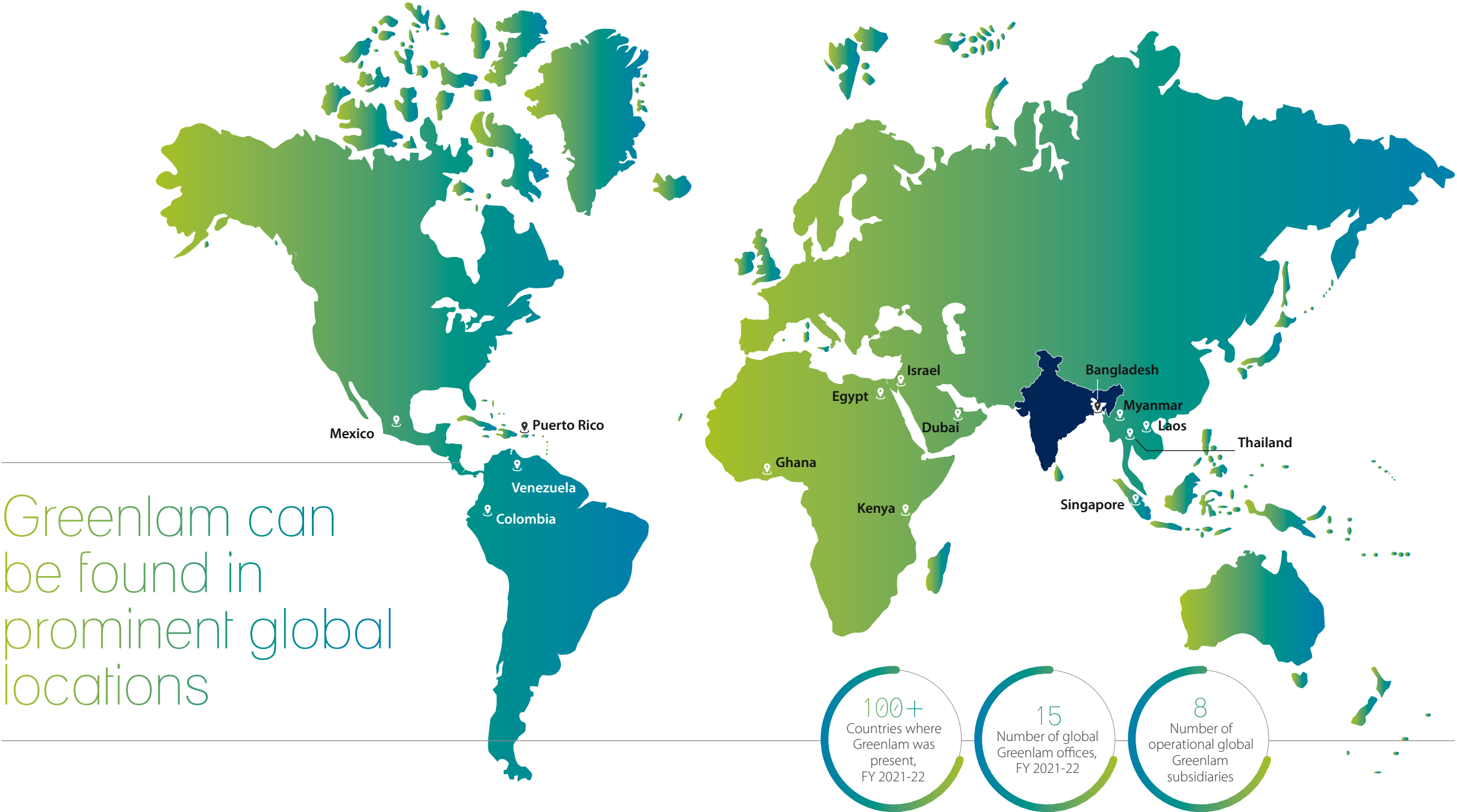
9 Mikasa Floors integrated technology with the marketing collaterals of Collection 2022, providing customers close-to-reality experience of products, colours and grading.

Our brand investment and performance in numbers

| Sizable brand power   | Structured brand spending                                | Brand productivity                                |
|---|--|---|
| 244.9   | 5.7  | 2.2   |
| ₹ cr, Greenlam's brand investment in the five years ending FY 2021-22 | % of revenues invested in the Greenlam brand, FY 2015-16 | ₹, EBITDA per rupee of brand spending, FY 2015-16 |
| 56.3  | 3.3  | 3.3   |
| ₹ cr, Greenlam's brand investment in FY 2021-22                       | % of revenues invested in the Greenlam brand, FY 2021-22 | ₹, EBITDA per rupee of brand spending, FY 2021-22 |

| Our brand promise  | Focus on the integrity of process, product and practices | Focus on sustainability over one-off profitability          | Use of superior imported resources (paper/wood/chemicals) |
|--|--|---|---|
| Deliver products that enhance user pride (aesthetics, quality and endurance) | Deliver to consumers a peace of mind                     | Generate a superior price-value proposition for consumers   | Provide a product at every price point                    |
| Provide a products basket (facilitate cross-sale)                            | Back products with credible global certifications        | Enhance consumption convenience (easy product availability) | Recruit from the terrain in different countries           |





|  |   |   |  |   |  |   |   |   |   |
|--|---|---|--|---|--|---|---|---|---|
| <b>Thailand</b> <ul style="list-style-type: none"> <li>Hotel Richmond</li> <li>Dusit Thani</li> <li>Pullman</li> <li>Hotel Holiday Inn</li> <li>Burger King</li> <li>KFC</li> <li>McDonald's</li> <li>Chester Grill</li> <li>BTS Skytrain</li> <li>Centrara Hotel</li> <li>Mercure Rayong</li> <li>President Solitaire</li> <li>7-eleven</li> <li>The Mall</li> <li>Central</li> <li>Paragon</li> <li>Lotus</li> </ul> | <ul style="list-style-type: none"> <li>Foodland</li> <li>Robinson</li> <li>Terminal 21</li> <li>Bangkok Hospital</li> <li>Kasemraj Hospital</li> <li>Thepprathan Hospital</li> <li>Intrarat Hospital</li> <li>Siriraj Hospital</li> <li>Rama Bangphee Hospital</li> <li>Bumrungrad Hospital</li> <li>Rajavithi Hospital</li> <li>Maefahluang Hospital</li> <li>Chulaporn Hospital</li> <li>Samitivej Hospital</li> <li>Lersin Hospital</li> </ul> | <ul style="list-style-type: none"> <li>Saint Louis Hospital</li> <li>Suan Buak Had</li> <li>Thammasart University</li> <li>Chulalongkorn University</li> <li>Chaigmai University</li> <li>Srinakharin Wiroj University</li> <li>Sipakorn University</li> <li>ABAC University</li> <li>Assumption School</li> <li>Krungthep Kreetha School</li> <li>Sirindhorn School</li> <li>Pizza Company</li> <li>MK Restaurant</li> <li>CP Fresh Mart</li> <li>S&amp;P</li> </ul> | <ul style="list-style-type: none"> <li>Thanachart Bank</li> <li>Government Saving Bank</li> <li>Kasikorn Bank</li> <li>CIMB Bank</li> <li>Mercedes-Benz showroom</li> <li>Toyota showroom</li> <li>Parkland 598</li> <li>Holiday Inn</li> </ul> <b>Egypt</b> <ul style="list-style-type: none"> <li>Four Seasons</li> <li>Hyatt Hotel</li> <li>Citadel Mall</li> <li>King Salman University</li> </ul> | <ul style="list-style-type: none"> <li>Egypt Japan University of Science &amp; Technology</li> <li>Hyde Park Project</li> <li>British Petroleum offices</li> </ul> <b>Singapore</b> <ul style="list-style-type: none"> <li>Costa del sol Condo</li> <li>Star at Kovan</li> <li>Parksuites</li> <li>Le Meridien Hotel</li> <li>Sentosa Big Appetite, Suntec City</li> <li>UOB Bank</li> <li>China Seedland Hi-Tech Project</li> <li>Peach Condo</li> </ul> | <ul style="list-style-type: none"> <li>Clementi Canopy</li> <li>NUS teaching blocks</li> <li>Taprobane Cinnamon Hotel</li> <li>UBS</li> </ul> <b>Kenya</b> <ul style="list-style-type: none"> <li>Sage on Paponi villas</li> <li>Sarit Centre Mall</li> <li>Medihal Hospitals</li> <li>Ole Serene Hotel</li> </ul> | <b>Ghana</b> <ul style="list-style-type: none"> <li>Advantage Tower</li> <li>Afcons</li> <li>Tema-Akosombo Railway Project</li> </ul> <b>Myanmar</b> <ul style="list-style-type: none"> <li>SSC Hospital</li> </ul> <b>Dubai</b> <ul style="list-style-type: none"> <li>Warner Brothers Hotels &amp; Resorts, Abu Dhabi</li> <li>VOX Cinemas</li> <li>Azizi Riviera MBR City</li> </ul> | <ul style="list-style-type: none"> <li>Rove Hotels</li> <li>Americana Stores - Pizza Hut</li> </ul> <b>Laos</b> <ul style="list-style-type: none"> <li>International Kasemraj Hospital</li> </ul> <b>Israel</b> <ul style="list-style-type: none"> <li>Gav-Yam Negev</li> <li>Advanced Technologies Park</li> <li>SHKMIM High School</li> </ul> | <b>Mexico</b> <ul style="list-style-type: none"> <li>AT&amp;T</li> <li>Palacio de Hierro</li> </ul> <b>Colombia</b> <ul style="list-style-type: none"> <li>Banco de Occidente</li> <li>Banco Casa Social</li> </ul> <b>Nepal</b> <ul style="list-style-type: none"> <li>Aloft Kathmandu Thamel</li> </ul> <b>Maldives</b> <ul style="list-style-type: none"> <li>Alila Kothaifaru Maldives</li> </ul> | <b>USA</b> <ul style="list-style-type: none"> <li>Bed Bath &amp; Beyond,</li> <li>AT&amp;T</li> <li>Children hospitals of Philadelphia</li> <li>Greg Norman stores</li> <li>Hialeah Hospital, Miami</li> <li>Carnival cruise</li> </ul> |
|--|---|---|--|---|--|---|---|---|---|

**Disclaimer.**  
This list is not proportionately indicative of our global presence across countries and our scale within each country

What global customers have to say about Greenlam



## Business analysis

# How Greenlam strengthened its financial management in a stressed year

## 3 challenges we encountered in FY 2021-22

- The need to counter a decline in cash flows on account of the Behror production stoppage
- The need to protect working capital management discipline at a time of sales disruptions
- The need to create a financial structure to address long-term needs

## The big picture of what we achieved in FY 2021-22

- Generated growth in revenues and EBITDA
- Protected working capital hygiene despite various challenges
- Structured a five-year plan to strengthen the sustainability momentum

## Overview

During the last financial year, there was a premium on cash flow management within consumer-facing business for various reasons. Most businesses were affected on account of unforeseen disruptions in trading activities following the unexpected breakout of the pandemic (waves 2 and 3). Besides, there was a decline in the availability of shipping containers the world over, which hardened freight costs and affected the viability of importers and exporters. There was also a corresponding increase in the cost of raw materials, which

mandated a pass-through of costs to consumers.

The cumulative impact of the Company's initiatives resulted in the Company's Balance Sheet remaining protected; long-term debt declined during this challenging period; even though the Company operated sub-optimally for nearly three months during the financial year, revenues and profits increased. The Company emerged from the year with its working capital hygiene largely protected, validating the effectiveness of its strategy.

The Company repaid net-debt of ₹191.2 cr across six years, increased net worth by ₹409.9 cr, strengthened net gearing from 1.47 to 0.26 and increased cash on hand & liquid investments from ₹5.2 cr to ₹171.3 cr.

From a future-facing perspective, the Company embarked on a five-year vision to graduate the Company into the next orbit, structured around a financial blueprint that would make the growth profitable and sustainable.

## Our strengths

**Outperformance:** The Company reported revenue growth despite the erratic performance in the country's realty sector

**Credit rating:** The Company's comfortable credit ratings of A+ and AA- Stable were sustained and validated even after the Company had drawn out a five-year growth blueprint

**Brand vibrancy:** The Company's visible brand catalyses cash conversion, enhancing inventory turns and capital productivity

**Working capital hygiene:** The Company's receivables remained best in class; the domestic laminate business receivables were at less than 10 days of turnover equivalent; export receivables were at 40-45 days and the blended receivables were at 28 days of turnover equivalent

in FY 2021-22

**Credible trade partners:** The Company's bad debts were a negligible 0.02% of sales and 0.21% of its cash profit for FY 2021-22, a validation of the Company's prudence in appointing trade partners

**Gearing:** The Company's Balance Sheet continued to be conservative, marked by a net gearing of 0.26 (all debt included) and a gearing of 0.28 (based on long-term debt)

**Debt cost:** The Company's credible Balance Sheet made it possible to mobilise long-term debt at an average cost of 7.09% and working capital load at an average competitive cost of 2.4%

**Accruals:** The Company outlined a ₹950 cr capital expenditure plan,

which would be supported by nearly 35% of accruals, reducing the load on the Balance Sheet and preparing it for long-term outperformance

**Viability:** The Company's capital cost per unit of production was lower than competitors, enhancing viability across market cycles

**Liquid:** The Company's principal business matured to a point where it generated adequate liquidity to sustain growth without the need to draw on the corporate Balance Sheet

**Broad-based:** The Company's revenues were broad-based across India and the international market (100+ countries). International revenues accounted for 49.4% of revenues in FY 2021-22

## General initiatives, FY 2021-22

The Company utilised its systemic liquidity to grow revenues and cash profit despite demand shocks in specific months on account of the pandemic and a notional revenue loss of around ₹75 cr on account of air pollution issues in National Capital Region.

The Company generated superior realisations across product categories following the rationalisation of low value-added products on the one hand and a conscious increase in the proportion of value-added varieties in the other.

The Company capitalised on the availability of financial resources to proactively procure raw material, building adequate stock in the anticipation of supply shocks.

The Company generated a growth in revenues and profits without stressing the Balance Sheet with additional debt in a challenged year.

The Company continued to exercise working capital discipline; working capital as a proportion of total capital employed was a comfortable 37.1% (34.6% in the previous year).

The Company's Balance Sheet remained largely protected, reflected in a comfortable interest cover of 18.5, indicating adequate systemic liquidity.

The Company sustained its previous practices that comprised the following: centralisation of major functions, timely resource procurement, resistance to discount products and extension into commodity grades to plug the gap vacated by unorganised manufacturers.

## Outlook

The outlook for the Company's prospects appears favourable for FY 2022-23 on account of the organic momentum of the business. Besides, the Company has embarked on a sizable ₹975 cr expansion programme, the benefits of which are to be progressively visible across five years.

The proposed entry into the manufacture of plywood is expected to be commercialised in the last quarter of the current

financial year. The Company expects to capitalise on a favourable asset-turnover ratio (3.3) to generate attractive revenues from this business. Besides, the Company expects to invest in superior manufacturing technologies to offer a superior plywood quality, ensuring consumer traction.

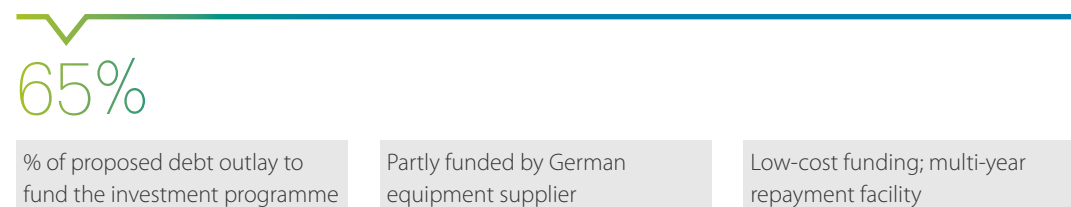
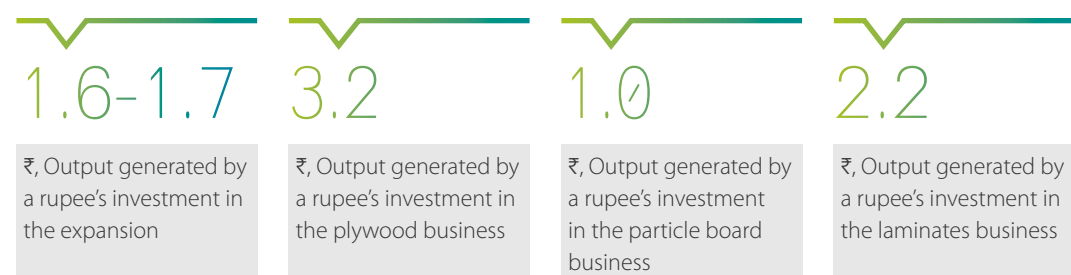
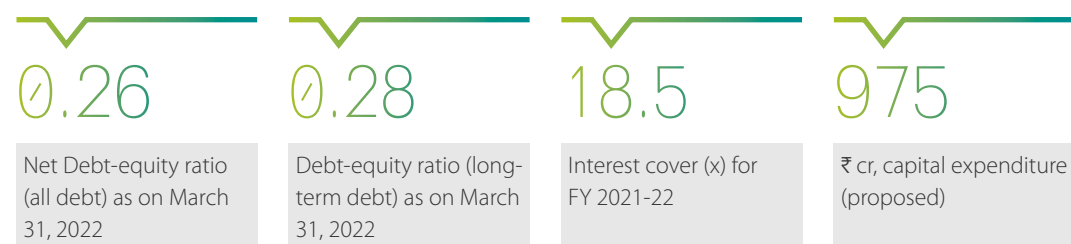
The Company proposes to increase its laminates manufacturing capacity following the addition of three presses

(taking the total to 14). The Company intends to manufacture thick laminates that translate into attractive value-addition. The expansion is likely to be commissioned in the last quarter of the current financial year.

The Company intends to commission a greenfield unit for the manufacture of particle board that is likely to be commissioned in the last quarter of FY 2023-24.



## Big numbers of our financial management



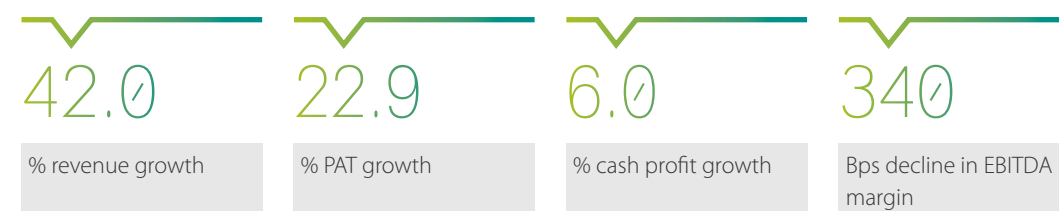
### What our management feels

"The year under review was creditable for our Company as we did not just address the needs of a business in momentum but also began planning for the long-term growth of our Company. This dual approach was marked by various challenges: the challenges of the immediate were unforeseen and volatile; the challenges of the medium-

term were influenced by realities that could evolve. I am pleased to communicate that the Company responded to the challenges of the day with competence – the Company grew the business of the day without compromising financial hygiene; it created a robust foundation to scale the business across the foreseeable future. We believe

that the Company's financial performance and planning have helped reconcile profitability with sustainability"  
*Ashok Kumar Sharma, Chief Financial Officer*

## Snapshot, FY 2021-22



### Our financial objectives

The Company expects to mobilise fresh equity capital to strengthen its financials

- Commission the expansion on schedule to minimise time or cost overrun and initiate

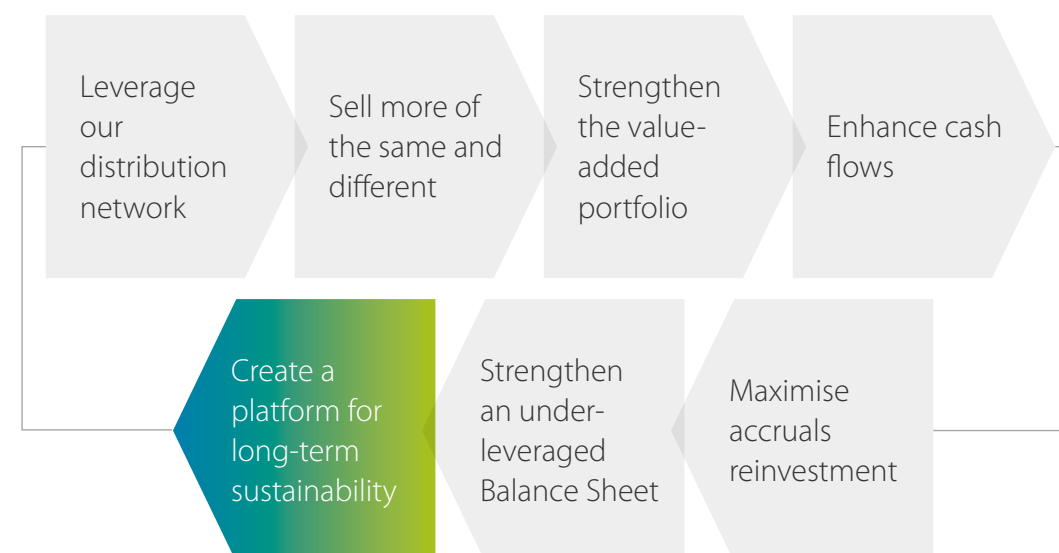
timely revenues

- Protect Balance Sheet integrity during the expansion phase
- Strengthen or maintain the

credit-rating that makes it possible to mobilise low-cost debt

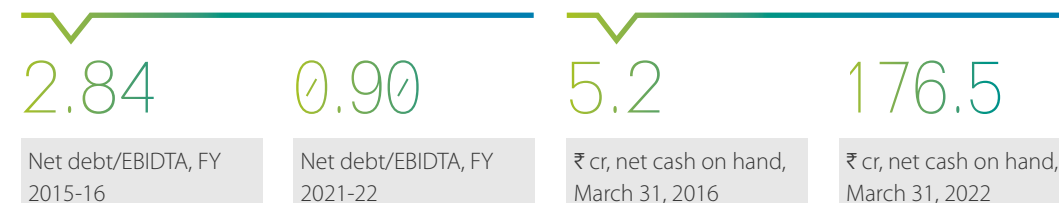
- Grow the existing business completely out of accruals

## Our financial sustainability programme



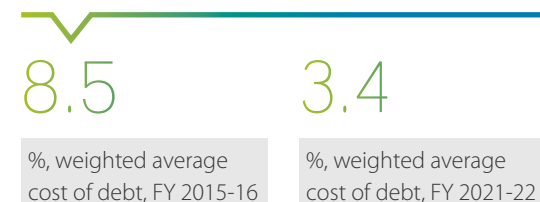
## Big numbers of our achievements

### Declining indebtedness



### Growing liquidity

### Declining debt cost



## Business analysis

# How Greenlam strengthened its marketing and sales outcomes in a challenging year

### 3 challenges we encountered in FY 2021-22

- The need to enhance our marketing capabilities to counter resource inflation
- The need to counter a perpetual transition in consumer preferences
- To translate consumer enquiry or interest into consumer offtake

### The big picture of what we achieved in FY 2021-22

- Plugged category gaps; widened the portfolio; provided complete solutions
- Leveraged digital technology to enhance consumer engagement
- Revamped legacy collections to enhance freshness

## Overview

In virtually every business, there is a premium on the word 'new'. As consumer preferences evolve and the shelf life of design collections shorten, there is a need for companies like ours to present new products with differentiated features in modern ways, resulting in growing traction.

At Greenlam, we believe that this warrants a long-term commitment to perpetual change and staying ahead of the market curve. Over three years, this has resulted in the Company engaging specialised professionals, allocating sustained budgets and providing headroom in which to experiment.

The Company continues to be among the most vibrant brands in the market segments of its presence, reflected in rising revenues derived from products launched in the last few years – the most effective way of rejuvenating the Company's revenue profile and seeding the business for sustainable growth.

## Our strengths

**Brand:** The Company built on the visibility and traction of its corporate brand, which stood for ethical uprightness, quality commitment and superior service

**Spending:** The Company's brand was reinforced by consistent investment, which enhanced consumer pull, strengthening value for trade partners

**Collections:** The Company launched multiple collections under various brands in line with

customer demand as well as changing preferences and trends

**Approach:** The Company invested in digital technologies to showcase products wider and deeper around the experiential platform

**Portfolio:** The Company widened its product portfolio with the introduction of NewMika FX, economical collection of exterior compacts for façades and NewMika Super Liner – a liner

laminare collection to reinforce the NewMika Brand

**Relationship:** With an objective to strengthen relationship with specifiers, the Company launched the Spaces to Stories initiative, encapsulating key projects by architects and designers.

## General initiatives, FY 2021-22

The Company launched a new collection called Chevron in September 2021, which plugged a market gap and generated traction among trade influencers

The Company launched Mikasa Collection 2022, the largest such offering within the sector in India comprising the addition of 24 new products and SKUs, reinforcing the Company's statesmanlike positioning

The Company introduced two new product categories as a part of this collection (Arte – hand crafted and Weathered – rustic feature-led), emphasising the role of nature, patterns and colours

The Company's complete flooring

solution comprised the following: Regular long planks, Herringbone format, Chevron format, Staircase solutions and Accessories programme.

Mikasa Floors recently launched a floor visualiser tool. The platform helps architects, designers and consumers to visualise how the products will look in their home/spaces.

The Company reinforced NewMika as a budget-friendly high quality brand from May 2021, strengthening corporate visibility and revenue growth

The Company introduced Perfect10, the 10ft long veneer collection under the brand

Decowood. The Company's Mikasa Doors brand got the prestigious CBRI certification for it FD120 Mins doorsets.

Consumer perception has evolved towards product offerings, which appear premium and niche, focusing on the imitation of luxuries, balancing comfort and elegance while adhering to which Greenlam introduced GREENLAM SATIN, a range of premium super-matt laminate collection that exemplifies smoothness, soft to touch in nature, with over 51 decors in stunning 31 colours, 8 patterns and 12 wood designs.

## New products

### NewMika - 1mm/08mm/Liner Collection



### Greenlam - AFX Collection



### Greenlam Satin Collection



### Greenlam Clads & NewMika FX Collection



### Mikasa Floors - Collection 2022



### Decowood Veneers - Perfect10 Collection



## Digital initiatives, FY 2021-22

The Company introduced apps to enhance customer (primary and secondary) convenience; if revamped the website for freshness

The Company depicted the functional attributes for products

and grades in a structured manner (using better pictures and videos) to enhance consumer clarity

The Company introduced a QR code for each product to enhance product communication

The Company leveraged digital technology to empower consumers to simulate the use of select products in a virtual residential environment, creating a post-installation feel before purchase

Business analysis

# How Greenlam strengthened its international laminates business

3 challenges we encountered in FY 2021-22

- The Company needed to address movement and market restrictions the world over
- The Company needed to address logistic challenges to put material on shelves
- There was an uncertainty about prospective sales, which made production and inventorisation a guessing game

The big picture of what we achieved in FY 2021-22

- We leveraged our soft and hard infrastructure to access resources and out material, in markets
- We created a proactive stocking approach to address logistically challenging markets
- We restructured our business model, strengthening our responsiveness to evolving market developments

Overview

In most companies, export is a secondary activity generally limited to maintaining a global market presence in the hope of scaling it in the future. It is also often limited to only a surplus beyond domestic consumption that can be allocated across markets around a marginal costing basis, helping the company graduate to a higher capacity utilisation.

At Greenlam, we selected to walk the road less travelled. We placed the company's international presence at par with the domestic market for some good reasons.

**One**, the company's broad-based international presence provided excellent insights into market trends, which could be used in furthering the company's domestic presence.

**Two**, the company's wide and deep international footprint made it possible for the company to grow its presence bottom-up across markets, a sustainable growth opportunity.

**Three**, the broad-based global footprint made it possible for the company to spread its risk beyond a few markets.

What makes the company different as far as exports are concerned is that this segment of the business is not remote-managed from India. Even as the company continues to be headquartered in India, the company decentralised this function: it created offices in the countries of its presence, recruited employees from that geography, creating a focused international business team and launched products customised around

specific terrains. This 'global' approach has ensured that this business has grown profitably. The result is that Greenlam is possibly the only Indian laminate producer driven by the global and national market. This was reflected in the company's revenues during the year under review, when 48.4% revenues were derived from outside India. The company retained its position as the largest laminate exporter from India for 12 consecutive years. The Company continued to effectively be a global laminates organisation of Indian origin and manufacturing presence. As of March 31, 2022, Greenlam products were available in more than 100 countries; the company worked out of 8 operational global subsidiaries and employed over 100 employees outside India.

Challenges and counter-initiatives

The second COVID-19 pandemic year created challenges for Greenlam's export business.

- Greenlam was affected by an uncertainty in the global offtake of laminates
- The Company encountered supply chain bottlenecks in accessing resources and delivering finished products
- The Company encountered a steep increase in freight costs on account of a shortage of shipping containers
- The Company was threatened by employee vulnerability to the COVID-19 pandemic
- The Company was affected by international travel restrictions

Greenlam responded with speed and adaptability to this challenging environment.

- The Company built adequate resource inventory, higher than prevailing norms
- The Company engaged actively with teams across geographies, encouraging them to engage with their end consumers.
- The Company restructured its tactical approach to respond with speed to market developments
- The Company's teams turned to online engagement to connect with each other with trade partners without compromising effectiveness

Strengths

The Company continued to leverage the following time-tested competitive advantages.

- The Company is the world's third largest laminates manufacturer, inspiring respect
- The Company extended its product applications from residential to industrial to exterior, strengthening its one-step proposition.
- The Company enjoyed a footprint across continents; it marketed in most markets without intermediaries.
- The Company widened and deepened its footprint beyond 100 countries, a robust pipeline for new product introduction and sales.
- The Company leveraged its network of four overseas warehouses, improving its responsiveness to the emerging demand in the market.
- The Company marketed products of European quality at competitive realisations.
- The Company's global office network was managed by local employees, enhancing a familiarity with ground conditions.
- The Company's comprehensive portfolio serviced customers with a one-stop solution.

Performance highlights, FY 2021-22

- The European and USA markets accounted for the highest laminate revenues
- The Company generated traction from components, compacts and high pressure laminates.
- The Company strengthened its digital communication, circumventing the challenges placed by restricted physical movement
- The Company enhanced the robustness of its distribution network
- The Company shifted the nature of its business from commodity to value-added, strengthening overall realisations

Outlook, FY 2022-23

The global market for decorative laminates catalysed by housing market recovery and increased home construction. Besides, the growing demand for laminates is expected to be driven by rising furniture and flooring budgets, larger homes, preference for higher lifestyle standards and urbanisation. Greenlam is attractively positioned to grow its market presence on account of its local presence, terrain knowledge, product mix and expanding capacities (proposed).





### What our management feels

"Despite the COVID-19 second wave and supply chain disruptions, Greenlam reported a 38.3% growth in international revenues in FY 2021-22. With Europe and USA accounting for the highest revenues, the Company will seek to grow its global laminates market presence through the interplay of knowledge, product mix and enhanced capacity."

### Laminates and allied segment

**Manufacturing facilities:** Behror, Rajasthan and Nalagarh, Himachal Pradesh

**Installed capacity:** 15.62 mn sheets per annum

**Leading brands:** Greenlam, New Mika, Greenlam Clads and Greenlam Sturdo

**Production during FY 2021-22:** 16.77 mn sheets

**Production growth over FY 2020-21:** 23.6%

**Capacity utilisation:** 107%

**Sales volume, FY 2021-22:** 16.53 mn sheets

**Sales volume growth over FY 2020-21:** 22.8%

**Revenues, FY 2021-22:** ₹1,556.3 cr

**Segment contribution to total revenues, FY 2021-22:** 91.4%

**Revenue growth, FY 2021-22:** 46.1%

### How we grew our business



### Greenlam: How our capacity to think different helped grow our business

**Conventional:** The general industry approach has been to trade laminates when exporting

**Contrarian:** Greenlam invested in long-term brand building in the global markets instead

**Conventional:** Disproportionate attention to short-term price or demand arbitrage windows

**Contrarian:** Greenlam built its international presence around product quality and timely service

**Conventional:** Most Indian companies turned to exports as an afterthought

**Contrarian:** Greenlam focused on making global revenues the principal revenue driver

**Conventional:** Most Indian players play a small role in the global laminates market

**Contrarian:** Greenlam aspired to emerge as a global leader from the time it entered the international market

**Conventional:** Most Indian players competed on price

**Contrarian:** Greenlam competed around product customisation, certifications and global accessibility

**Conventional:** Most Indian players focused on the commodity laminates segment

**Contrarian:** Greenlam built its presence in the premium laminates segment as well

**Conventional:** Most Indian players addressed growth in a handful of international markets

**Contrarian:** Greenlam broad-based its presence and risk across more than 100 countries

**Conventional:** Most Indian players invested for the short-term in global markets

**Contrarian:** Greenlam continued to invest in large markets, gradually turning them around

**Conventional:** Most Indian companies grew their operations from India

**Contrarian:** Greenlam created a network of global offices, strengthening decision-making effectiveness

### Big numbers of our achievements

#### Growing international business revenues

454.0

₹ cr, FY 2015-16

824.3

₹ cr, FY 2021-22

#### International revenues as % of revenues

44.1

FY 2015-16

48.4

FY 2021-22

## Business analysis

# How Greenlam strengthened its Indian laminates business in an unpredictable environment

### 3 challenges we encountered in FY 2021-22

- The suddenness of the pandemic's second wave, which affected planning for two months
- Deferment in commercial segment spending; increased work from home
- Increase in raw material costs that needed to be passed on

### The big picture of what we achieved in FY 2021-22

- Leveraged the power of a structured organisation over unorganised players
- Protected our market share at around 18% of the organised market in an unpredictable year
- Protected the brand and vendor relationships

## Overview

The last financial year was one of the most challenging from the perspective of the Indian laminates business. The convergence of a number of challenges enhanced unpredictability; the Company's operations were affected in the first two months of the year under review on account of the

second pandemic wave. A decline in the availability of shipping containers increased freight costs and an increase in crude oil costs had a hardening impact on downstream resin and chemicals costs that form the core of the Company's resource mix. If that were not enough, the Company's operations were affected by a

tightening of environmental filters in the National Capital Region hinterland. Keeping these realities in mind, it was an achievement that the Company reported a 33.3% growth in volume and a 56.0% increase in revenues.

### Challenges and counter-challenges, FY 2021-22

The challenges that affected the business have been explained in the preceding section. In addition to these challenges, the Company's capacity to service clients on time and in full speed was threatened during a part of the year. Customers deferred purchases considering the laminates were not considered business-critical. There was also an extended sluggishness in the

offtake of apartments and offices with a corresponding lag in the commissioning of interior fit-outs, all of which had a dampening influence on the offtake of laminates.

The Company responded to these realities with the following counter-initiatives: a superior leverage of the Company's structured and organised approach enhanced trade

confidence over engagements with the unorganised sector. The Company took a long-term view of its brand health in selecting not to discount laminates or extend terms of trade with the objective of carving way market share across the short-term. The Company infused funds into the business to build raw material inventory at a relatively low cost and in large volumes, decision

that translated into raw material security and a predictability with which the business would be run thereafter. The Company protected its vendor relationships

and enhanced its engagement with the market place that reduced its dependence on distributors. The result of these initiatives was that the Company

arrested the impact of its sectorial downside, protected its market share and generated adequate cash flows for reinvestment.

### Achievements, FY 2021-22

The Company accounted for around 18% share of an organised laminates market in India estimated at around ₹4,000 cr. The Company reported a 16.6% increase in average realisations per unit of laminate sold.

The Company continued to extend beyond the urban market; during the year under review, it deepened its presence in the country's Tier 2 and 3 markets.

The Company strengthened the effectiveness of its Regional Distribution Centres with the objective to nurse adequate inventory across points and service sudden increases in demand.

The Company launched new

products – the AFX laminate variety (anti-finger-print) was launched as a premium product; the Company supported the launch of the Satin category with the widest range; the Company launched the new Clad range.

The Company prudently increased marketing spending while increasing the number of digital tools on offer.

The Company rationalised its product mix by shedding slow moving products; it recast its distribution network through the timely plugging of market gaps.

The result is that at a time when consumers began to demonstrate a lower price-sensitivity and selected to spend higher on

their interiors, the Company strengthened its laminates business through enhanced competitiveness.

The Company filled retailer shelves faster than unorganised competitors could manufacture, enhancing market share.

The Company enhanced brand spending (social and electronic media).

The Company provided a product or solution across every price point, strengthening its ability to service the market.

### Strengths

The Company continued to focus on delivering a superior price-value proposition across price peers, retaining the premiumness of its offering.

The Company continued to invest in its brand around the attributes of product superiority, service timeliness, distribution footprint and the scale / scope of its portfolio.

The Company reinforced its market presence around ethical uprightness, translating into a Greenlam way of doing things that benefits its entire eco-system.

The Company continued to emphasise a process and systems-driven engagement that enhanced the predictability of outcomes and prepared the organisation to scale without straining its people resources.

The business has integrated forward towards the manufacture of compact cubicles, which are finding extensive use in India's health care sector on account of its anti-fungal and anti-viral features.

The Company enhanced trade confidence with a ten to twelve-year warranty on its laminates.

The global certifications (FSC, PEFC, ISO 14001 and ISO 45001; ISO 9001, CE, UL, NSF, SEFA, Greenlabel, Greenguard, NEMA (US and BS) and SEDEX) on products used by the Company enhanced portfolio credibility.

The Company reinforced its product mix with the launch of the latest global laminate variants (the anti-finger print laminate or AFX, satin finish texture and the zero-gloss variant).

### Outlook

The Company expects to grow laminate revenues within India, assuming the absence of unexpected realities like a pandemic resurgence. The Company intends to continue its exercise to plug market gaps, enhance training, emphasise value-addition, engage deeper with influencers and enhance sampling for institutional customers.

The outlook continues to be optimistic for this business as the post-pandemic pent-up buying has returned, the announcement of various initiatives in the 2022 Union Budget indicates the start of a decade-long construction momentum and there is a visible traction towards improvement lifestyles coupled with increased interiors spending. There is a traction for organised carpentry, increased interiors pride, purchase

convenience and social media promotion.

Besides, a growing preference for hygiene and zero-maintenance surfaces is enhancing the use of laminates in the fabrication of wheel trolleys, patient beds and outdoor patient chambers. There is also a preference for the use of compact cubicles on account of their lower construction load, easier dismantling, no structural

damage and lower water use in construction.

The Company is competently placed to capitalise on this

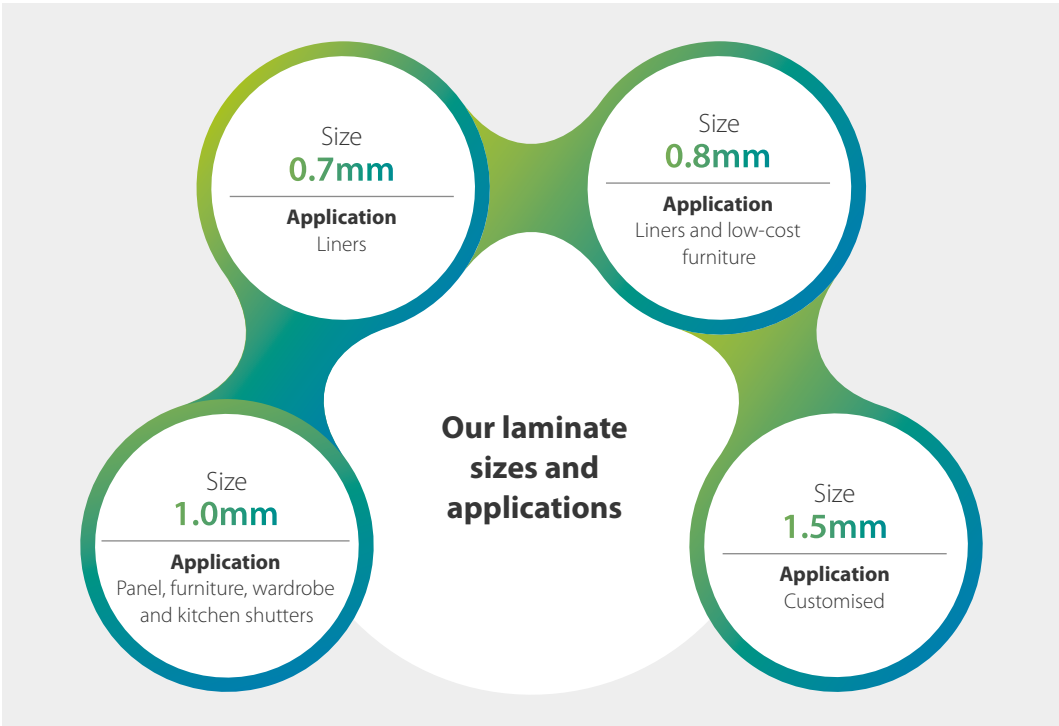
long-term optimism: through an under-borrowed Balance Sheet, visible consumer action for better products, culture of

comprehensive compliances and a semi-luxury positioning that has a positive influence on offtake and margins.

What our management feels

“The Company enjoys a leadership in the Indian laminates market. The Company is reinforcing this leadership through various initiatives: addressal of the premium and price-sensitive segments, presence across wider price points and effective leverage of the advantages arising out of the country’s organised segment. The Company is taking this leadership ahead through soft and hard initiatives – the soft initiative will focus on enhancing business efficiency; the hard initiative will enhance manufacturing capacity 22% by the end of the year under review.”

Big numbers



Our certifications

Forest Stewardship Council (FSC): An international not-for-profit organisation that seeks to promote environmentally appropriate, socially beneficial and economically viable

management of the world’s forests. FSC developed the first independent labelling system for forest products. The Chain of Custody (CoC) process is defined by the FSC as ‘the path taken by

raw materials harvested from an FSC certified source through processing, manufacturing, distribution, and printing until it is a final product ready for sale to the end consumer.’

OH&SMS ISO 45001: The Occupational Health and Safety Management System (OH&SMS) 45001 is earned by sites that have implemented safety and health management systems to integrate health and safety aspects in all business operations to make our processes safe.

QMS ISO 9001: The International Standards Organization (ISO) 9001 certification is designed to assist organisations, of all types and sizes, to implement and operate an effective Quality Management System, where an organisation needs to demonstrate its ability to provide products that fulfill customer and applicable regulatory requirements and aims to enhance customer satisfaction. RRD sites use ISO 9001 as the basis for continual improvement initiatives related to the quality of Products and Services.

Programme for the Endorsement of Forest Certification (PEFC): The 2017 PEFC Collaboration Fund is supporting NCCF’s initiative to raise the profile of forest certification and develop the market for certified products in India. The project will raise awareness amongst a variety of stakeholders, from the forest to the retailer, highlighting the benefits of buying and selling certified products.

EMS ISO 14001: ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organisation can follow, rather than establishing environmental performance requirements.

Conformite Europeenne (CE): The letters ‘CE’ (Conformite Europeenne) appear on many products traded on the extended Single Market in the European Economic Area (EEA). They signify that products sold in the EEA have been assessed to meet high safety, health, and environmental protection requirements. When you buy a new phone, a teddy

bear, or a TV within the EEA, you can find the CE mark on them. CE marking also supports fair competition by holding all companies accountable to the same rules.

Underwriters Laboratories (UL): When a product is UL-listed, it means that the global safety certification company UL has confirmed that the product is safe for use. Products that should definitely be UL-listed before installation in your home include fixed appliances and electrical equipment.

National Sanitation Foundation (NSF): NSF International was founded in 1944. Manufacturers, regulators and consumers look to NSF to facilitate the development of public health standards and provide certifications that help protect food, water, consumer products and the environment. NSF develops uniform, consensus-based national standards, we bring together regulators, industry, consumers and public health experts.

The Scientific Equipment and Furniture Association (SEFA): The Scientific Equipment and Furniture Association (SEFA) was organised in 1988 to meet the needs of an important industry of lab designers and manufacturers of laboratory furniture. A company whose work is principally in this industry can be eligible for membership. SEFA’s members work closely with laboratory owners, architects, contractors and others to advance the goal of creating a safe ‘Laboratory Grade’ environment. SEFA takes a leadership role in advancing the cause of good laboratory planning. SEFA’s member-directed package of services reflects the importance attached to cost-effective construction and delivery, lab space use, safety, productivity and environmental issues.

Green Label: Administered by the Singapore Environment Council (SEC) since 1999, the Singapore Green Labelling

Scheme (SGLS) is Singapore’s leading environmental standard and certification mark with over 3800 unique products certified across 43 countries. The scheme aims to help the public identify environmentally preferred products that meet certain eco-standards. The Singapore Green Label is a Type 1 Ecolabel. It addresses the main environmental impacts of a given product and places limits for compliance in order to reduce these impacts

Greenguard: The Greenguard Environmental Institute, or GEI, is an industry-independent, third-party, non-profit organisation that offers three product certification programs and one building certification program. The Greenguard Environmental Institute was established by Air Quality Sciences. When a product bears Green guard certification, it meets strict chemical emissions limits and has been tested for more than 10,000 chemicals. Green guard certifications indicate that a product is safe for indoor use.

SEDEX certification for Ethical Trade Initiatives: Sedex defines the Supplier Ethical Data Exchange; it is a non-profit organisation and introduces to drive ethical business practices. Sedex helps to maintain ethical information in a simple and effective manner. It is a secure online database which allows the registered members to share, store the information in four key areas: - Health and Safety standard, Labour standard, the environment and Business ethics. Buyers can manage and view the ethical data and information for multiple suppliers in one place and Suppliers can share their ethical information or data for multiple buyers at one secure place.



Business analysis

# How Greenlam strengthened its New Mika business in FY 2021-22

The big picture of what we achieved

We doubled revenues and maintained a premium price point

We launched this business with 84 employees

We further extended our distribution network, expanding across dealers and towns

Overview

The Indian laminates market was valued at ₹6,500 cr in 2022, driven by increased construction, urbanisation, industrialisation and aspirations. Besides, rising environmental concerns related to timber use and technological innovations are expected to catalyse demand.

At Greenlam, we deepened our laminates business through the creation of an independent NewMika team addressing the domestic demand for laminates. The creation of this team is expected to enhance operational focus, leading to disproportionate gains in brand perception, market share and financials.

Challenges and counter-initiatives

In addition to the second pandemic wave, the launch of new products - 1 mm, 0.8 mm and exterior compact panels – was delayed in addition to the proposed expansion of existing laminate categories.

The Company addressed challenges through the aggressive NewMika brand positioning at a time when most competing brands conserved their promotional spending. This contrarian approach strengthened the company's brand among carpenters, dealers and trade partners.

Performance highlights, FY 2021-22

- The Company's NewMika reported 2x revenue growth
  - The business protected its price point and brand in line with the best industry standards
- The primary channel engagement was 95%; the business serviced 617 towns (out of 921) with a 50,000+ population
  - NewMika was established as a visible brand from May 2021 onwards, strengthening corporate visibility and revenue growth

Outlook, 2022-23

As preference for unbranded players declined in the wake of the pandemic (when consumers needed to be cautious and sure about their spending) there emerged for brands like NewMika a growing opportunity window.

New products



Business analysis

How we managed our decorative veneers business

3 challenges we encountered in FY 2021-22

- We needed to enhance the acceptance of products through online channels
- We needed to procure raw materials on time and in full amidst a growing shortage
- We needed to protect the premium sheen of our products mix

The big picture of what we achieved in FY 2021-22

- We leveraged the power of virtual engagement to showcase products
- We maintained adequate raw material stock, especially teak
- Efficient marketing helped the team protect its premium positioning

Overview

Despite slow market growth, decorative veneers remained preferred during premium residential upgradation. Rising affluence has emerged a key driver of decorative veneers in India. From 2016 to 2025, the share of affluent households is likely to increase from 8% to 16%, strengthening product offtake. Besides, veneer demand is likely to grow following growth in the country's hospitality segment. Greenlam is attractively placed to capitalise, considering that it is India's largest veneers manufacturer with an installed capacity of 4.20 mn square meters per annum.

Challenges and counter-initiatives

The COVID-19 pandemic presented a number of challenges to the company.

- The physical selection of products remained challenging in view of personal safety issues
- Raw material supply lines were perpetually affected

There was a need to protect premium pricing even as the consumer sentiment was weak

The Company mitigated these realities through the following initiatives:

The business strengthened the digital launch of new products through online channels; it developed digital assets and marketed them

The business maintained adequate raw material stock, despite price volatility

Performance highlights, FY 2021-22

- Product premiumness was strengthened by the digital launch of Perfect10, the 10ft Veneer Collection, which was well accepted
- The Company maintained or revived dealer relationships across India
- Online selection through live streaming and portal were strengthened with online stock management system of channel partners in new digital assets, easing customer selection and enhanced secondaries
- Natural veneers accounted for the largest revenue of the business segment.

Strengths

The Company's rich experience is reflected in the manufacture of veneers for more than 20 years.

The Company's wide range of veneers comprised natural, teak and engineered veneers

The Company benefited through superior recall among product influencers and specifiers in a reference-based business.

The Company benefited from the superior quality of base ply stock.

The Company's wide distribution network and strong logistics helped service customers better

Outlook

The Company will seek to strengthen its existing products range. The Company will seek to protect its trade partner network.

|   |   |  |   |
|---|---|--|---|
| Decorative veneers segment                          | Manufacturing facilities: Behror, Rajasthan | Installed capacity: 4.2 mn square meters per annum       | Brand: Decowood                                 |
| Production during FY 2021-22: 1.11 mn square meters | Production growth over FY 2021-22: 2.9%     | Capacity utilisation: 27%                                | Sales volume, FY 2021-22: 1.09 mn square meters |
| Sales volume de-growth over FY 2021-22: 3.1%        | Revenues, FY 2021-22: ₹83.7 cr              | Segment contribution to total revenues, FY 2021-22: 4.9% | Revenue growth, FY 2021-22: 6.5%                |

What our management feels

"Greenlam being the largest manufacturer of decorative veneers in India, with an installed capacity of 4.20 mn square meters made sure to stock raw materials, introduce a new range of products, promote the existing range and expand its distribution network during the year under review. The result is that the segment witnessed a revenue growth of 6.5%, and could grow further as the segment continues to expand its distribution network."

Our innovative veneer products

|               |                 |                      |                    |                  |
|---------------|-----------------|----------------------|--------------------|------------------|
| HD Collection | Nouveau veneers | Pre-polished veneers | Distressed veneers | Ten-feet veneers |
|---------------|-----------------|----------------------|--------------------|------------------|

Business analysis

# How we strengthened our engineered floors business

3 challenges we encountered in FY 2021-22

- We needed to address raw materials crunch due to logistical disruption.
- We needed to address shortage of trained installers across the country and especially in the B and C class markets.
- We needed to educate customer on our products and their characteristics.

The big picture of what we achieved in FY 2021-22

- We emphasised the building of adequate raw material stock ahead of the shortage.
- We started conducting training programs for installers in all strategic locations.
- We started conducting training programs for dealers and home owner on product behaviours and maintenance.

Overview

The Indian wooden flooring market is expected to emerge as a growth area between 2022 and 2027, largely catalysed by a growth in the premium residential and commercial property segments. The government’s commitment to grow the country’s hospitality sector could translate into the additional construction of hotels and resorts. Greenlam Industries is the first and only manufacturer of engineered wooden flooring in India with an installed capacity of 1.0 mn square meters per annum. The Company’s state-of-the-art manufacturing process and designs strengthened its business. Greenlam’s engineered flooring product is engineered to endure across India’s diverse climatic conditions. The brand Mikasa floors benefits from a superior recall, wide products range and up to 30-year product warranty

Challenges and counter-initiatives

Greenlam Industries is the first and only manufacturer of engineered wooden floors in India. During a pandemic-affected year, there was a premium on the company’s capacity to service a growing market without supply interruptions. The company addressed this reality through proactive resource inventorisation. Besides, the Company addressed increased demand during the second half of the financial year through structured planning.

Performance highlights, FY 2021-22

The business was strengthened during the year under review through various initiatives:

- The Company introduced the Chevron Pattern wooden flooring,

which was well-accepted by India’s hospitality and high-end retail customers.

- The Company launched a new range of flooring, which

performed creditably

- The Company expanded its network and extracted high revenue from its trade partner.

Strengths

The Company is the first and only manufacturer of engineered wooden floors in the country. The Company’s engineered wooden flooring segment enjoys the largest pan-India network of trade partners. The Company strengthened supply of engineered wooden products in a shorter time compared to imported alternatives. The Company provided a warranty of up to 30 years, prioritising long-term durability over imported varieties, leading to enhanced stakeholder trust. The Company provided a range of products and designs to customers, more than the choice available through imports. The Company provides FSC-certified products as per customer requirements, strengthening customer confidence. The Company extended beyond product sale to service (installation, handling and related support functions).

Outlook, FY 2022-23

The flooring segment will continue to be a focus area, marked by a widening distribution network and strengthening brand presence. Greenlam will continue to strengthen its products range and distribution network, enhancing its customer reach.

What our management feels

“The engineered floors segment of the Company has been well accepted, accounting for orders from marquee brands like ITC and DLF. What has worked well is that the company is standing by its buyers following sale: up to a 30-year product warranty. We believe that the platform of confidence and trust will make this a scalable business for the company.”

Big numbers for our flooring business

|  |   |  |   |
|--|---|--|---|
| 46   | 166   | 11   | 2   |
| Number of products in Mikasa Collection 2022 (24 new addition) | SKUs in our collection                      | New colours added  | New Collections - Arte & Weathered              |
| Engineered wooden flooring segment                             | Manufacturing facilities: Behror, Rajasthan | Installed capacity: 1.0 mn square meters per annum       | Brand: Mikasa                                   |
| Production during FY 2021-22: 0.11 mn square meters            | Production de-growth over FY 2021-22: 13.1% | Capacity utilisation: 11%                                | Sales volume, FY 2021-22: 0.12 mn square meters |
| Sales volume de-growth over FY 2021-22: 5.4%                   | Revenues, FY 2021-22: ₹36.7 cr              | Segment contribution to total revenues, FY 2021-22: 2.2% | Revenue growth , FY 2021-22: 15.7%              |



Business analysis

How we strengthened our engineered doors business

3 challenges we encountered in FY 2021-22

- Streamlining and improving the back-end activity and post-sale services
- Steep increase in imported raw material prices
- Developers / projects reduced their budget due to a steep increase in construction costs

The big picture of what we achieved in FY 2021-22

- We have started streamlining back-end activity by adding manpower and adequate training
- We passed on the enhanced raw material cost to the market and introduced a fresh range of high-end designer doors
- We targeted and identified boutique developers and high-end retail customers

Overview

The Indian doors market was catalysed by urbanisation, widening middle-income consumption and growing disposable incomes. An increase in structural reforms is expected to support doors demand. Greenlam's Mikasa doors and frames were customised to address customer needs, comprising architects, interior designers and house owners - a door for every need.

Challenges and counter-initiatives

Just like every segment, the doors segment of the Company faced supply chain disruption as the Company procured raw materials through imports from other countries. Most of the projects were on hold during the first half of the financial year as customers sought budget products for completing their projects.

Performance highlights, FY 2021-22

- The Company introduced a range of products in the fire-rated category, tested for 120 minutes under fire leading to the coveted IPRITI certification.
- The Company introduced acoustic doors using high-pressure laminates.
- The Company developed a door set for the healthcare sector.
- The Company bagged major projects in Delhi, Hyderabad and Mumbai from prominent hoteliers and developers
- The Company generated sizable retail orders in New Delhi

Strengths

The Company demonstrated the capacity to manufacture high-strength veneer doors. The products have been complemented by service quality (delivery and installation), marked by installation capability and manpower across strategic locations. The Company's product is positioned as mass premium with corresponding quality benchmarks. The Company benefits from numerous certifications, including 60-minute, 90-minute and 120-minute durability certifications for fire-rated and acoustic doors.

Outlook, FY 2022-23

The Company will seek to feed newly-introduced and existing product ranges to encourage affordable housing to all by 2022 while accelerating the development of Smart Cities. India presently suffers from a home shortage of 18 mn units, a vast growth headroom for the company. The outlook appears optimistic as the Indian government continues

|   |   |  |                                       |
|---|---|--|---------------------------------------|
| Engineered doors segment                      | Manufacturing facilities: Behror, Rajasthan | Installed capacity: 1.2 lac doors per annum              | Brand: Mikasa                         |
| Production during FY 2021-22: 21374 units     | Production de-growth over FY 2021-22: 24.2% | Capacity utilisation: 18%                                | Sales Volume, FY 2021-22: 21702 units |
| Sales volume de-growth over FY 2021-22: 28.7% | Revenues, FY 2021-22: ₹26.8 cr              | Segment contribution to total revenues, FY 2021-22: 1.6% | Revenue growth , FY 2021-22: 11.6%    |

**What our management feels**

“The Company is brought to this space a sense of excitement - fire-rated and acoustic doors – to address diverse customer needs. This empowered the company to bag projects from respected clients like Lemon Tree Hotels and Uppal Developers. The segment is at the cusp of attractive construction growth, which is an incentive for the company to increase its distribution network.”

Business analysis

How Greenlam continued to strengthen its manufacturing excellence

3 challenges we encountered in FY 2021-22

- We needed to sustain manufacturing operations through the pandemic's wave 2 with complete employee safety
- We needed to enhance manufacturing throughput in subsequent months to cover the shortfall arising from the plant closure due to implementation of Graded Action Response Plan in the National Capital Region
- We needed to leverage competencies (cost, quality, range) to enhance competitiveness

The big picture of what we achieved in FY 2021-22

- We sweated existing manufacturing capacities
- We continued to manufacture at the highest efficiency and quality standards
- We adhered to all environmental compliances, health and safety resulting in operational integrity

Overview

Greenlam's manufacturing excellence influences the company's capacity to put products on shelves when customers need them, deliver

in line with the highest quality that takes the brand ahead and manufacture products customised around the needs of different markets. These attributes

contribute effectively to our business, strengthening the consumer's confidence that the company's output can be safely utilised across the long-term.

Challenges and counter-initiatives

The key challenge faced by the manufacturing side of the Company was in the form of unforeseen developments that affected operations and consumer appetite, putting a priority on the need to provide the function with adequate raw material.  
The function responded with a stocking model, widening sourcing from resource suppliers (domestic and international),

fresh approach to ensure the uninterrupted supply of fast moving paper quantities and the selective production of low priced laminates to widen the Company's market presence.  
These initiatives helped the company report attractive capacity utilisation at a time of demand disturbance, enhancing manufacturing economies and making it possible to effectively

amortise fixed costs.  
The company was also required to protect workers through the pandemic without compromising output quantity and quality.  
The company was also required to protect workers through the pandemic without compromising output quantity and quality.

Performance highlights, FY 2021-22

- The company reported a laminate capacity utilisation of 107% (blended) across both plants
  - The company built on new and differentiated product features (new textured mould plates and new décor patterns and print papers), delivering a high manufactured quality
  - The Company built a new warehouse to stock different SKUs, strengthening market responsiveness
  - The Company began to manufacture customised products (milling grade) directed at new markets in Nordic countries.
  - The Company widened its
- range of AFX variants and clads, strengthening the portfolio and value-addition

  - The Company embarked on the exercise to reduce wood consumption, strengthening its input-output ratio and moderating conversion costs.
  - The Company substituted select raw materials (kraft paper) with indigenous alternatives in the place of imports.
  - The Company manufactured its do-it-yourself products (addressing the global markets) across different sections following modest capital expenditure (cutting machines, panel saws and stretch wrapping, among others),
- enhancing throughput

  - The Company's expanded reverse osmosis water recovery and recycling programme helped save more than 21,000 cubic meters, saving an average 1.27 liters per unit of production; it enhanced the capacity of its sewage treatment plant and cooling towers following the addition of a high pressure hot water system.
  - The Company redesigned the floor area, where Phase II is likely to be implemented, for a smoother workflow and enhanced output of high pressure laminates.

Strengths

- The company's proprietary technology has been periodically upgraded to accommodate process improvements; the result has been the ability to deliver a range of sizes, variants and combinations across interior and exterior decorative solutions (engineered doors, real wood flooring) in addition to a range of sizes within each product type
  - The Company consistently delivered among the highest sectorial productivity and quality standards; it established product consistency through manufacturing integrity
  - The Company possesses the capacity to manufacture a range of products (exterior and interior)
- customised across sizes, variants and combinations in addition to the flexibility to respond to changes in market requirements

  - The Company's credibility is reflected in ethical practices; it is among few SEDEX-certified, ISO 45001-certified global companies engaged in the manufacture of high-pressure laminates; it is one of the first in India's HPL segment to possess the SEDEX certification
  - The Company has invested in state-of-the-art equipment to produce engineered doors and real wood flooring
  - The Company sustained the manufacture of anti-virus, anti-bacterial and anti-fungal products,
- raising the industry bar and emerging as the first in Asia to launch these products

  - The Company has demonstrated the commitment to extend beyond EN or BIS standards, strengthening its brand for manufacturing excellence towards enhanced product attributes, health, hygiene and environment / sustainability
  - The Company capitalised on a convergence of productive equipment, space economy and a high equipment availability that translated into superior capacity utilisation. The result is a high infrastructure and equipment productivity, strengthening manufacturing competitiveness

Outlook, FY 2022-23

Greenlam intends to expand its manufacturing capacities and add new product varieties to its wide range of products.

New products

**Satin Finish:** The company introduced décor patterns and print paper, widening the introduction of decors in the clads exterior facade range. The Company developed exterior laminates with an anti-fading warranty of 12 years. The product comprises a zero reflection surface and smooth matt economic variety (AFX brand), widening the acceptance of high-pressure laminates

**Creative engineered doors:** The range of Mikasa Engineered Doors provides premium attractive doors. The Company introduced designer a door collection comprising 50 standard designs with the option of customisation .

What our management feels

“With the second wave of the COVID-19 pandemic taking effect, the Company took care of a number of issues, which included shortage of raw materials and protection of the workers. This was very well mitigated by the Company, which helped them in achieving a major restriction on any delay in manufacturing. With large manufacturing capacities for each segment, the Company will now seek to capitalise them over the time to come.”

Our Behror plant capability

- High Pressure Laminates of General Purpose, Post forming, Fire rated and door size variants in different premium textures and decors.
- Decowood veneers Natural, Teak and Engineered variants in different sizes and thicknesses. Fleece back and MDF or Plywood backing options are made available
- Mikasa Engineered Doors
- Mikasa Flooring-Engineered wood variants in different models and sizes.
- MFC-Prelaminated Particle Boards and Prelaminated MDFs

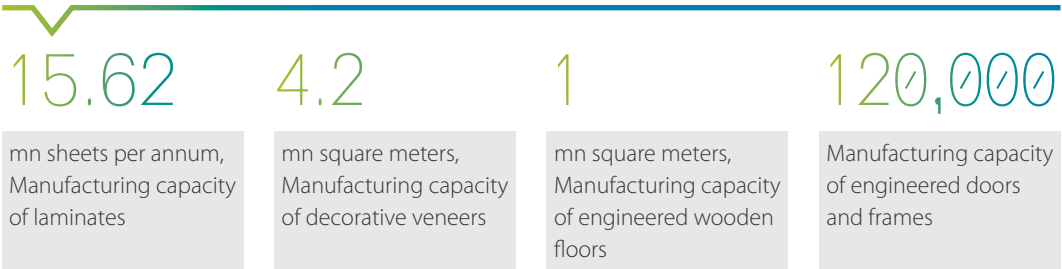
Our Nalagarh plant capability

- High Pressure Laminates of General Purpose, Post forming, Fire rated variants in different premium textures and decors.
- Premium/ Specialty High Pressure Laminates like HD Gloss, Unicore, AFX, Exterior Cladding Compacts and Kitchen top/work top variants.
- Rest room cubicles that are pre-fabricated and installed at sites.

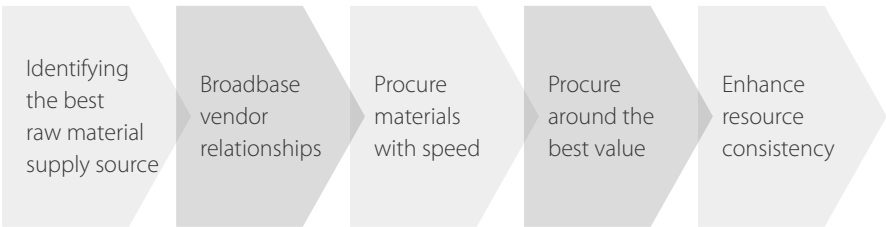
Greenlam’s quality certifications

- Product certifications**
- IS License for HPLs, Decowood, MFC etc.
  - EN test certificates of conformance
  - Specific requirement tests and certificates like Green Guard, NSF,
- Anti-bacterial, Anti-fungal etc
- Q Mark
  - Fire Rating certificates for Mikasa Doors
- System certifications**
- ISO 9001, 14001, 45001
- FSC
  - SEDEX
- Product and System certificates**
- CE and TIS etc.

Big numbers



Snapshot





## Business analysis

# How Greenlam strengthened its supply chain

## 3 challenges we encountered in FY 2021-22

- We needed to mobilise adequate raw material in the midst of a global shortage.
- We needed to address the incidence of high raw material costs.
- We needed to counter a supplier shutdown following Wave 2 of COVID-19.

## The big picture of what we achieved in FY 2021-22

- We created a proactive raw materials buffer.
- We switched to alternative raw material sourcing.
- We created a resource pipeline to last six months.

## Overview

In a business where it is imperative to put end products on retail shelves or risk losing market share, there is a premium on the ability to aggregate the right quantum of raw materials around the right quality at the right time and the right cost.

## Challenges and counter-initiatives

The key challenge faced by Greenlam during the year under review was a low availability of raw materials for reasons related to the COVID-19 pandemic. The spin-off challenges comprised the following:

- Export and import disruptions on the transfer of goods

- Increased container freight and raw material costs
- Congested ports; container shortages

To mitigate these challenges, the Company embarked on a number of counter-initiatives:

- Negotiated for adequate raw

material availability, ensuring a comfortable buffer

- Engaged in proactive shipping container booking, resulting in timely resource acquisition

- Serviced resource suppliers through timely remuneration, communication and rapport.

## Performance highlights, FY 2021-22

**Supply continuity:** The company broad-based raw material sourcing from US, China and South-East Asia in addition to deeper engagements with local suppliers to circumvent supply chain disruption.

**Digitalisation:** The Company developed a framework to track shipments; a portal is intended to track imports and exports; a more digitised process is expected to enhance process reliability

**Business continuity:** The Company sustained raw material purchase across market cycles, taking the resource availability risk out of its business

## Strengths

- Timely process responsiveness across functions (sourcing to transportation to delivery)
- Active procurement from all resource suppliers, keeping

relationships alive and broad-basing its procurement risk

- Aggregating an optimum raw material mix
- Methodical planning,

reconciling manufacture, inventory planning and finance availability

- Adequate financing lines for the Company.

## Outlook, FY 2022-23

Greenlam seeks to expand with a greenfield manufacturing facility in South India, which will warrant fresh material planning. The new plant will warrant planning also for equipment, monitoring and delivery as per the established schedule.

## Business enabler

# IT and digital transformation services

## Challenges, FY 2021-22

- Supply disruption of IT equipments due to shortage of semi-conductor chips globally
- Hiring and retaining the right talent
- Lack of manpower to operate digital tools

## How we responded

- Reviewed and enhanced business contracts
- Offered an attractive remuneration package to attract talent
- Created sufficient inventory of end devices (Laptops, Printers, Scanners, Network components etc.) for business users
- Strengthened the communication bandwidth for effective remote working (outside office)
- Upgraded and delivered business tools like portals, customer relationship management, Zoom etc.

## Key initiatives

- Rolled out a lead management system for sales, product sample portal, online veneer selection portal, CRM and S4 Hana for NewMika, the new laminate brand
- Improved website security; upgraded cyber security and connectivity to facilitate remote working.
- Extended a portal for timely door and cubicle product complaint management
- Enhanced barcode-based laminate tracking for hot press and crate packaging processes.
- Launched a loyalty program management system for clads

## Achievements

- Automated customer on-boarding through MDM and vehicle gate entry and integration of the weighbridge system
- Implemented an S4 Hana-based warehouse management system
- Rolled out digital tools like CRM functionality for trade and OEM partners,
- Introduced S4 Hana for the Indonesian subsidiary, Greenlam South Limited and HG Industries Limited..

## Outcomes

The company's digitalisation initiatives are facilitating collaboration across supply chain management, dealer distributor management and associated financial processes and controls across stakeholders. The company

will leverage technology to streamline processes, structures and cultures. This will empower technology teams to work with a faster delivery mindset. The company will strengthen its cyber security. The company will

upskill digital teams on emerging technologies to enhance productivity, address competition, provide better customer service and stay updated across developments.

## How we showcased our products virtually

During the pandemic, the company re-imagined its go-to-market strategy through online inventory presentation. Using the TCL CDN network, the company

created a virtual high-definition video streaming network, which enabled customers to virtually enter manufacturing plants and select textures or finishes. This

helped close orders, sustain the company's business and open an entire new dimension in long distance marketing.

Business enabler

Managing the softer part of the Balance Sheet – the people side

3 challenges we encountered in FY 2021-22

- We needed to protect our talent through successive pandemic waves
- We needed to keep the talent engaged and manage their productivity
- We needed to plan for the next orbit while delivering the routine
- We needed to make our talent ready for bigger challenges in shorter timelines.

The big picture of what we achieved in FY 2021-22

- We protected our talent from the pandemic
- We deepened our engagement and training initiatives to enhance productivity
- We retained most of our talent

Overview

At Greenlam, we have consistently hired the right talent, inducted and managed them well to create a mutually rewarding space for each one of them.

**Talent acquisition and employee engagement:** The Company acquired select talent, providing an excellent experience to the candidate and hiring managers. Robust and planned on-boarding created a deeper connect with new hires, resulting in enhanced engagement.

**HR operations and compliances:** The Company strengthened its endeavour in offering quality and standardised HR services by focusing on subjects like process automation, data privacy, labour compliances, performance management, payroll services and employee benefit management.

**Learning and development:** The Company catalyzed the development and creation of strategic learning plans for all business units, comprising hard skills and soft skills.

Challenges and counter-initiatives

The biggest challenge that the Company faced was 'How do we keep the employees engaged?' The Company created multiple engagement forums

for employees, intensive training programmes and recognition tools to enhance employee engagement. The Company also addressed the challenge

of workplace safety with a set of safety protocols during the pandemic waves.

HR initiatives, FY 2021-22

- The Indian furniture segment is dominated by male employees. Greenlam started focusing on this subject and took diversity as an agenda.
  - Reach and connect with the last level employee is key. The Company adopted a structural change within the HR function
- and deployed resources at regions to ensure a last mile connect.

  - One of the strengths of the company is its deep-rooted value system. A robust orientation program around the values and CoBEC (Code of Business Ethics and Conduct) have been institutionalised
- for every newcomer to ensure amalgamation.

  - The Company strengthened its training and development wing and on-boarded product specialists for a structured approach on this subject

Strengths

- The Company's talent development strategy comprised advanced product knowledge and functional insights for front-liners, enhancing their overall effectiveness.
- The Company extended its in-house training capabilities for its business partners for a larger alignment.
  - The Company strengthened employee engagement through
- active empowerment, best reflected during the pandemic when employees helped each other and communities.

Outlook, FY 2022-23

The Company will continue to strengthen skills through intensified training, gradually adopting a performance-based approach.

The Company will focus on a structured approach towards

getting feedback from employees on satisfaction and engagement parameters and work around an agreed action plan.

The Company will continue driving the diversity agenda and work on employee engagement

through new ways of recognising their contribution.

The Company will strengthen practices to create a performance-driven and differentiation culture.

Our HR vision

- To possess the best in-class people practices and offer a strong value proposition to anyone within or outside the organisation
- To record profitable growth at the organisational level, which should be mutually rewarding for the employees
- To induce a talent development culture
- To be an employer of choice within and across the industry

What our employees have to say about Greenlam

"Following the de-merger of the Decorative Business from the parent company unto Greenlam, I was elevated to lead the Secretarial & Legal function of Greenlam. My most memorable moment was when I spearheaded the Company's listing on the BSE and NSE, a challenging and learning moment. What makes Greenlam remarkable is its ethical uprightness across business dealings, able leadership team guided by eminent Board members and willingness to comply with the laws of the land in letter and spirit, which enhances my confidence as a Key Managerial Personnel of the Company."

**Prakash Kumar Biswal,**  
Company Secretary & Vice President- Legal

"I joined at the Nalagarh plant in 2009 and my proudest moment was when the plant got its SEDEX certification, one of the toughest, at the first attempt. We were also certified for ISO: 14001, ISO:9001 and ISO:18001 at the first attempt. Greenlam's employee management has had a role to play in my evolution from a Technical Manager to leader. The company does not micro-manage employees; we are given the freedom to work the way we see fit and grow into our roles."

**GSRA Sharma**

National Quality Head and General Manager

"At Greenlam, employees' suggestions on new ideas are welcomed. In case they face any issues in any front of life or work, our seniors' colleagues always standby to help like a family and most of us felt this during covid scenario. HR arranged meditation online sessions also for uplifting morals during pandemic. Received calls of colleagues, seniors for knowing whereabouts of our and family's health during pandemic. During new joiners training, our seniors, country head do guide them also for attaining maximum in depth knowledge of the market and products' trends so that the base becomes stronger"

**Sonia Sehgal**

Manager - Business development, Project

"The past year has been difficult due to the pandemic as well as geopolitical and economic uncertainties in Singapore. Greenlam sustained product innovation and market share expansion. The management's support enhanced morale and camaraderie."

**Epin Jau**

Head, Specification (Singapore), Decorative

"In the last 30 years, I have grown substantially as a professional. Much of this credit goes to the visionary leadership of Mr. Saurabh Mittal, our MD. Greenlam that began with just a few natural veneers now has more than 200 species with various textures, treatments and patterns according to market need in its portfolio."

**Anil Jain**

General Manager – Wood & Allied Product

"My most memorable Greenlam anecdote in recent times was when I was entrusted the responsibility of achieving operational synergies between the teams of Greenlam and our newly appointed stockist Radhe Shyam Greenlam Private Limited which started in 2018. The Branch Manager of our Bangalore branch had resigned within a month from the sign-off & the responsibility was entirely mine to front-end this to ensure that the transition was smooth & operationally successful, mutually. Now, happy to note that now this partnership between Greenlam & RPGL has got bigger with more products getting added & bigger infrastructure getting created. Am glad that I played a significant role in it."

**Anand D**

Country Sales Head ( South India, Plywood & Allied)

"Our industry requires physical presence on-site, a challenge during the pandemic. We turned to virtual tools, ensuring that milestones were completed on time. The smooth workflow kept us mentally engaged and enhanced morale amidst the pandemic. In my four years at Greenlam, the most remarkable thing has been Greenlam's practice of holding team discussions and deliberating on every matter, ensuring that the entire team is on the same page."

**UN Sarma**

President - Manufacturing Chip Board & Engineering Services

## Insight

# ESG: The core of Greenlam's modern personality

## Overview

The magic abbreviation being increasingly used the world over to appraise and filter companies is 'ESG'.

ESG has therefore emerged as a litmus test, being used by analysts,

opinion makers, governance agencies, media, communities and bankers to appraise the quality of corporate managements. This has helped extend the appraisal discipline beyond the Balance Sheet; in a number of instances,

this appraisal has been extended backwards to ESG with the perspective that soon the effects of high/low compliance will inevitably translate to the Balance Sheet.

## So what is ESG?

At one level, ESG is the abbreviated form of Environmental-Social-Governance. The environment segment of the business addresses the various initiatives taken by the company to moderate its carbon footprint through a responsible utilisation of finite resources coupled with extensive compliances. The Social component of ESG comprises a mix of the company's relationships – with vendors (land, capital equipment and raw materials), employees, customers and communities. The Governance

component comprises a review of how the Company intends to manage its business, comprising an understanding of processes, practices and systems.

The combination of E, S and G covers virtually every relevant aspect of a company's operations critical to its sustainability. While the extent of compliance can vary from company to company, there is a growing recognition that even a company beginning to respect ESG standards is inevitably graduating toward a global benchmark likely to

be understood and respected anywhere in the world.

But there is a contribution of ESG that extends beyond compliance. There is a practical and business-relevant perspective as well. In a world marked by Black Swans, robust governance makes it possible to shorten downcycles coupled with extended up-cycles, enhancing stakeholder confidence and shareholder value.

## Greenlam and ESG

At Greenlam, environment-social-governance (ESG) is particularly critical as the end product needs to be built with natural resource and any deviation from the mean or perceived irresponsibility can affect its respect and market position.

The environment component at our company ensures that our business consumes environmentally responsible resources, consumes only as much

as is moderately needed, recycles water engages in responsible waste management, consumes moderate fossil fuels and builds a resistance to climate change.

The social component addresses the need to invest in employees, vendors, customers and community engagement, a framework of relationships that protects the company from unexpected supply or demand or production shocks.

The company's commitment to governance comprises the articulation of business strategy, values, codes of conduct, Board responsibilities and composition as well as an organisational commitment to UNGC principles.

At Greenlam, ESG provides a platform for doing the right things the right way at the right time, the basis of long-term sustainability.



## Insight

# How Greenlam enhanced its Health, Safety and Environment responsibility

## Overview

At Greenlam, we believe that a culture of manufacturing excellence is based around a responsible HSE commitment.

The safer the work flow and practices, the more confident the workers become, the better their productivity and the higher the company's profitability. In view of this, safety is not incidental; it represents the core of the company's success.

Our HSE commitment has been driven around the following priorities:

We have invested in safe workflow design that makes it possible to moderate related risks at source.

We have invested in safe technologies that have a low (or no) record of fatal or debilitating physical impact on the people who operate them.

We have articulated a policy woven around HSE that provides a fundamental basis for our engagement with periodic improvements.

We measure and report our HSE outcomes to our Board, ensuring transparency and initiatives related to course correction or sustainable improvement.

## Our HSE investments and initiatives, FY 2021-22

- Investments were made in the upgradation of the fire hydrant system; new fire extinguishers were added; old ones were replaced and made specific to locations
- Controls for confined space working have been improved
- Workzone emissions were monitored
- Red zone boundary safety lights were fitted on forklifts
- An integrated QEHS (IMS) wing became functional to address HSE issues.
- All related documents like a work permit, incident reporting etc. were enunciated in the vernacular for enhanced understanding.
- Conventional dust collectors were replaced with wet scrubbers or superior equipment to enhance ambient air quality.
- Electro-static precipitators were readied for installation on certain stacks to screen emitted air pollutants, if any
- Investments were made in engineering solutions to address safety challenges.
- Personal protective equipment were used extensively; first-aid training provided to all employees.
- Periodic medical checks were provided to employees
- Fitness was tested across pressure equipment, cranes, generators, earth pits, etc.
- Mock drills, workshops and training were conducted for employees.
- Prompt action on incidents and near misses was taken through safety committees.

## How we responded to the pandemic

Following the outbreak of the COVID-19 pandemic, the Company prioritised employee safety through the following initiatives:

- The Company communicated to employees on social distancing,

wearing masks, frequent hand wash, adapted lifestyle and evolved workplace roles

- The Company conducted displays, handouts and floor meets to enhance safety awareness

- The Company made contactless hand washing arrangements at its factory and offices gates and inside workspaces

- The Company engaged in periodic antigen tests for employees and made compulsory

RTPCR or antigen test mandatory for office/factory visitors

- The Company created a quarantine facility for employees

found COVID-positive (ascertained by a trained factory doctor)

- The Company sanitised all product samples and catalogues

at its factories before dispatch as well as all incoming vehicles

## Environment conservation

The Company improved its environmental performance through the following initiatives: reduction of ground water

withdrawal, reduction of carbon emissions and reduced electricity consumption per unit. The Company's resources were made

from recycled and bagasse-based paper without compromising quality or performance.

## Water conservation

Greenlam continued to prioritise the conservation of water utilisation and wastage during the financial year under review.

|   | FY 2018-19   | FY 2019-20 | FY 2020-21 | FY 2021-22 |
|---|--|------------|------------|------------|
| Groundwater consumption per unit of product (liters)                  | 15.38  | 14.82      | 14.27      | 13.00      |
| Reduction over the previous year                                      | 3.9%   | 3.6%       | 3.7%       | 8.45%      |
| Volume of water saved (KL)  | 9,100  | 8,300      | 8,000      | 21,700     |
| Action initiated during the year for a reduction in water consumption | <ul style="list-style-type: none"> <li>The Company started a shift from the steam-heated impregnation systems to oil-heated model</li> <li>The Company initiated the installation of high-pressure hot water system installation in Behror</li> <li>The Company made an initiative with RO water recycling</li> <li>The all-high productive presses were converted to high-pressure hot water system</li> <li>RO water recycling was implemented at the plant</li> <li>Multiple effect RO systems implemented at both plants ensured the recycling of used water.</li> </ul> |            |            |            |

## Green cover

At Greenlam, we have enhanced tree cover within and around our

factory locations, creating carbon sinks and strengthening the

natural eco-system.

## Creditable achievements

At Greenlam, the HSE compliance with ISO 45001-2018 standards was continued and periodically assessed by DNV and BSI

Periodic surveillance assessments

on SEDEX, NSF and CE compliance were carried out

The spread of HSE activities within the organisation, including the COVID-19 related practices and

measures, assisted the Company in creating a safe working environment

Outlook, FY 2022-23

Greenlam strives towards an eco-friendly environment where it reduces overall water consumption by 3%.

The Company seeks to maintain its fuel consumption in terms of gross calorific value and substitute

fossil fuels with bio-fuels to moderate its carbon footprint per laminate sheet.

The Company intends to participate in national safety award competitions and improve the workplace culture to identify

and report unsafe working conditions.

The Company seeks to achieve zero-fire incidents and a 50% reduction in minor injury incidents.

**Greenlam's QEHS policy**

Addressing the manufacture of high-pressure decorative laminates, high pressure veneers, veneered decorative plywood, fire-rated and non-fire rated doors and frames, pre-laminated particle boards and pre-laminated MDF board and engineered wood flooring in Behror and Nalagarh

**Greenlam is committed to:**

- Achieve zero accidents, zero defects and zero occupational diseases across products, processes and operations
- Comply with all applicable statutory and other applicable requirements related to occupational safety and health, environment and quality relevant to its products, processes and operations
- Fulfill and exceed customer requirements

- Integrate QEHS requirements across processes and operations
- Minimise ground water consumption through recycling and wastewater reuse
- Protect the environment; eliminate pollution by encouraging tree growth, promoting the positive impact of its processes and minimising any negative impact on the environment
- Encourage worker

consultation and participation in QEHS processes

- Comply with requirements applicable to our products, services and operations due to associations, collaborations and subscription
- Report continuous improvement in the QEHS management system
- Provide resources to implement the policy and achieve objectives

# How we enhanced our community engagement during FY 2021-22



Our CSR vision

Contributing to improving the quality of life of our communities

to ensure long-term sustainable impact, in the pursuit of economic

development and environmental sustainability.

Overview

At Greenlam, our CSR focus is to touch a larger and wider number of beneficiaries. The Company ensures that its corporate propriety must extend to those, who are not connected with the Company but integral to its existence. The Company's programmes are co-created with

communities, contributing to their economic development and improving their life quality.

Greenlam's community engagement is not just about writing a cheque but making a deeper connection and a lasting difference, whereby beneficiaries gain a control of their lives.

The Company's engagement is defined by its CSR Policy, navigated by a CSR Committee and senior management. The Company is focused on areas like healthcare and well-being, education, water and sanitation and social equity.

Highlights, FY 2021-22

- Following the onset of the COVID-19 pandemic, the visually challenged were particularly affected, as they responded largely through a sense of touch.

With the help of NGO Mitrojyoti, the Company attempted to address the needs of the affected.

- The Company distributed oxygen cylinders, masks and

sanitisers to support the community to tide over the pandemic.

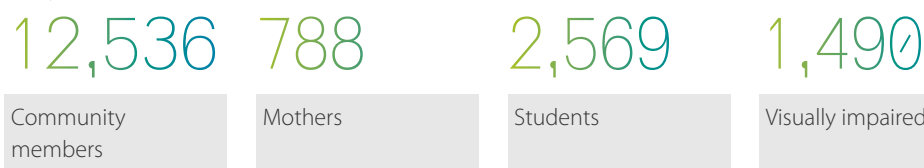
Outlook, FY 2021-22

At Greenlam, we intend to launch long-term community engagement programmes in new geographies.

Intervention, FY 2021-22

|  |  |  |
|--|--|--|
| <b>Education</b><br>Improving learning outcomes in pre-primary and primary education in 15 villages in Behror and ten villages in Nalagarh<br><br>Providing assistance to the visually impaired through production and distribution of educational materials | <b>Health:</b> Improving maternal and child healthcare through awareness sessions and community activities in 34 villages in Behror and nine villages in Nalagarh<br><br><b>Water</b><br>Ensuring integrated village development through initiatives related to water, agriculture, health and hygiene | <b>Community development</b><br>Catering to the needs of distressed girl children by providing access to care workers, counselors, tutors and mentor mothers |
|--|--|--|

Greenlam. Touching the lives of...



Case studies

Pratham, Behror

Following the closure of anganwadis in Behror due to the pandemic, Pratham and Greenlam organised volunteer-led classes conducted by local community members. Sonam one of the volunteers in Kohrana village in Behror conducted classes on development activities. Pratham's teacher Mithilesh helped with training, teaching material and lesson plans. Under Sonam's tutelage, the children made progress. At present, three out of her five students can recognise letters and numbers and walk straight. All children are able to introduce themselves, match and sequence cards without any difficulty.

Mamta, Behror

Manju Yadav is a sixteen-year-old from Talwad village. She wanted to continue with her studies and get a government job but Manju's parents wanted her to get married. This left her demotivated; she stopped attending community meetings. Upon learning this, a Mamta's ground volunteer started visiting her. She shared Manju's concern with her family and made them aware of The Prohibition of Child Marriage Act, 2006 and the demerits of an early marriage. After repeated visits Manju's family agreed to let her pursue higher studies. Presently, Manju is preparing for B.S.T.C. (Basic school teacher course) examinations. She participates in all Mamta sessions and is a role model.

Pratham, Nalagarh

This is Diksha's story, a pre-primary student in Gurdaspura, told by her school teacher:

"We didn't have pre-primary classes in our village school. Pre-primary classes started in our school only after the arrival of Pratham and Greenlam. Diksha didn't like coming to school as she did not enjoy studying or playing with other children. Her grandmother would drop her at school only to take her back home because she cried. Gradually, Diksha started adapting to the classroom atmosphere. She started enjoying classroom activities like singing, rhyming, listening to stories and playing games. The transformation in Diksha makes me glad that I got a chance to work in the education field."

| Partner           | Location  | Direct beneficiaries | Indirect beneficiaries  |
|-------------------|-----------|----------------------|---|
| Pratham           | Behror    | 2,054                | 1,656 (355 mothers, 1,178 community members and 123 volunteers) |
|                   | Nalagarh  | 494                  | 454 (433 mothers and 21 volunteers)                             |
| Mamta             | Behror    | 6,963                | NA  |
|                   | Nalagarh  | 3,573                | NA  |
| Sehgal Foundation | Behror    | 1,500                | NA  |
|                   | Nalagarh  | 500                  | NA  |
| Udayan Care       | Ghaziabad | 21                   | NA  |
| Mitrajyothi       | Pan India | 1,490                | 5,960   |
| Total             |           | 16,595               | 8,070   |



Our focus areas

| Quality education<br>(Sustainable Development Goal 3)  | Good health and well-being<br>(Sustainable Development Goal 4)  | Reduced inequality<br>(Sustainable Development Goal 10)  | Clean water and sanitation<br>(Sustainable Development Goal 6)                |
|--|---|--|---|
|  |   |  |   |
| Promoting and providing education and special education with employment-enhancing skills among the children, women, elderly and the differently-abled couples with livelihood generation | Promoting healthcare including preventive healthcare and sanitation, increasing the availability of clean and safe drinking water | Promoting gender equality, empowering women and setting up homes and hostels for women and orphans | Ensuring availability and sustainable water management and sanitation for all |



# Directors' Report

FOR THE FINANCIAL YEAR 2021-22

Dear Shareholders,

Your Directors have the pleasure in presenting the 9<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

Financial Highlights

| Particulars   | (₹ in lac)       |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
|   | Standalone       |                  | Consolidated     |                  |
|   | FY 2021-22       | FY 2020-21       | FY 2021-22       | FY 2020-21       |
| <b>Profit before Finance Cost, Depreciation &amp; Amortisation Expenses and Tax Expenses*</b> | <b>17,998.87</b> | <b>16,733.01</b> | <b>19,430.23</b> | <b>18,085.13</b> |
| Less: Exceptional Items   | 258.96           | 1,240.17         | 258.96           | 1,240.17         |
| Less: a) Finance Costs  | 1,347.75         | 1,603.37         | 1,408.00         | 1,692.37         |
| b) Depreciation & Amortisation Expenses   | 5,430.66         | 5,178.57         | 5,849.57         | 5,556.26         |
| <b>Profit before Tax after Exceptional Item</b>   | <b>10,961.50</b> | <b>8,710.90</b>  | <b>11,913.70</b> | <b>9,596.34</b>  |
| Less: Provision for taxation  | 2,424.99         | 2,026.03         | 2,855.47         | 2,227.89         |
| Less: Non-controlling Interest  | -                | -                | (15.04)          | (7.51)           |
| <b>Profit for the year</b>  | <b>8,536.50</b>  | <b>6,684.87</b>  | <b>9,073.27</b>  | <b>7,375.96</b>  |
| Add: Other Comprehensive Income (OCI)<br>(Net of taxes)                                       | 23.47            | 93.70            | 221.45           | (95.71)          |
| <b>Total Comprehensive Income (Net of taxes)</b>  | <b>8,559.97</b>  | <b>6,778.57</b>  | <b>9,294.72</b>  | <b>7,280.25</b>  |
| Add: Balance brought forward from previous years  | 36,299.83        | 30,021.25        | 38,120.17        | 31,339.92        |
| <b>Amount available for appropriation</b>   | <b>44,859.80</b> | <b>36,799.83</b> | <b>47,414.89</b> | <b>38,620.17</b> |
| Appropriations:   |                  |                  |                  |                  |
| Less: Dividend paid on Equity Shares  | 1,206.82         | -                | 1,206.82         | -                |
| Less: Transferred to General Reserve  | 500.00           | 500.00           | 500.00           | 500.00           |
| <b>Balance carried to Balance Sheet</b>   | <b>43,152.98</b> | <b>36,299.83</b> | <b>45,708.07</b> | <b>38,120.17</b> |

\*Including other income

Operations and State of Affairs of the Company

During the financial year 2021-22, your Company recorded an impressive growth in both top line and bottom line with 39.57% growth in total income and 27.70% in net profit. Total income increased to ₹1,57,665.24 lac from ₹1,12,966.71 lac in the previous year and net profit increased to ₹8,536.50 lac from ₹6,684.87 lac in the previous year. This performance is driven by better product mix, focused operational efficiency, a disciplined approach in commercial operations, rising preference of consumers for branded products and market recovery from Covid-19 pandemic despite supply chain disruption and steep increase in raw material and freight cost.

Laminates and allied products constituted around

90.72% of our total sales during the financial year 2021-22, sales grew 42.86% to ₹1,41,452.99 lac. Decorative Veneer and allied products contributed 9.28% to our total sales. Decorative Veneer business grew 6.43% to ₹14,465.56 lac for the financial year 2021-22. In the engineered wooden flooring business, your Company reported sales of ₹3,544.72 lac for financial year 2021-22, growing by 8.88%. The engineered wooden door set sales grew 3.15% to ₹2,550.44 lac in financial year 2021-22.

During the financial year 2021-22, your Company recorded a growth of 26.69% in exports from ₹52,126.33 lac to ₹66,038.98 lac and export incentives increased from ₹2,520.89 lac to ₹ 3,749.6 lac.

As per the Consolidated Financial Statements, total income and the profit after tax for the financial year

2021-22 stood at ₹1,71,069.87 lac and ₹9,073.27 lac respectively.

Your Company intensified its efforts in the area of product specification and market penetration as a result of which your Company continued to expand its presence for laminates and allied products. The performance of the Company during the financial year 2021-22 validated the initiatives undertaken by Greenlam's Management towards bettering.

Consolidated Financial Statements

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company prepared in accordance with the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Indian Accounting Standard 110 on Consolidated Financial Statements are provided in the Annual Report.

Dividend

Your Directors recommended a final dividend of ₹1.20/- per equity share on the Company's 12,06,81,870 equity shares of ₹1.00 each (120%) for the financial year 2021-22 (previous year final dividend of ₹5/- per equity share on the Company's 2,41,36,374 equity shares of ₹5.00 each (100%)), in its meeting held on May 30, 2022. The final dividend on the equity shares, if declared as above, would entail a total outflow of ₹1448.18 lac. 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. The Dividend Distribution Policy of the Company can be accessed at <https://www.greenlamindustries.com/pdf-file/dividend-distribution-policy.pdf>.

Outlook and Expansion

Your Company's outlook remains favourable on account of continuous processes strengthening, growing brand popularity, customer shift from unorganised to organised market coupled with support from employees, shareholders, creditors, consumers, distributors, dealers and lenders and other stakeholders. The Company's vision is to

broad-base its product portfolio towards a one-stop solution and position itself as an integrated surface and solution provider. The Company's pan-India distribution network ensures an easy availability of products in almost every part of India. The Company enjoys a presence in over 100 countries, either directly or through its overseas subsidiaries and step-down subsidiaries.

Increasing urbanisation, growing nuclearisation, aspiration to enhance the quality of residential workplace, urban development programmes (Housing for All and Smart Cities Mission), tourism and hospitality growth are expected to catalyse the demand for laminates.

The Company will continue to leverage its position as one of the largest manufacturers of laminates in the country to grow attractively.

During the year, Company has acquired 74.91% equity share capital of HG Industries Limited (*formerly Himalaya Granites Limited*) ('HGIL') and consequently HGIL has become a subsidiary of the Company. HGIL is in the process of setting up a greenfield project for manufacturing of plywood and allied products with an installed capacity of 18.9 million square meters at Tindivanam, Tamilnadu of which commercial production is expected by 4<sup>th</sup> quarter of FY 2022-23.

Further, Greenlam South Limited, a wholly owned subsidiary of the Company, is in the process of setting up a greenfield laminates project at Naidupeta, Andhra Pradesh, with an installed capacity of 3.5 million laminate sheets/ boards per annum which is expected to be operationalize by 4<sup>th</sup> quarter of FY 2022-23. Greenlam South Limited is also setting up a greenfield project for manufacturing of particle board and allied products at Naidupeta, Andhra Pradesh with a manufacturing capacity of approx. 2,31,000 cubic metre of which commercial production is expected by 4<sup>th</sup> quarter of FY 2023-24.

Further, during the year, your Company has established a branch office in Kathmandu, Nepal with a view to strengthen its presence in Nepal.

In view of the above realities, your Directors are confident of better results in the years to come.

Credit Rating

Following are the credit ratings obtained during the financial year 2021-22:

| Facilities                   | Rating Agency        | Ratings            | Rating Action                |
|------------------------------|----------------------|--------------------|------------------------------|
| Long Term Bank Facilities    | CARE Ratings Limited | CARE AA-; (Stable) | Revised from CARE A+; Stable |
| Short Term Bank Facilities   | CARE Ratings Limited | CARE A1+           | Reaffirmed                   |
| Long Term Bank Facilities    | ICRA Limited         | ICRA AA-; (Stable) | Assigned                     |
| Short Term Bank Facilities   | ICRA Limited         | ICRA A1+           | Assigned                     |
| Non - convertible debentures | ICRA Limited         | ICRA AA-; (Stable) | Assigned                     |

Subsidiaries and its Performance

As on March 31, 2022, your Company has ten overseas subsidiaries and step-down subsidiaries viz. Greenlam Asia Pacific Pte. Ltd., Singapore, Greenlam America, Inc., USA, Greenlam Europe (UK) Limited, UK, Greenlam Asia Pacific (Thailand) Co., Ltd., Thailand, Greenlam Holding Co., Ltd., Thailand, PT. Greenlam Asia Pacific, Indonesia, Greenlam Decolan SA, Switzerland, PT Greenlam Indo Pacific, Indonesia, Greenlam Rus LLC, Russian Federation, Greenlam Poland sp. Z o.o., Republic of Poland and two Indian subsidiaries viz. Greenlam South Limited and HG Industries Limited.

Greenlam South Limited, a subsidiary in India, is in the process of setting up a greenfield laminates project at Naidupeta, Andhra Pradesh, with an installed capacity of 3.5 million laminate sheets/ boards per annum which is expected to be operationalize by 4<sup>th</sup> quarter of FY 2022-23. Greenlam South Limited is also setting up a greenfield project for manufacturing of particle board and allied products at Naidupeta, Andhra Pradesh with a manufacturing capacity of approx. 2,31,000 cubic metre of which commercial production is expected by 4<sup>th</sup> quarter of FY 2023-24.

During the year, the Company has acquired 74.91% equity share capital of the HG Industries Limited (formerly Himalaya Granites Limited) ('HGIL') and consequently HGIL has become a subsidiary of the Company. HGIL is in the process of setting up a greenfield project for manufacturing of plywood and allied products with an installed capacity of 18.9 million square meters at Tindivanam, Tamilnadu of which commercial production is expected by 4<sup>th</sup> quarter of FY 2022-23.

Greenlam Asia Pacific Pte. Ltd., Singapore subsidiary, is engaged in the business of marketing and distribution of high pressure laminates and allied products. Greenlam America, Inc., USA subsidiary, is engaged in the marketing and distribution of high-pressure laminates and allied products in North America and South America.

Further, UK step-down subsidiary Greenlam Europe (UK) Limited is engaged in the business of marketing and distribution of high-pressure laminates and allied products, engineered wooden flooring and engineered wooden door sets in United Kingdom. Two Thai step-down subsidiaries Greenlam Asia Pacific (Thailand) Co., Ltd. and Greenlam Holding Co., Ltd. are engaged in the business of marketing and distribution of high pressure laminates and allied products. in Thailand. One Indonesian step-down subsidiary PT. Greenlam Asia Pacific is engaged in the manufacturing of promotional material i.e. catalogues, sample folders, chain sets, wall hooks and A4 size samples and another Indonesian step down subsidiary PT Greenlam Indo Pacific is carrying out, *inter alia*, the business of marketing and distribution of high pressure laminates and allied products.

Greenlam Decolan SA, Switzerland step down subsidiary, is engaged in the business of marketing and distribution of high pressure laminates and allied products. Limited Liability Company Greenlam Rus (abbreviated name being "Greenlam Rus LLC"), step down subsidiary in Russian Federation, and Greenlam Poland Spółka z ograniczoną odpowiedzialnością" (abbreviated name being "Greenlam Poland Sp. z o.o."), step down subsidiary in Republic of Poland, are carrying out, *inter alia*, the business of marketing of high pressure laminates and allied products.

Apart from HGIL, no other company has become or ceased to be subsidiary, joint venture or associate of the Company during the year.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of standalone financial statements of subsidiaries in Form AOC-1 is attached as "Annexure-I".

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Director's Report has been prepared based on Standalone Financial Statements. During the financial year 2021-22, the net contribution of all the subsidiaries to the Company's consolidated total income, profits before tax (PBT) and profits after tax (PAT) is 7.82%, 7.99% and 5.76% respectively. The standalone turnover, PBT and PAT of each subsidiary are given in Form AOC-1.

In accordance with the fourth proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statements would be placed on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com). Further, as per provisions of the said Section, audited/unaudited Annual Accounts of each of the subsidiary companies would also be placed on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com). Shareholders interested in obtaining a soft copy of the Annual Accounts of the subsidiary companies may write to the Company Secretary at the Company's Registered and Corporate office or may drop a mail at [investor.relations@greenlam.com](mailto:investor.relations@greenlam.com).

In terms of the Regulation 46(2)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy for determining material subsidiaries is placed on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com).

Based on the financial statements for the financial year ended March 31, 2021, Greenlam Asia Pacific Pte. Ltd. and Greenlam South Limited are the material subsidiaries of the Company in terms of the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the Financial Year 2021-22. The Secretarial Audit Report of Greenlam South Limited in Form MR-3 for the financial year ended March 31, 2022, is annexed to the report as "Annexure-VII".

Transfer to General Reserve

The Board of Directors in their meeting held on May 30, 2022 proposed to transfer ₹500.00 lac to the General Reserve.

Directors

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 27, 2021 recommended the appointment of Mr. Yogesh Kapur (DIN: 00070038) as an Independent Director of the Company to the members of the Company and Mr. Yogesh Kapur was appointed as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years from the conclusion of 8<sup>th</sup> Annual General Meeting ('AGM') up to the conclusion of 13<sup>th</sup> AGM or expiry of the term of 5 consecutive years, whichever is earlier. In the opinion of Board of Directors, the Independent Director of the Company appointed during the financial year 2021-22 is a person of integrity and possess relevant expertise and experience.

For the financial year 2021-22, the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the Independent Directors of the Company have complied with the requirement of inclusion of their names in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs. Further, all the independent Directors are exempted from the online proficiency self-assessment test as per the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 except Mr. Yogesh Kapur, who has passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs on September 13, 2020.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shiv Prakash Mittal [DIN: 00237242], Non-Executive Chairman of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

None of the Directors of your Company are disqualified under the provisions of Section 164(2)(a)&(b) of the Companies Act, 2013 and a certificate dated May 30, 2022 received from M/s. Chandrasekaran Associates, Practising Company Secretaries, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by SEBI/ Ministry of Corporate Affairs or any such statutory

authority is annexed to the Corporate Governance Report.

Changes in Share Capital

During the period under review, pursuant to the approval of the Board of Directors dated December 13, 2021 and Shareholders dated January 28, 2022, the face value of the equity shares of the Company was sub-divided/split from ₹5/- to ₹1/- each. Consequently, the issued, subscribed and paid up equity share capital of the Company comprised of 2,41,36,374 equity shares of face value of ₹5/- each was sub-divided into 12,06,81,870 equity shares of face value of ₹1/- each. The record date for aforesaid sub-division/split was February 11, 2022.

Debenture

During the year under review, the Company has raised ₹99 crore through issue and allotment of 990 Secured, Listed, Redeemable, Non-Convertible Debentures ('NCD') having face value of ₹10,00,000/- each with coupon rate of 7.78% p.a. to identified investors on a private placement basis.

Key Managerial Personnel

The details of the Key Managerial Personnel of the Company are provided as under:

| Sl. No. | Name                     | Designation                                |
|---------|--------------------------|--|
| 1.      | Mr. Saurabh Mittal       | Managing Director & CEO                    |
| 2.      | Ms. Parul Mittal         | Whole-time Director                        |
| 3.      | Mr. Ashok Kumar Sharma   | Chief Financial Officer                    |
| 4.      | Mr. Prakash Kumar Biswal | Company Secretary & Vice President - Legal |

During the financial year 2021-22, there was no change in the Key Managerial Personnel of the Company.

Meetings of the Board

Seven (7) Board Meetings were held during the financial year ended March 31, 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.

Further, one resolution was passed by Board of Directors of the Company through circulation on March 31, 2022 in compliance with the provisions of Section 175 and other applicable provisions of the Act, 2013.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their



meeting held on March 29, 2022 have evaluated the performance of Non-Independent Directors, Chairperson of the Company after considering the views of the Executive and Non-Executive Directors, if any, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Nomination and Remuneration Committee has also carried out evaluation of performance of every Director of the Company. On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, 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 Committees of the Board.

The criteria for evaluation is outlined below:

**a. For Independent Directors:**

- Knowledge and Skills
- Professional conduct
- Duties, role and functions
- Compliance with Code of Business Ethics and Code of Conduct of the Company
- Rendering independent and unbiased opinion and judgements
- Attendance and active participation in meetings of Board and Committees of the Board and Members of the Company
- Assistance in implementing corporate governance practices
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Study of agenda in depth prior to the Meeting
- Contribution towards the formulation and implementation of strategy for achieving the goals of the Company

**b. For Executive & Non-Executive Directors:**

- Performance as Team Leader/Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Professional Conduct and Integrity
- Sharing of Information with the Board
- Attendance and active participation in the Board and Committee of the Board and Meetings of Members of the Company
- Whether difference of opinion was voiced in the meeting
- Whether Executive Directors were able to answer the queries raised by Independent Directors
- Compliance with Code of Business Ethics and Code of Conduct of the Company
- Assistance in implementing corporate governance practices

- Independent view on key appointments and strategy formulation
- Review of integrity of financial information and risk management
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Assistance in formulation of statutory and non-statutory policies for the Company
- Ensures implementation of decisions of the Board
- Ensures compliance with applicable legal and regulatory requirements
- Alignment of Company's resources and budgets to the implementation of the organization's strategic plan
- Creativity and innovations in creating new products
- Understanding of the business and products of the Company

**c. For Committees of the Board:**

- Adequate and appropriate written terms of reference
- Volume of business handled by the committee set at the right level?
- Whether the committees work in an 'inclusive' manner
- Effectiveness of the Board's Committees with respect to their role, composition and their interaction with the Board
- Are the committees used to the best advantage in terms of management development, effective decision, etc.
- Attendance and active participation of each member in the meetings
- Review of the action taken reports and follows up thereon

**d. For Board of Directors as a whole:**

- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Contribution towards ensuring robust and effective risk management
- Composition of the board and its committees appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy
- Effectiveness of inside and outside Board relationship
- Responding to the problems or crises that have emerged

- Relationship between Board and its Committees and between committees themselves
- Communication with employees and others
- Updation with latest developments in regulatory environments and the market in which the Company operates
- Role and functioning of the Board on the matters pertaining to financial reporting and internal controls
- Contribution of the Board for ensuring that the Company adheres to the statutory and regulatory compliances as applicable to the Company

The Directors expressed their satisfaction with the evaluation process.

**Audit Committee**

As on March 31, 2022, the Audit Committee of the Company comprised of three Independent Directors with Mr. Vijay Kumar Chopra as Chairman and Mr. Sandip Das and Mr. Yogesh Kapur as members and one promoter Director Mr. Saurabh Mittal, Managing Director & CEO of the Company as a member. During the year under review, Mr. Yogesh Kapur become a member of the Audit Committee w.e.f. August 28, 2021 and Ms. Matangi Gowrishankar ceased to be a member from that date. The Committee, *inter alia*, reviews the Financial Statements before they are placed before the Board, the Internal Control System and reports of Internal Auditors and compliance of various Regulations. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

**Nomination and Remuneration Committee**

As on March 31, 2022, the Nomination and Remuneration Committee comprises of two Independent Directors with Mr. Sandip Das as Chairman and Ms. Matangi Gowrishankar as member and a Non-Executive Director Mr. Shiv Prakash Mittal as member. During the year under review, Ms. Matangi Gowrishankar become a member of the Nomination and Remuneration Committee w.e.f. August 28, 2021 and Mr. Vijay Kumar Chopra ceased to be a member from that date. The Committee, *inter alia*, identifies persons who are qualified to become directors and who may be appointed in senior management. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

**Stakeholders' Relationship Committee**

As on March 31, 2022, the Stakeholders' Relationship Committee comprises of one Non-Executive Director Mr. Shiv Prakash Mittal as Chairman, one Independent Director Mr. Yogesh Kapur as member and one Executive Director Mr. Saurabh Mittal, Managing Director & CEO of the Company as member. During the financial year, Mr. Yogesh Kapur become a member of the Stakeholders' Relationship Committee w.e.f. August 28, 2021 and Ms. Matangi

Gowrishankar ceased to be a member from that date. The Committee, *inter alia*, reviews the grievance of the security holders of the Company and redressal thereof. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

**Risk Management Committee**

As on March 31, 2022, the Risk Management Committee ('RMC') comprises of two Executive Directors Mr. Saurabh Mittal, Managing Director & CEO of the Company as Chairman and Ms. Parul Mittal, Whole-time Director of the Company as Member, two Independent Directors Mr. Sandip Das and Ms. Matangi Gowrishankar as members, Mr. Ashok Kumar Sharma, Chief Financial Officer as member, Mr. BL Sharma, Head of Manufacturing as Member and Mr. Devendra Gupta, Vice President – Purchase as Member. The RMC, *inter alia*, identify and monitors the key risk elements associated with business of the Company. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report. Further, during the year under review, Mr. Vijay Kumar Bishnoi, Assistant Vice President - Internal Audit, was appointed as Chief Risk Officer of the Company to liaise between the risk owners and the Risk Management Committee.

**Corporate Social Responsibility Committee**

As on March 31, 2022, the Corporate Social Responsibility Committee (CSR Committee) comprises of two Independent Directors with Ms. Matangi Gowrishankar as Chairperson and Mr. Sandip Das as member and two Executive Directors Mr. Saurabh Mittal, Managing Director & CEO of the Company as member and Ms. Parul Mittal, Whole time Director of the Company as member. During the year under review, Ms. Matangi Gowrishankar become a member of the CSR Committee w.e.f. August 28, 2021 and designated as the Chairperson of the Corporate Social Responsibility Committee w.e.f. October 26, 2021 and Mr. Shiv Prakash Mittal ceased to be a member of CSR Committee w.e.f. August 28, 2021. The brief terms of reference of the CSR Committee and the details of the CSR Committee meetings are provided in the Corporate Governance Report.

**Vigil Mechanism**

Pursuant to the provisions of Section 177(9)&(10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a 'Whistle Blower Policy' to establish Vigil Mechanism for directors and employees to report genuine concerns. The policy is revised from time to time to align it with applicable regulations or organisations suitability. The latest policy is available on the website of the Company and the web link of the same is provided in the Corporate Governance Report. This policy provides a process to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice,



fraud, impropriety, abuse or wrong doing within the Company. The Company ensures that no personnel have been denied access to the Chairperson of the Audit Committee.

### Risk Management

The Company has put in place a risk management policy in order to, *inter alia*, ensure the proper risk identification, evaluation, assessment, prioritization, treatment, mitigation, and monitoring. Further, the risk management policy also provides a demarcation of the role of the Board of Directors, Audit Committee and Risk Management Committee for the purpose effective Risk Management.

The Company follows a practice of identification of various risks pertaining to different businesses and functions of the Company through Independent Agency from time to time.

Major risks elements associated with the businesses and functions of the Company have been identified and are being addressed systematically through mitigating actions on a continuing basis.

The Audit Committee and Risk Management Committee under the supervision of the Board, periodically review and monitor the steps taken by the Company to mitigate the identified risk elements.

### Statement in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

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 the following:-

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 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.

### Corporate Social Responsibility

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link <https://www.greenlamindustries.com/pdf-file/Corporate%20Social%20Responsibility%20Policy.pdf>

The Average Net Profits of the Company for the last three financial years is ₹95,74,22,928.70/- and accordingly the prescribed CSR expenditure during the financial year 2021-22 was ₹1,91,48,458.57/- (i.e. 2% of the Average Net Profits of the Company for the last three financial years). Total amount spent by the Company on CSR for the financial year 2021-22 is ₹1,96,24,868/- against the mandatory requirement of ₹1,91,48,458.57/-.

Also, during the financial year, Company has spent ₹45,76,329/- towards ongoing projects of Financial Year 2020-21.

Pursuant to Rule 9 of the CSR Rules, the composition of the CSR Committee, and CSR Policy and Projects approved by the Board are available on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com).

The Annual Report on CSR activities is annexed as "Annexure-II" to this Report.

### Policy on Nomination and Remuneration

The summary of Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 and also read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report. The Remuneration Policy is approved by the Board of Directors and is uploaded on the website of the Company. The web link to the Remuneration Policy is as under: <https://www.greenlamindustries.com/pdf-file/Remuneration-Policy.pdf>

### Particulars of contracts or arrangements with related parties

The related party transactions that were entered into during the financial year 2021-22, were on arm's length basis and in ordinary course of business. The particulars of material related party transactions which were entered into on arm's length basis 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

which is annexed herewith as "Annexure-III". There is no materially significant related party transactions entered into by the Company which may have potential conflict with the interest of the Company. The Board has approved a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions which has been uploaded on the Company's website. The web-link to Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under: <https://www.greenlamindustries.com/pdf-file/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20and%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>

### Directors' Responsibility Statement

In terms of the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors state that:

- a) 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;
- b) The Directors have 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 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;
- c) The Directors have taken proper and sufficient care for 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;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Maintenance of Cost Records

Pursuant to sub-section (1) of Section 148 of the Companies Act, 2013, the maintenance of Cost Records as specified by the Central Government is not required by the Company and accordingly such accounts and records are not made and maintained by the Company.

### Material Changes

During the year, the Registered Office of the Company was shifted from the State of Assam to the National Capital Territory ('NCT') of Delhi, pursuant to receipt of approval from the Regional Director dated July 08, 2021 and Certificate of Registration of Regional Director order for change of State issued by Registrar of Companies, New Delhi dated September 03, 2021. Consequently, the Corporate Identification Number of the Company changed to L21016DL2013PLC386045.

During the year, Company had acquired HG Industries Limited (*formerly Himalaya Granites Limited*) ('HGIL') by way of acquisition of majority stake in the HGIL. An Open Offer was made by the Company through Letter of Offer dated October 18, 2021 in compliance with applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time ('SEBI SAST Regulations') pursuant to execution of the share purchase agreement dated August 28, 2021 by and between the Company and Mr. Saurabh Mittal, Ms. Parul Mittal, Mr. Shiv Prakash Mittal and S. M. Safeinvest Private Limited ("Sellers"). The Sellers transferred 34,70,966 equity shares representing 74.91% of the total paid-up equity share capital of HGIL to the Company for a total consideration of ₹13.92 Crore approx. and consequentially HGIL has become a subsidiary of the Company.

Further, there have been no material changes and commitments affecting the financial position of the Company since the close of financial year ended March 31, 2022 and to the date of this report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

### Insurance

The Company's properties, including building, plant, machineries and stocks, among others, are adequately insured against risks.

### Public deposits

During the period under review, the Company did not invite or accept any deposits from the public in terms of Chapter V of the Companies Act, 2013.

### Listing of Shares & Debenture

The Equity Shares of the Company are listed on BSE Limited ('BSE') with scrip code No. 538979 and on National Stock Exchange of India Limited ('NSE') with scrip symbol GREENLAM. Further, Non-Convertible Debentures issued by the Company during the year under review got listed with NSE. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2022-23 has been duly paid.

### Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013

Details of Loans granted, Guarantees given, and Investments made during the year under review,

covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements of the Company forming part of this Annual Report.

Auditors and their Report

(a) Statutory Auditors:

The shareholders of the Company at the 6<sup>th</sup> Annual General Meeting (AGM) held on August 10, 2019, approved the appointment of M/s. S.S. Kothari Mehta & Company, Chartered Accountants (ICAI Firm Registration No.000756N) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 for a term of 5 years from the conclusion of 6<sup>th</sup> AGM till the conclusion of 11<sup>th</sup> AGM to be held in financial year 2024-25.

The Statutory Auditors’ Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 forms part of this Annual report.

(b) Secretarial Auditors:

The Board of Directors of the Company at their meeting held on October 26, 2021, appointed M/s. Chandrasekaran Associates, Company Secretaries, (Firm Registration No. P1988DE002500) having office at 11-F, Pocket-IV, Mayur Vihar, Phase-I, Delhi-110091 as Secretarial Auditor of the Company for conducting the Secretarial Audit of the financial year 2021-22.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2022, is annexed herewith as “Annexure-IV”.

(c) Cost Auditors:

Your Company was not required to appoint the Cost Auditor for the financial year ended March 31, 2022.

(d) Internal Auditor:

Mr. Vijay Kumar Bishnoi has been appointed as the Internal Auditor of the Company to carry out internal audit of branches, offices and manufacturing units of the Company.

The Audit Committee quarterly reviews the Internal Audit reports.

Response to Auditors’ Remarks

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors or by the Secretarial Auditor in their Statutory Audit Report and Secretarial Audit Report, respectively and hence, no explanation or comments of the Board is required in this matter.

Update on the fine levied by the exchanges

National Stock Exchange of India Limited (“NSE”) levied a fine of ₹5,07,400 (including 18% GST) for the period from April 01, 2020 to November 01, 2020 and BSE Limited (“BSE”) levied a fine of ₹75,520

(including 18% GST) for the period from October 01, 2020 to November 01, 2020 for non – compliance of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for which the Company filed applications for waiver for the same and NSE vide their letter dated June 28, 2021, waived of the fine imposed by them and BSE vide their email dated October 27, 2021, withdrawn the fine imposed by them.

Annual Return

The Annual Return of the Company as on March 31, 2022 is available on the Company’s website and can be accessed at [www.greenlamindustries.com](http://www.greenlamindustries.com).

Corporate Governance Report

A detailed Report on Corporate Governance for the financial year 2021-22, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and an Auditors’ Certificate on compliance with the conditions of Corporate Governance is annexed to this report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the financial year 2021-22, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

Business Responsibility and Sustainability Report

As stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report, in lieu of the Business Responsibility Report, describing the initiatives taken by the Company from an environmental, social, governance and sustainability perspective is attached and forms part of the Annual Report.

CEO and CFO Certification

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification as specified in Part B of Schedule II thereof is annexed to the Corporate Governance Report. The Managing Director & CEO and the Chief Financial Officer of the Company also provide quarterly certification on Financial Results while placing the Financial Results before the Board in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Air Pollution Issues in National Capital Region

During the year under review, Graded Action Response Plan (GRAP) was implemented as a response to degrading level of air pollution in Delhi / National Capital Region particularly in the winter months. The Commission for Air Quality Management in

National Capital Region and Adjoining Areas (CAQM) issued directions for the purpose of protecting and improving the quality of air in the National Capital Region and adjoining areas (NCR) which led to restricted operating hours/days for units located in NCR. Further, our Behror factory operation was temporarily suspended on account of its oversight to meet certain norms of GRAP applicable in NCR and an amount of ₹64,500/- was paid towards Environmental Compensation. The Company was swift to represent the matter before CAQM and ensured appropriate instruction to resume operation at its Behror plant. The above events resulted in loss of production for 17 days and restricted operating hours in the month of December, 2021 and January, 2022, resulting in a notional revenue loss of approximately ₹75 cr. Subsequently, upon representation given by various organization / associations / federations / entities and individuals, the CAQM, inter alia, has allowed use of bio-mass fuel subject to permissible emission standard and other terms and conditions, as applicable. The Company has been adhering to the applicable directions for use of fuel and emission norms and is also making necessary investments to upgrade/install requisite air pollution control devices at its Behror plant as may be required for use of bio-mass fuel.

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 Managing Director & CEO of the Company has given a declaration that all Directors and Senior Management Personnel concerned have affirmed compliance with the code of conduct with reference to the financial year ended on March 31, 2022. The declaration is annexed to the Corporate Governance 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.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as “Annexure-V”.

Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as “Annexure-VI”.

Fraud Reporting

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

Constitution of Internal Complaints Committee

Pursuant to the requirement under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints Committee has been duly constituted by the Company and the composition of the same is disclosed in the Anti-Sexual Harassment Policy which is posted on the website of the Company under the link <https://www.greenlamindustries.com/pdf-file/Anti-Sexual-Harassment-Policy.pdf>

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

No case was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 during the year under review.

Details of significant and material orders passed by the regulators/courts/tribunals impacting the going concern status and the Company’s operations in future

During the period under review, there were no significant and material orders passed by any regulator/court/tribunal impacting the going concern status and the Company’s operations in future.

Acknowledgement

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. Directors also place on record their heartfelt appreciation for employees of the Company for their dedication and contribution.

For and on behalf of the Board of Directors

Saurabh Mittal

Managing Director & CEO  
[DIN: 00273917]

Parul Mittal

Whole-time Director  
[DIN: 00348783]

Place: New Delhi  
Date: May 30, 2022

# Annexures to the Directors' Report

## Annexure-I

### Form AOC-I

#### 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 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

| Sr. No. | Part "A": Subsidiaries  | ₹                                   |                        |
|---------|---|-------------------------------------|------------------------|
| 1.      | Name of the subsidiary  | Greenlam Asia Pacific Pte. Limited. | Greenlam America, Inc. |
| 2.      | Date of Acquisition*  | February 27, 2015                   | March 16, 2015         |
| 3.      | Reporting period for the subsidiary   | March 31, 2022                      | March 31, 2022         |
| 4.      | Reporting currency and Exchange rate as on the last date of the relevant financial year | US\$ (₹75.780)                      | US\$ (₹75.780)         |
| 5.      | Share Capital   | 21,05,82,389.70                     | 12,12,48,000.00        |
| 6.      | Reserves & Surplus  | 4,89,53,122.20                      | 140,890,782.24         |
| 7.      | Total Assets  | 43,36,50,746.88                     | 345,617,954.46         |
| 8.      | Total Liabilities   | 17,41,15,234.98                     | 83,479,172.22          |
| 9.      | Investments   | 2,47,79,074.86                      | -                      |
| 10.     | Turnover  | 1,66,11,30,261.18                   | 1,243,296,088.56       |
| 11.     | Profit before taxation  | 7,90,58,924.82                      | 129,741,649.74         |
| 12.     | Provision for taxation  | (1,43,33,483.88)                    | (29,645,742.24)        |
| 13.     | Profit after taxation   | 6,47,25,440.94                      | 10,00,95,907.50        |
| 14.     | Proposed Dividend   | Nil                                 | Nil                    |
| 15.     | % of shareholding/controlling interest  | 100%                                | 100%                   |

| Sr. No. | Part "A": Subsidiaries  | ₹                            |   |
|---------|---|------------------------------|---|
| 1.      | Name of the subsidiary  | Greenlam Europe (UK) Limited | Greenlam Asia Pacific (Thailand) Co., Limited |
| 2.      | Date of Acquisition*  | February 27, 2015            | February 27, 2015                             |
| 3.      | Reporting period for the subsidiary   | March 31, 2022               | March 31, 2022                                |
| 4.      | Reporting currency and Exchange rate as on the last date of the relevant financial year | GBP (₹99.522)                | THB (₹2.280)                                  |
| 5.      | Share Capital   | 1,87,37,983.33               | 91,21,200.00                                  |
| 6.      | Reserves & Surplus  | (7,85,69,156.31)             | 3,02,11,496.31                                |
| 7.      | Total Assets  | 20,69,12,996.63              | 11,65,15,884.82                               |
| 8.      | Total Liabilities   | 26,67,44,169.61              | 7,71,83,188.51                                |
| 9.      | Investments   | -                            | 11,40,150.00                                  |
| 10.     | Turnover  | 84,92,45,551.74              | 58,97,87,684.99                               |
| 11.     | Profit before taxation  | 1,18,69,479.40               | 54,22,840.72                                  |
| 12.     | Provision for taxation  | 38,07,309.81                 | 5,62,791.72                                   |
| 13.     | Profit after taxation   | 1,56,76,789.21               | 48,60,049.00                                  |
| 14.     | Proposed Dividend   | Nil                          | Nil   |
| 15.     | % of shareholding/controlling interest  | 100%                         | 97.50%  |

| Sr. No. | Part "A": Subsidiaries  | ₹                          |                           |
|---------|---|----------------------------|---------------------------|
| 1.      | Name of the subsidiary  | Greenlam Holding Co., Ltd. | PT. Greenlam Asia Pacific |
| 2.      | Date of Acquisition*  | February 27, 2015          | February 27, 2015         |
| 3.      | Reporting period for the subsidiary   | March 31, 2022             | March 31, 2022            |
| 4.      | Reporting currency and Exchange rate as on the last date of the relevant financial year | THB (₹2.280)               | IDR (₹0.005)              |
| 5.      | Share Capital   | 22,80,300.00               | 1,27,32,508.80            |
| 6.      | Reserves & Surplus  | (14,75,687.02)             | 1,50,066.31               |
| 7.      | Total Assets  | 45,70,833.99               | 1,90,89,079.71            |
| 8.      | Total Liabilities   | 37,66,221.01               | 62,06,504.59              |
| 9.      | Investments   | 45,60,600.00               | -                         |
| 10.     | Turnover  | -                          | 1,49,54,498.99            |
| 11.     | Profit before taxation  | (48,830.34)                | 7,01,688.51               |
| 12.     | Provision for taxation  | -                          | 1,85,614.34               |
| 13.     | Profit after taxation   | (48,830.34)                | 5,16,074.16               |
| 14.     | Proposed Dividend   | Nil                        | Nil                       |
| 15.     | % of shareholding/controlling interest  | 99%                        | 99%                       |

| Sr. No. | Part "A": Subsidiaries  | ₹                   |                        |
|---------|---|---------------------|------------------------|
| 1.      | Name of the subsidiary  | Greenlam Decolan SA | Greenlam South Limited |
| 2.      | Date of Acquisition   | May 14, 2019        | October 14, 2019#      |
| 3.      | Reporting period for the subsidiary   | March 31, 2022      | March 31, 2022         |
| 4.      | Reporting currency and Exchange rate as on the last date of the relevant financial year | CHF (₹82.1998)      | ₹                      |
| 5.      | Share Capital   | 2,46,59,940.00      | 9,42,57,890.00         |
| 6.      | Reserves & Surplus  | (2,55,11,694.33)    | 82,10,12,210.00        |
| 7.      | Total Assets  | 45,40,13,086.74     | 92,20,36,100.00        |
| 8.      | Total Liabilities   | 45,48,64,841.07     | 67,66,000.00           |
| 9.      | Investments   | -                   | -                      |
| 10.     | Turnover  | 1,13,54,44,332.36   | -                      |
| 11.     | Profit before taxation  | 1,16,52,232.65      | (16,09,158.00)         |
| 12.     | Provision for taxation  | 40,88,535.85        | (16,47,000.00)         |
| 13.     | Profit after taxation   | 75,63,696.80        | 37,842.00              |
| 14.     | Proposed Dividend   | Nil                 | Nil                    |
| 15.     | % of shareholding/controlling interest  | 100%                | 100%                   |

| Sr. No. | Part "A": Subsidiaries  | ₹                        |                    |
|---------|---|--------------------------|--------------------|
| 1.      | Name of the subsidiary  | PT Greenlam Indo Pacific | ^Greenlam Rus LLC  |
| 2.      | Date of Acquisition   | May 05, 2020#            | November 02, 2020# |
| 3.      | Reporting period for the subsidiary   | March 31, 2022           | December 31, 2021  |
| 4.      | Reporting currency and Exchange rate as on the last date of the relevant financial year | IDR (₹0.0053)            | Rub (₹0.9538)      |
| 5.      | Share Capital   | 1,32,00,000.00           | 18,12,220.00       |
| 6.      | Reserves & Surplus  | (86,52,052.70)           | 9,32,520.72        |
| 7.      | Total Assets  | 4,30,22,250.31           | 49,19,657.48       |
| 8.      | Total Liabilities   | 3,84,74,303.01           | 21,74,916.76       |
| 9.      | Investments   | -                        | -                  |
| 10.     | Turnover  | 4,33,16,358.73           | -                  |
| 11.     | Profit before taxation  | (66,48,045.60)           | 7,67,809.95        |
| 12.     | Provision for taxation  | -                        | (2,47,778.16)      |
| 13.     | Profit after taxation   | (66,48,045.60)           | 5,20,031.79        |
| 14.     | Proposed Dividend   | Nil                      | Nil                |
| 15.     | % of shareholding/controlling interest  | 66.67%                   | 100%               |



| Sr. No. | Part "A": Subsidiaries  | ₹                             |                                |
|---------|---|-------------------------------|--------------------------------|
| 1.      | Name of the subsidiary  | ^Greenlam Poland Sp. z o.o.   | HG Industries Limited          |
| 2.      | Date of Acquisition   | January 08, 2021 <sup>#</sup> | December 03, 2021 <sup>@</sup> |
| 3.      | Reporting period for the subsidiary   | December 31, 2021             | March 31, 2022                 |
| 4.      | Reporting currency and Exchange rate as on the last date of the relevant financial year | PLN (₹ 18.1000)               | ₹                              |
| 5.      | Share Capital   | 18,10,000.00                  | 2,31,67,840.00                 |
| 6.      | Reserves & Surplus  | 5,11,343.10                   | (60,85,602.00)                 |
| 7.      | Total Assets  | 66,10,789.70                  | 2,26,84,311.00                 |
| 8.      | Total Liabilities   | 42,89,446.60                  | 56,02,073.00                   |
| 9.      | Investments   | -                             | 35,42,242.00                   |
| 10.     | Turnover  | -                             | 35,70,000.00                   |
| 11.     | Profit before taxation  | 1,893,205.70                  | 5,62,844.00                    |
| 12.     | Provision for taxation  | (54,969.70)                   | 2,97,721.00                    |
| 13.     | Profit after taxation   | 18,38,236.00                  | 2,65,123.00                    |
| 14.     | Proposed Dividend   | Nil                           | Nil                            |
| 15.     | % of shareholding/controlling interest  | 100%                          | 74.91%                         |

\* the date of acquisition of controlling interest upon transfer of shareholding pursuant to the Composite Scheme of Arrangement under Section 101 to 104 and Section 391 to 394 of the Companies Act, 1956, between Greenply Industries Limited and Greenlam Industries Limited and their respective creditors and shareholders, for demerger of the "Decorative Business" of Greenply Industries Limited, approved by Guwahati High Court. However, the said Scheme was effective from November 17, 2014 (Appointed date being April 01, 2013).

<sup>#</sup> Date of incorporation.

<sup>@</sup> Date of transfer of shares to the Company

<sup>^</sup> The reporting period of the subsidiary is different from the Company and for the purpose of consolidation, financial statements of subsidiary has been prepared as on March 31. Therefore the figures given are as of March 31, 2022.

#### Notes:

- Name of the Subsidiaries which are yet to commence operations:-
  - Greenlam South Limited is in the process of setting up a greenfield laminates project at Naidupeta, Andhra Pradesh, with an installed capacity of 3.5 million laminate sheets/ boards per annum which is expected to be operationalize by 4<sup>th</sup> quarter of F.Y 2022-23. Greenlam South Limited is also setting up a greenfield project for manufacturing of particle board and allied products at Naidupeta, Andhra Pradesh with a manufacturing capacity of approx. 2,31,000 cubic meter and commercial production of particle board manufacturing facility is expected by 4<sup>th</sup> quarter of F.Y 2023-24.
- Names of subsidiaries which have been liquidated or sold during the year:- None

#### Part B: Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

The Company has no Associate or Joint Venture Company.

For and on behalf of Board of Directors

|   |   |  |  |
|---|---|--|--|
| <b>Saurabh Mittal</b><br>Managing Director & CEO<br>[DIN: 00273917] | <b>Parul Mittal</b><br>Whole-time Director<br>[DIN: 00348783] | <b>Ashok Kumar Sharma</b><br>Chief Financial Officer | <b>Prakash Kumar Biswal</b><br>Company Secretary &<br>Vice President - Legal |
|---|---|--|--|

## Annexure-II ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

FOR THE FINANCIAL YEAR 2021-22

[As prescribed under Section 135 of the Companies Act, 2013 read with rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. Brief outline on CSR Policy of the Company:

Greenlam Industries Limited has always strived to make a difference, specifically to the society by contributing to the economic development of the Country and improving the quality of life of the vulnerable communities. We strive to strengthen our corporate citizenship through engagements with various NGOs working in the fields of health, education, environment and vocational training.

The CSR Policy of the Company as recommended by the CSR committee and duly approved by the Board includes activities specified under the Schedule VII of the Act, as amended from time to time. The activities suggested under the policy are undertaken after due identification of the socio-economic changes brought in the key communities by carrying out such activities by the Company. The Company while understanding its CSR activities, gives preference to local areas within its vicinity.

#### Priority Projects

The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee:

- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans; and
- Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.

### 2. Composition of CSR Committee:

| 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.      | Ms. Matangi Gowrishankar* | Chairperson (Independent Director)   | 2  | 2  |
| 2.      | Mr. Saurabh Mittal        | Member (Executive Director)          | 3  | 3  |
| 3.      | Ms. Parul Mittal          | Member (Executive Director)          | 3  | 3  |
| 4.      | Mr. Shiv Prakash Mittal*  | Member (Non-Executive Director)      | 1  | 1  |
| 4.      | Mr. Sandip Das            | Member (Independent Director)        | 3  | 3  |

\*On August 28, 2021, Mr. Shiv Prakash Mittal ceased to be member of the CSR Committee and Ms. Matangi Gowrishankar was appointed as member of the CSR Committee. Ms. Matangi Gowrishankar was designated as the Chairperson of the CSR Committee w.e.f. October 26, 2021.

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

The Composition of CSR committee, CSR Policy and CSR projects approved by the Board of the Company can be viewed at the link given herein below:

<https://www.greenlamindustries.com/who-we-are/corporate-social-responsibility.html>

4. Provide the 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: Nil
6. Average net profit of the company as per section 135(5): ₹95,74,22,928.70/-
7. (a) Two percent of average net profit of the company as per Section 135(5): ₹1,91,48,458.57/-  
(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. Nil  
(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): ₹1,91,48,458.57/-

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

| Total Amount Spent for the Financial Year (in ₹) | 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  | Date of transfer | Name of the Fund  | Amount         | Date of transfer |
|  | ₹1,96,24,868  | Not Applicable   | Not Applicable  | Not Applicable | Not Applicable   |

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

| (1)<br>Sl. No. | (2)<br>Name of the Project   | (3)<br>Item from the list of activities in schedule VII to the Act  | (4)<br>Local area (Yes/ No) | (5)<br>Location of the project |                  | (6)<br>Amount spent for the project (in ₹) | (7)<br>Mode of implementation - Direct (Yes/No) | (8)<br>Mode of implementation - Through implementing agency |                         |
|----------------|--|---|-----------------------------|--------------------------------|------------------|--|---|---|-------------------------|
|                |  |   |                             | State                          | District         |  |   | Name  | CSR registration number |
| 1.             | Support for education and overall development of young, orphan and neglected girls, in the age group of 07-15 years at Greenlam UdayanGhar in Ghaziabad.   | Promoting gender equality, empowering women, setting up homes and hostels for women and orphans   | No                          | Ghaziabad,                     | Uttar Pradesh    | ₹22,81,772                                 | No  | Udayan care   | CSR000000619            |
| 2.             | Support for strengthening and empowering communities, mainly focusing on improving health and nutrition of mother, new born child and adolescents and promoting entrepreneur development program among identified young people.  | Promoting health care including preventive health care and sanitation.  | Yes                         | Behror,                        | Rajasthan        | ₹29,11,211                                 | No  | Mamta-Health Institute for Mother & Child                   | CSR00001978             |
| 3.             | Support for strengthening and empowering communities, mainly focusing on improving health and nutrition of mother, new born child and adolescents and promoting entrepreneur development program among identified young people.  | Promoting health care including preventive health care and sanitation.  | Yes                         | Nalagarh,                      | Himachal Pradesh | ₹21,75,091                                 | No  | Mamta-Health Institute for Mother & Child                   | CSR00001978             |
| 4.             | To work for improving the elementary education in villages located near the area of Behror Plant for students of Standard 1-8 under the age group of 6-14 years and also work for preparing mothers with children who are about to start school in the next two years and raise awareness on good practices to improve the child's development capabilities. | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes                         | Behror,                        | Rajasthan        | ₹31,78,403                                 | No  | PRATHAM Education Foundation                                | CSR00000258             |

| (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 |
| 5.      | To work for improving the elementary education in villages located near the area of Nalagarh Plant for students of Standard 1-8 under the age group of 6-14 years and also work for preparing mothers with children who are about to start school in the next two years and raise awareness on good practices to improve the child's development capabilities | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes                  | Nalagarh,               | Himachal Pradesh | ₹28,65,293                          | No                                       | PRATHAM Education Foundation                         | CSR00000258             |
| 6.      | Support revival of traditional water bodies, construction of water storage infrastructure, and safe disposal of wastewater. Create awareness about the need for water conservation and build capacities of local communities for better management and long-term sustainability of their water resources  | Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water   | Yes                  | Behror,                 | Rajasthan        | ₹19,06,113                          | No                                       | S M Sehgal Foundation                                | CSR00000262             |
| 7.      | Support revival of traditional water bodies, construction of water storage infrastructure, and safe disposal of wastewater. Create awareness about the need for water conservation and build capacities of local communities for better management and long-term sustainability of their water resources  | Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water   | Yes                  | Nalagarh,               | Himachal Pradesh | ₹26,41,985                          | No                                       | S M Sehgal Foundation                                | CSR00000262             |
| 8.      | Support for vaccination of Coronavirus in Surya Hospital, New Delhi   | Promoting health care including preventive health care  | Yes                  | Delhi                   |                  | ₹3,12,000                           | Yes                                      | -  | -                       |
| 9.      | Installation of Bi-PAP Machines in Government Hospital  | Promoting health care including preventive health care  | Yes                  | Behror,                 | Rajasthan        | ₹3,20,000                           | 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 State Disaster Management Fund during Wave-2 | Disaster Management   | Yes                  | Nalagarh,               | Himachal Pradesh | ₹1,51,000                           | Yes                                      | -  | -                       |
| 11.     | Providing Ventilators to District General Hospital           | Promoting health care including preventive health care      | No                   | Naidupeta,              | Andhra Pradesh   | ₹8,82,000                           | Yes                                      | -  | -                       |
|         | <b>Total</b>   |   |                      |                         |                  | <b>₹1,96,24,868</b>                 |  |  |                         |

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹1,96,24,868/-
- (g) Excess amount for set off, if any

| Sl. No. | Particular  | Amount (in ₹)     |  |
|---------|---|-------------------|--|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | ₹1,91,48,458.57/- |  |
| (ii)    | Total amount spent for the Financial Year   | ₹1,96,24,868/-    |  |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | ₹4,76,409.43/-    |  |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil               |  |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | ₹4,76,409.43/-    |  |

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 ₹) | Amount spent in the reporting Financial Year (in ₹). | 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 ₹) |
|---------|--------------------------|--|--|---|------------------|---|
|         |                          |  |  | Name of the Fund  | Date of transfer |   |
| 1.      | 2020-21                  | 45,76,329  | 45,76,329  | Not Applicable  | Not Applicable   | Nil   |



(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 - the project - Completed / Ongoing. |
| 1       | FY31.03.2021_1 | Support revival of traditional water bodies, construction of water storage infrastructure, and safe disposal of waste water. Create awareness about the need for water conservation and build capacities of local communities for better management and long-term sustainability of their water resources. | 2020-21   | March 2021- March 2024 | ₹30,01,477                                    | ₹27,01,329   | 30,01,477   | Completed  |
| 2       | FY31.03.2021_2 | Enablement Program for visually impaired- Produce and Provide accessible reading material in Audio/Braille e-text formats to the visually impaired thereby promoting education and building inclusive society  | 2020-21   | Jan 2021- Dec 2021     | ₹25,00,000                                    | ₹18,75,000   | ₹25,00,000  | Completed  |
| Total   |                |  |   |                        | ₹55,01,477                                    | ₹45,76,329   | ₹55,01,477  |  |

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 (Please provide below details if any)

The Company has not created or acquired any capital assets through CSR spent in the Financial Year 2021-22.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5). Not Applicable

For and on behalf of Board of Directors

Saurabh Mittal  
Managing Director & CEO  
[DIN: 00273917]

Matangi Gowrishankar  
Chairperson of CSR Committee  
[DIN: 01518137]

Date: May 30, 2022

Annexure-III  
Form AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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 are given below:

| Sl. No. | Name(s) of the related party and nature of relationship   | Nature of contracts/ arrangements/ transaction | Duration of the contracts/ arrangements/ 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 |
|---------|---|--|---|---|--|---------------------------------|
| 1.      | Greenlam Asia Pacific Pte. Ltd. (Wholly-owned subsidiary) | Arrangement for sale of products               | For the financial year 2014-15 and subsequent years   | On mutually agreed terms up to sale value of ₹1,34,20,65,040/- during financial year 2021-22. | February 02, 2015                        | Nil                             |

For and on behalf of Board of Directors

Place: New Delhi  
Date: May 30, 2022

Saurabh Mittal  
Managing Director & CEO  
[DIN: 00273917]

Parul Mittal  
Whole-time Director  
[DIN: 00348783]

## Annexure-IV

# FORM MR-3

### Secretarial Audit Report

For the Financial Year Ended 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

#### Greenlam Industries Limited

203, 2<sup>nd</sup> Floor, West Wing, Worldmark 1,  
Aerocity, IGI Airport, Hospitality District,  
New Delhi- 10037 - India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Greenlam Industries Limited** (hereinafter called "the Company"). 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also 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, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined 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 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST Regulations');
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 prior to its repealment and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable; **Not applicable**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 prior to its repealment and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent applicable;
- (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 to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable**.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**

- (vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company based on the Sectors/ Industry are:

1. The Explosives Act, 1884
2. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008
3. The Indian Boilers Act, 1923 and rules and regulations thereunder
4. The Petroleum Act, 1934
5. The Rajasthan Factories Rules, 1951 and The Himachal Pradesh Factory Rules, 1950
6. Indian Forest Act, 1927, Rajasthan Forest Act, 1953, The Rajasthan Forest Produce (Establishment and Regulations of Saw Mills) Rules, 1983

We have also examined compliance with the applicable clauses/Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board.

We further report that 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.

We further report that during the audit period the Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has established a branch office of the Company in Kathmandu, Nepal.
2. The Company has shifted its Registered office from the "State of Assam" to the "National Capital Territory ('NCT') of Delhi" with effect from August 27, 2021 vide order of Regional Director, North Eastern Region, Ministry of Corporate Affairs ('MCA'), Guwahati dated July 08, 2021. The ROC Delhi issued fresh Certificate of Incorporation consequent upon Registration of Regional Director order for change of State on September 03, 2021.
3. The Board of Directors at its meeting dated October 26, 2021 has approved the issuance of upto 1500 secured, listed, Redeemable, Non-Convertible Debentures ('NCDs') of face value of ₹10,00,000 (Rupees Ten lac) each, aggregating upto ₹150 Crores (Rupees One Hundred and Fifty Crores), in one or more tranches, in dematerialized form on a private placement basis.
4. Acquisition of 34,70,966 Equity shares of HG Industries Limited (Formerly Himalaya Granites Limited) ('HGIL') of Face value of ₹5/- per Equity share for a total consideration of ₹13,91,85,740.60/- representing 74.91% of total paid-up Equity share capital of HGIL pursuant to Share Purchase Agreement dated August 28, 2021. Consequently, HGIL had become a subsidiary of Greenlam Industries Limited w.e.f December 03, 2021.

5. During the period under review, pursuant to the approval of the Board of Directors dated December 13, 2021 and Shareholders of the Company by means of Postal Ballot dated January 28, 2022, the face value of the equity shares of the Company was sub-divided/split from ₹5/- to ₹1/- each. Consequently, the Company has also altered the Capital Clause of the Memorandum of Association of the Company.

6.

During the period under review, pursuant to the Section 180(1)(c) of the Act and other applicable provisions, if any, the Shareholders of Company by means of Postal Ballot dated January 28, 2022, enhanced the borrowing limits of the Company for an amount not exceeding the sum of ₹2,000 Crore (Rupees Two Thousand Crore only) or aggregate of the paid-up share capital, free reserves and securities premium of the Company, whichever is higher.

Ballot dated January 28, 2022 has approved the raising of funds upto ₹500 Crore (Rupees Five Hundred Crore only) through issuance of securities inclusive of such premium as may be fixed, in one or more tranches including but not limited to Qualified Institution Placement basis in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
7.

During the period under review, pursuant to the Section 180(1)(a) of the Act and other applicable provisions, if any, the Shareholders of Company by means of Postal Ballot dated January 28, 2022, have accorded its approval to the Board of Directors for creation of charge on the assets of the company to secure the borrowings of the company for an amount not exceeding ₹2,000 Crore (Rupees Two Thousand Crore only) or the aggregate of the paid-up share capital, free reserves and securities premium, whichever is higher.

**For Chandrasekaran Associates**  
*Company Secretaries*  
FRN: P1988DE002500  
Peer Review Certificate No.: 1428/2021

**Dr. S. Chandrasekaran**  
*Senior Partner*  
Membership No. FCS 1644  
Certificate of Practice No. 715  
UDIN: F001644D000390771
8.

During the period under review, the Shareholders of Company by means of Postal

Date: 30.05.2022  
Place: Delhi

**Note:**

1.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.
2.

Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2022 pertaining to Financial Year 2021-22.

**Annexure-A**

To,  
The Members  
**Greenlam Industries Limited**  
203, 2<sup>nd</sup> Floor, West Wing, Worldmark 1,  
Aerocity, IGI Airport, Hospitality District,  
New Delhi - 110037 - India

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random 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 procedures on random 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.

**For Chandrasekaran Associates**

*Company Secretaries*  
FRN: P1988DE002500  
Peer Review Certificate No.: 1428/2021

**Dr. S. Chandrasekaran**

*Senior Partner*  
Membership No. FCS 1644  
Certificate of Practice No. 715  
UDIN: F001644D000390771

Date: 30.05.2022  
Place: Delhi



Annexure-V

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

(i) Steps taken or impact on conservation of energy:

1. The current year has seen a surge in energy consumption due to lower base effect. However, as compared to 2019-20, there was a saving of 0.1 KW Hours of electrical energy per unit produced. There was an increase in production volume in 2021-22 which resulted increase in energy consumption.
2. There is a substantial water saving of 21,000 KL during the year due to various measures taken including;

a. Secondary and tertiary RO plants installation on the rejected stream from existing RO lines which helped to recover more usable water and resulted in reduction on STP load;

b. Partial conversion of maintenance presses in Behror to High Pressure Hot water system.

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

The existing solar power unit has been maintained and continues to produce 955 KW of power per annum.

(iii) Capital Investment on energy conservation equipment:

The cost of RO units on the existing lines, maintenance of High Pressure Hot Water system and conversion to low energy consumption machinery, all put together was approximately ₹4 crore.

(B) Technology Absorption:

i. Efforts made towards technology absorption:

- a. Development activities are underway for the followings:

i. Horizontal Grade Exterior Compact Laminates for use on outdoor furniture and allied applications;

- ii. High surface wear products by using non-aluminium based liquid additives;
- iii. Fire Rated products for Railway Coach building and the related product conformances;
- iv. Stabilizing the enhanced range of façade variants;
- v. Developing complete solutions of interior clads.
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

a. Inorganic filled papers were sourced from Europe and used in making higher end FR compacts for some specific customers abroad. This product provided an edge over competition. Newer markets with specialized applications, where an enhance Fire Rating is sought, would emerge with the development of this product.

b. Horizontally use exterior products with high surface wear and tear combined with UV and weather resistant properties are aimed to cater to outdoor furniture applications. There is a demand for this product and development of the same will open new and wider markets.
- iii. Information regarding technology imported, during the last 3 years:

a. Details of technology imported: Nil

b. Year of import: Nil

c. Whether the technology been fully absorbed: Not Applicable

d. If not fully absorbed, areas where absorption has not taken place, and the reason thereof: Not Applicable
- iv. Expenditure incurred on Research and Development:

a. Capital: Nil

b. Recurring: ₹ 25 lakhs

(C) Foreign Exchange Earnings and Outgo

The details of foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows are as under:

(₹ in lac)

| Particulars             | March 31, 2022 | March 31, 2021 |
|-------------------------|----------------|----------------|
| Earnings on account of: |                |                |
| a) FOB value of exports | 64,423.85      | 51,022.86      |
| b) Others               | -              | 55.08          |
| Total                   | 64,423.85      | 51,077.94      |
| Outgo on account of:    |                |                |
| a) Raw materials        | 40,768.52      | 24,476.08      |
| b) Capital goods        | 269.87         | 550.27         |
| c) Traded goods         | -              | -              |
| d) Stores & spare parts | 203.87         | 154.82         |
| e) Others               | 443.83         | 482.56         |
| Total                   | 41,686.08      | 25,663.72      |

For and on behalf of Board of Directors

Place: New Delhi  
Date: May 30, 2022

**Saurabh Mittal**  
Managing Director & CEO  
[DIN: 00273917]

**Parul Mittal**  
Whole-time Director  
[DIN: 00348783]

## Annexure-VI

### A. Particulars of employees for the year ended March 31, 2022 as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 is as under:

| Sl. No. | Name of Director         | Designation             | Ratio of the remuneration of each director to the median remuneration of employees |
|---------|--------------------------|-------------------------|--|
| 1.      | Mr. Shiv Prakash Mittal  | Non-Executive Chairman  | 7.18   |
| 2.      | Mr. Saurabh Mittal       | Managing Director & CEO | 175.30   |
| 3.      | Ms. Parul Mittal         | Whole-time Director     | 105.42   |
| 4.      | Mr. Vijay Kumar Chopra   | Independent Director    | 7.67   |
| 5.      | Mr. Sandip Das           | Independent Director    | 8.23   |
| 6.      | Ms. Matangi Gowrishankar | Independent Director    | 7.97   |
| 7.      | Mr. Yogesh Kapur*        | Independent Director    | 4.79   |

\* Mr. Yogesh Kapur was appointed as Independent Director of the Company with effect from the conclusion of 8<sup>th</sup> Annual General Meeting held on August 12, 2021.

#### ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22:

| Sl. No. | Name of Director/KMP                  | Designation                                | % increase in Remuneration in the financial year 2021-22 |
|---------|---------------------------------------|--|--|
| 1.      | Mr. Shiv Prakash Mittal               | Non-Executive Chairman                     | 9.38%  |
| 2.      | Mr. Saurabh Mittal                    | Managing Director & CEO                    | 46.02%   |
| 3.      | Ms. Parul Mittal                      | Whole-time Director                        | 28.40%   |
| 4.      | Mr. Vijay Kumar Chopra                | Independent Director                       | 9.17%  |
| 5.      | Mr. Sandip Das                        | Independent Director                       | 15.16%   |
| 6.      | Ms. Matangi Gowrishankar <sup>#</sup> | Independent Director                       | 90.85%   |
| 7.      | Mr. Yogesh Kapur*                     | Independent Director                       | Not Applicable   |
| 8.      | Mr. Ashok Kumar Sharma                | Chief Financial Officer                    | 14.76%   |
| 9.      | Mr. Prakash Kumar Biswal              | Company Secretary & Vice President - Legal | 17.54%   |

<sup>#</sup> Ms. Matangi Gowrishankar was appointed as an Independent Director of the Company w.e.f. August 28, 2020 and hence she received remuneration for part of the financial year 2020-21 whereas she received remuneration for the full financial year 2021-22. Hence, the percentage of increase in her remuneration for the financial year 2021-22 shall be interpreted accordingly.

\* Mr. Yogesh Kapur was appointed as Independent Director of the Company with effect from the conclusion of 8<sup>th</sup> Annual General Meeting held on August 12, 2021 and didn't received any remuneration during the financial year 2020-21 and hence percentage increase in his remuneration in the financial year 2021-22 cannot be determined.

#### iii. The percentage increase in the median remuneration of employees of the Company in the financial year:

During the financial year 2021-22, the median remuneration of employees of the Company was increased by 15.30%.

#### iv. The number of permanent employees on the rolls of Company:

As on March 31, 2022, there were 2,023 permanent employees on the rolls of the Company.

#### v. Average percentile of 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:

Average percentile increase in salary of the Company's employee (other than the managerial personnel) during the financial year 2021-22 was approximately 12.23%. The total managerial remuneration for the financial year 2021-22 was increased by 37.61% to ₹10,80,72,110/- as against ₹7,85,36,000/- during the financial year 2020-21.

During the financial year 2021-22, there was no increase in the fixed remuneration of Mr. Saurabh Mittal, Managing Director & CEO and Ms. Parul Mittal, Whole-time Director of the Company i.e. Executive Directors of the Company. The increase in their total remuneration represents the increase in the amount of annual commission payable to them which is linked with profitability of the Company as well as the base effect due to their voluntary forgo of part of the fixed remuneration during the financial year 2020-21. Also, increase in total managerial remuneration for the financial year 2021-22 was due to the increase in number of Directors and number of meetings during financial year 2021-22.

#### vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid during the year ended March 31, 2022 is as per the Remuneration Policy of the Company.

### B. Particulars of employees for the year ended March 31, 2022 as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sl. No. | Name of the employee             | Age (years) | Designation   | Remuneration Received (₹) | Qualification                     | Experience in years | Date of commencement of employment | Last employment                        |
|---------|----------------------------------|-------------|---|---------------------------|-----------------------------------|---------------------|------------------------------------|--|
| 1.      | Mr. Saurabh Mittal               | 46          | Managing Director & CEO                                     | 5,98,48,000               | B.Com                             | 25                  | 01/04/2002                         | HG Industries Limited                  |
| 2.      | Ms. Parul Mittal                 | 44          | Whole-time Director   | 3,59,90,000               | B.Com                             | 20                  | 11/11/2014                         | Greenply Industries Limited            |
| 3.      | Mr. BL Sharma                    | 65          | Head of Manufacturing                                       | 2,28,40,349               | B.Sc., LLB, MBA                   | 41                  | 01/09/2013                         | Stylam Industries Limited              |
| 4.      | Mr. Pankaj Rishi                 | 52          | COO-Middle East & North Africa                              | 2,03,96,873               | BA, MBA                           | 29                  | 01/12/2016                         | Engineering Building Materials Co. WII |
| 5.      | Mr. Anuj Sangal                  | 54          | Country Head - Laminates & Allied                           | 1,69,69,176               | BE (Civil), MBA                   | 29                  | 01/04/2015                         | Mayur Ply Industries Private Limited   |
| 6.      | Mr. Ashok Kumar Sharma           | 53          | Chief Financial Officer                                     | 1,28,64,019               | CA                                | 29                  | 23/12/2013                         | Su-Kam Power System Limited            |
| 7.      | Mr. Uppaluri Narayana Sarma*     | 52          | President - Manufacturing Chip Board & Engineering Services | 97,08,251                 | Diploma in Mechanical Engineering | 31                  | 19/03/2018                         | Associate Decor Limited                |
| 8.      | Mr. Lokesh Dutt                  | 54          | Senior Vice President – Exports                             | 75,96,217                 | B. Tech, B.E.                     | 29                  | 05/04/1993                         | HG Industries Limited                  |
| 9.      | Mr. Vikas Marwaha                | 56          | Country Sales Head  | 72,49,072                 | PGDMM                             | 33                  | 14/04/2021                         | Everest Industries Limited             |
| 10.     | Mr. Alex Joseph                  | 45          | Senior Vice President - Marketing                           | 71,75,964                 | MBA, PGDM                         | 22                  | 12/11/2008                         | TBWA India Limited                     |
| 11.     | Mr. Shivaji Mohinta <sup>#</sup> | 54          | Country Head - Decorative Veneer & Flooring                 | 29,41,260                 | Strategic Mgt. Diploma            | 32                  | 26/12/2014                         | Hunter Douglas India Private Limited   |

\*Employment ceased w.e.f. February 14, 2022

<sup>#</sup> Employment ceased w.e.f. July 01, 2021

Notes:

1.

Remuneration shown above includes salary, allowances, cost of accommodation, medical reimbursement, contribution to provident fund, annual commission and other perquisites as per the terms of employment. However, the above remuneration does not include provision for gratuity and expenses towards club membership fees.
2.

All the employees have requisite experience to discharge the responsibility assigned to them.
3.

Nature and terms of employment are as per resolution/appointment letter.
4.

None of the employee, as referred under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, owns 2% or more of the equity shares of the Company as on March 31, 2022.
5.

Within the meaning of Section 2(77) of the Companies Act, 2013, Mr. Shiv Prakash Mittal, Mr. Saurabh Mittal and Ms. Parul Mittal are the directors of the Company and are related to each other.

For and on behalf of Board of Directors

|                    |                         |                     |
|--------------------|-------------------------|---------------------|
|                    | Saurabh Mittal          | Parul Mittal        |
|                    | Managing Director & CEO | Whole-time Director |
| Place: New Delhi   |                         |                     |
| Date: May 30, 2022 | [DIN: 00273917]         | [DIN: 00348783]     |

Annexure-VII

SECRETARIAL AUDIT REPORT OF GREENLAM SOUTH LIMITED  
for the financial year ended on 31<sup>st</sup> March, 2022

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members,  
**GREENLAM SOUTH LIMITED**  
(CIN U21096AS2019PLC019584)  
Makum Road, Tinsukia,  
Assam – 786125

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GREENLAM SOUTH LIMITED** (hereinafter called the “Company”). 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also 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, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 (“**Review Period**”) complied with the applicable statutory provisions and adhered to good corporate practices and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained and provided by the Company for the Review Period in compliance with the provisions of:

- (i)

The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii)

The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder; **(not applicable to the Company)**
- (iii)

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(not applicable to the Company)**
- (iv)

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the Company)**
- (v)

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-

(a)

The Securities and Exchange Board of India (Substantial Acquisition of Shares
- and Takeovers) Regulations, 2011; **(not applicable to the Company)**
- (b)

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(not applicable to the Company)**
- (c)

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(not applicable to the Company)**
- (d)

The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(not applicable to the Company)**
- (e)

The Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(not applicable to the Company)**
- (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; **(not applicable to the Company)**
- (g)

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(not applicable to the Company)**
- (h)

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(not applicable to the Company)**

Other Laws applicable specifically to the Company: there are no other Laws applicable specifically to the Company.

We have also examined compliance with the applicable clauses / Regulations of the following:

- (a)

Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b)

The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, up to the extent applicable.

**We report that** during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above and the Rules made thereunder.

**We further report that** based on the information provided and the representation made by the Company taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable laws.



**We further report that** compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same has been subject to review by Statutory Auditors and other designated professionals.

**We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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. As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** 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.

**We further report that** during the audit period, the following events occurred which had a bearing on the Company's affair in pursuance of the above referred laws, rules, regulations and guidelines.

1. During the period under review, the Company has issue and allotted, 10,58,958 equity share having face value of ₹10/- each at a premium of ₹91/- per share on Right basis to Greenlam Industries Limited, Holding Company ('GREENLAM').
2. During the period under review, the Company has issued and allotted, 13,07,107, 0.01% Optionally Convertible Non-Cumulative Preference Shares ('OCPS') having face value of ₹10/- each at a premium of ₹260/- per OCPS on Right basis to GREENLAM.

3. During the period under review, the Company has approved to set up a greenfield project for manufacturing of particle board and allied products at Naidupeta, District - 524421, Andhra Pradesh with manufacturing capacity of approx. 2,31,000 cubic meter for an investment of ₹600 Crore and approved to enhance the capacity of the existing greenfield laminates project being set-up at Naidupeta, District - 524421, Andhra Pradesh, from 1.5 million laminates sheets/board per annum to 3.5 million laminates sheets/board per annum for an investment of ₹225 Crore (enhanced from ₹175 Crore).
4. During the period under review, the members of the Company has approved to enhance the borrowing limits of the Company for an amount not exceeding the sum of ₹1500 Crore (Rupees Fifteen Hundred Crore only) or aggregate of the paid-up share capital, free reserves and securities premium of the Company, whichever is higher, pursuant to Section 180(1)(c) of the Act.
5. During the period under review, the members of the Company has accorded their approval to the Board of Directors for creation of charge on the assets of the company to secure the borrowings of the company for an amount not exceeding ₹1500 Crore (Rupees Fifteen Hundred Crore only) or the aggregate of the paid-up share capital, free reserves and securities premium, whichever is higher, pursuant to Section 180(1) (a) of the Act.

**For Poonam Agarwal & Associates**

**CS Poonam Agarwal**  
M. No. 54346  
COP No. 20335

Date: 28/05/2022  
Place: New Delhi  
UDIN: A054346D000417324

**NOTE:**

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**Annexure-A**

To,  
The Members  
**GREENLAM SOUTH LIMITED**  
(CIN U21096AS2019PLC019584)  
Makum Road, Tinsukia,  
Assam – 786125

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit.
2. We have followed the audit practices and 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. Wherever 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.

**For Poonam Agarwal & Associates**

**CS Poonam Agarwal**  
M. No. 54346  
COP No. 20335

Date: 28/05/2022  
Place: New Delhi

# Management Discussion and Analysis

## Global economic overview

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economic recovery is attributed to accelerated vaccine rollout across 4.4 billion people, around 56% of the global population (single dose). The spot price of Brent crude oil increased 53.34% from USD 50.37 per barrel at the beginning of 2021 to USD 77.24 per barrel at the end of the calendar year, strengthening the performance of oil exporting countries and moderating growth in importing nations. Global FDI reported an increase from \$929 billion in 2020 to an estimated \$1.65 trillion in 2021.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices to record levels following the drop at the time of pandemic outbreak. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, foodgrains, fertilisers and gold.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

| Regional growth (%)               | 2021 | 2020  |
|-----------------------------------|------|-------|
| World output                      | 5.9  | (3.3) |
| Advanced economies                | 5.0  | (4.9) |
| Emerging and developing economies | 6.3  | (2.4) |

(Source: IMF, World Bank, UNCTAD)

## Performance of major economies

United States: The country reported GDP growth of 5.7% in 2021 compared to a de-growth of 3.4% in 2020, following the government's investment of trillions of dollars in COVID relief.

**China:** The country's GDP grew 8.1% in 2021 compared to 2.3% in 2020 despite it being the novel coronavirus epicentre.

**United Kingdom:** The country's GDP grew 7.5% in 2021 compared to a 9.9% de-growth in 2020.

**Japan:** The country reported growth of 1.7% in 2021 following a contraction in the previous year.

**Germany:** The country reported a GDP growth of 2.9% in 2021 compared to a decline of 4.9% in 2020.

(Source: World Bank, IMF, Business Standard, Times of India)

## Indian economic overview

The Indian economy reported an attractive recovery in 2021-22, its GDP rebounding from a de-growth of 7.3% in 2020-21 to a growth of 8.7per cent in 2021-22. By the close of 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

## Y-o-Y growth of the Indian economy

|                     | FY19 | FY20 | FY21  | FY22 |
|---------------------|------|------|-------|------|
| Real GDP growth (%) | 6.1  | 4.2  | (7.3) | 8.7  |

## Growth of the Indian economy, 2021-22

|                     | Q1, FY22 | Q2, FY22 | Q3, FY22 | Q4, FY22 |
|---------------------|----------|----------|----------|----------|
| Real GDP growth (%) | 20.1     | 8.4      | 5.4      | 4.1      |

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6% in the last quarter of 2020-21, the Indian economy grew 20.1% in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

The country's manufacturing sector grew an estimated 12.5%, the agriculture sector 3.9%, mining and quarrying by 14.3%, construction by 10.7% and electricity, gas and water supply by 8.5% in FY 2021-22.

There were positive features of the Indian economy during the year under review.

Foreign direct investments (FDI) in India got its highest annual FDI inflow at US\$83.57 billion in FY2022, a validation of global investing confidence

in India's growth story. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in Union Budget 2021-22.

India surpassed the ₹88,000 cr target set for asset monetisation in 2021-22, raising over ₹97,000 crore with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year ₹6 lac crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received USD 87 billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of USD 642.45 billion as on September 3, 2021, crossing USD 600 billion in Forex Reserves for the first time.

India's currency weakened 3.59% from ₹73.28 to ₹75.91 to a US dollar through FY 22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 lac crore, which is 15% higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹51,000 crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of \$3.21 trillion in March 2022.

The fiscal deficit was estimated at ~₹15.91 trillion for the year ending March 31, 2022 on account of a higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹1.29 lac in 2020-21 to ₹1.50 lac in 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹27.07 lac crore in FY 2021-22 compared with a budget estimate of ₹22.17 lac crore. While direct taxes increased 49%, indirect tax collections increased 30%. The tax-to-GDP ratio jumped from 10.3% in FY21 to 11.7% in FY22, the highest since 1999.

Retail inflation in March at 6.95% was above the RBI's

tolerance level of 6% but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

## Indian economic reforms

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasizing the role of PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

## Outlook

India's medium-term optimism is derived from the fact that three down cycles – long-term, medium-term and short-term – could well be reversing at the same time. The long-term downtrend, as a result of nonperforming assets, scams and overcapacity could be over; the medium-term downtrend that was caused by the ILFS crisis, select banks collapse and weakening NBFCs could well be over; the short-term downtrend on account of the pandemic has weakened following the acceleration of the vaccine rollout.

There is a possibility of each of these downtrends having played out, which could well lead to a multi-year revival in capital investments. Some USD 500 billion worth of investments are expected to be made in the wind and solar infrastructure, energy storage and grid expansion.

The Indian economy is projected to grow by 8% in FY23 (World Bank estimate), buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should be about ₹5 trillion. Besides, the government's production linked incentives (PLI)-led capex should generate an incremental ₹1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

## Global furniture market overview

The global furniture market is estimated to be USD 420 Bn in 2022 and is projected to reach USD 505.13 Bn by 2027, growing at a CAGR of 3.76% (businesswire). Rising launches of new residential projects throughout the world are likely to drive

the growth of the industry with a rise in demand for work from home-related furniture. In relation to global population, per person revenue of US\$ 94 was generated from global furniture market in 2022. A significant rise in demand has been witnessed for home furniture through online platforms. Moreover, the global living room furniture is the market's largest segment and witnessed a huge demand with a market value of US\$ 248 billion in 2022.

The pandemic has had very little effect on the furniture market. The long-forced stay at home has driven furniture sales, allowing the entire industry to recover and return to pre-Covid levels very quickly. Also, office furniture is witnessing a swift growth owing to increasing demand for technology to make home spaces increasingly equipped as workspaces. The best-selling office products are swivel chairs, home office tables, tables with adjustable height, among others.

Asia and North America has registered the strongest growth in the furniture industry for the past ten years. Asia Pacific holds the lion's share, followed by North America and Europe. Over the past two decades, exports have grown at the same rate as production, and imports have continued to grow as well. The major importers are the United States, Germany, France, United Kingdom and Canada. In 2021, the international trade of furniture was back to double-digit growth.

In the United States, less than 15% of the furniture sales were made through online stores. With a significant portion of supply of the furniture being closed due to the pandemic, the market for online stores went through a major growth.

Geographically, the US accounts for the largest portion of the global furniture market, with the estimated figure standing at an USD 105.2 billion in 2021. The United States accounts for a 22.07% share of the global market. Amongst the other noteworthy locations, Japan and Canada are forecast to record growth of 3.1% and 4.2% CAGR respectively. Within Europe, Germany is forecast to grow at a 3.7% CAGR, while the rest of the European market could reach USD 108.3 billion by the end of 2026.

(Source: Statista, Globe News Wire, businesswire)

Indian furniture industry overview

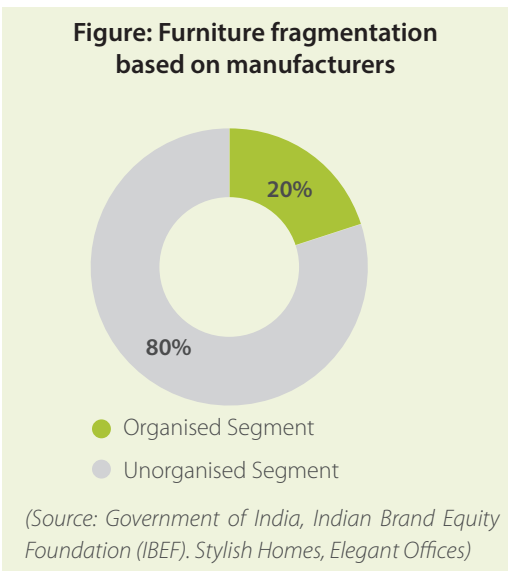
The Indian furniture market was valued at US\$ 55 billion in 2020 and is anticipated to grow at a CAGR of 12.91% between 2020 and 2024.

Furniture has been a significant part of a household, driven by a growing middle-class, rising disposable income and increasing number urban homes. A growing need for state-of-the-art and adjustable furniture in urban areas, growing urbanisation and hybrid seating furniture remained key drivers of the

Indian furniture market. 40% of India's population will be living in urban areas by 2025, up from 31% in 2010, accounting for more than 60% of the consumption. Besides, the rising trend of online and mobile shopping is expected to catalyse demand. The demand is also being driven by the tourism and hospitality industry and corporate sector. It is estimated that India is likely to be the world's largest furniture consumer market by 2030.

The COVID-19 pandemic created a negative impact on the industry due to the lockdown and restrictions. Interestingly, the pandemic enhanced a need for privacy and personalised space (work and study purposes), strengthening furniture demand. Almost the entirety of India shifted from offices and schools to work from home and remote learning as the latter remained shut for most of the year. This led to a growing demand for durable and comfortable furniture that can be used to work or study for long hours.

(Source: Statista, Mordor Intelligence, globalnewswire)



Global laminates market overview

The global decorative laminates market was US\$ 8 billion by revenue in 2021 and growing attractively. Decorative laminates are referred to specially designed laminated sheets used as furniture surface materials, flooring and wall paneling. Decorative laminates enjoy a preference over other surfacing products because of their durability, cost-effectiveness, shelf-life and aesthetic value. They are increasingly used for decorating and protecting cabinets, furniture, walls, panels and facade, among others.

The growing standards of consumer living is driving the growth for the decorative laminates market. There is a growing inclination towards aesthetic designs for home interiors and office spaces. Recently, the demand for ready-to-assemble furniture and cabinets

witnessed significant growth due to which the need for decorative laminates is growing. There is a rising demand for decorative laminates in hotels, hospitals, shopping malls, airports, educational institutions and other commercial infrastructures owing to the wide availability of designs, colors and textures, among other factors. (Source: imarcgroup.com)

Global veneers market overview

China and Europe are the two principal consumption regions on account of a large demand of downstream applications.

There has been a rise in the adoption of veneer sheets in industries like furniture and construction. Trade shows and expos have assisted veneer sheet manufacturing companies in the expansion of customer bases and contribute to veneer sheet market growth. (Source: rfdtv.com)

Global engineered wooden flooring market

Engineered wooden floors are being increasingly preferred because of their aesthetic presentability and convenience in installation. The global engineered wooden flooring market was valued at US\$ 6681.9 million in 2020 and expected to grow to US\$ 9355.6 million by 2026, growing at a CAGR of 4.9% during 2021-2026. (Source: Mordor Intelligence, MarketWatch)

Europe accounted for 21.58% of the global demand in terms of volume in 2017, while China was the largest production region, supplying to nearly half the global market. However, as labor costs increase, production bases are moving to other developing countries. The same thing takes place in Europe, where manufacturing plants are moving to Eastern Europe.

Driven by urbanisation and real estate development and preference for tropical wood flooring in rich, beautiful and luxurious designs, Asia-Pacific is the fastest growing segment in this market. Moreover, growth of the middle class and changing attitude towards decors also act as growth drivers. (Source : Mordor Intelligence, MarketWatch)

Global engineered wooden doors market

The global engineered doors segment is represented by a growing trend as factory-finished products can be manufactured in large quantities and in a short amount of time, can be constructed off-site and can be machined to the right precision. A rise in the utilisation of engineered wood for the fabrication of products like doors is enhancing the affordability of houses, reconstruction, renovation, and remodelling of old buildings.

Indian market overview

Laminates

The size of the Indian decorative laminates market is valued at ₹9,000 crore and is growing attractively.

This growth is attributed to adoption of higher living standards, shifting preference for modern home furnishings and growing urbanization.

Decorative veneers

There is a growing consumer preference towards decorative veneers due to its durability, smooth finish and sustainability. In the coming years, the demand for veneers will be driven by increasing demand for premium houses, greater disposable income and increasing number of malls, premium retail outlets, hotels and other establishments due to rapid urbanization.

[Source: imarcgroup.com, futuremarketinsights.com]

Flooring and doors

The growing preference for engineered wood flooring and doors as a cost-effective alternative to hardwood flooring is expected to boost market demand. Greater durability and easy maintenance are expected to drive the demand for engineered wooden flooring and doors. Growing population and greater demand for housing is expected to drive the demand for wooden flooring and doors.

[source: grandviewresearch.com]

Demand drivers

**Rising population:** The population of India stands at 1.39 billion in 2021 and is expected to surpass that of China by the year 2027. This rise in population is anticipated to have a positive effect on the Indian plywood segment, pushing forward the demand of the same.

**Urbanisation:** The country's urban regions are witnessing a shift from the rural areas. This shift in population will be complemented by a rise in demand for houses and furniture accordingly.

**Demographic dividend:** The Indian population's median age is expected to reach 28 years in 2022 as against 30 years of global average. A younger generation is expected to have higher demands for ready-made products like wood panel as compared to traditional carpentry.

**Growing replacement demand:** With the disposable income of India rising on account of an economy rebound, the standards of living in the country are shifting more towards modern ways of living. This has led to a rise for wood panel products in India.

**Rise in residential demand:** The Indian real estate market is expected to reach a value of USD 1 trillion by 2030. This will, in turn, drive the demand for Indian furniture.

**Online retail sector:** With houses becoming the new offices since the onset of the pandemic, the employees are now investing in home office furniture. This includes study tables, laptop tables and office chairs, among others. The Indian e-commerce sector which was earlier estimated to reach USD 200 billion



by 2026 is now expected to hit this target earlier than the estimated time frame.

**Rental furniture:** Due to rise in financial uncertainty and economic contraction on account of the COVID-19 pandemic, a rising trend was noticed for renting of furniture through online portals instead of buying the furniture for lifetime.

**Traction in commercial space:** The gross leasing of office space across eight major cities was at 52.57 million square feet in 2021 compared to 49.42 million square feet in 2020, growing by 14%. This growth is largely due to post-pandemic demand recovery in the economy, especially from the IT sector.

(Source: Population U, Business Standard, Indian Retailer, Statista, India.com, Business Today.in)

Company overview

Greenlam Industries Limited is a one-stop solution provider for surfacing products and has emerged as the largest manufacturer of laminates in the Asian continent and amongst the three largest across the globe and also India's leading decorative veneer brand. It is also the only manufacturer of engineered wooden flooring and the first organised manufacturer of engineered wooden doors in India.

With a production capacity of 15.62 million laminate sheets per annum and an installed capacity of 4.20 million square metres per annum of decorative veneers, the Company produces state-of-the-art manufacturing facilities in Behror and Nalagarh. Greenlam laminates not only transform the spaces but also enrich lifestyles.

Laminates and allied segment

Manufacturing facilities: Behror, Rajasthan and Nalagarh, Himachal Pradesh

Installed capacity: 15.62 million sheets per annum

Leading brands: Greenlam, New Mika, Greenlam Clads and Greenlam Sturdo

Production during FY2021-22: 16.77 million sheets

Production growth over FY2020-21: 23.6%

Capacity utilisation: 107%

Sales volume, FY2021-22: 16.49 million sheets

Sales volume growth over FY2020-21: 22.2%

Revenues, FY2021-22: ₹1414.5 crore

Segment contribution to total revenues, FY2021-22: 90.7%

Revenue growth, FY2021-22: 42.9%

Overview

6,500 ₹ cr, total size of the domestic market in India

2,500 ₹ cr, total exports from India

2,500 ₹ cr, share of the unorganized market in India

4,000 ₹ cr, share of the organized market in India

Due to slow real estate sector growth, restriction in manufacturing operations, steep increase in various raw materials cost and lack of liquidity due to the Covid-19 pandemic, the Indian laminates sector was affected in FY2021-22. Greenlam retained its position as the leading brand in the decorative laminates segment, recognised for its ability to bring a variety of best laminates to the market.

Outlook

Greenlam intends to capitalize on the post-pandemic demand recovery, driven by increasing disposable incomes among consumers, preference for better living and working standards (residential and commercial), lower price-sensitivity, increased interiors-pride and a shift in the market preference from the unorganized to organized sector.

Decorative veneers business

Manufacturing facilities: Behror, Rajasthan

Installed capacity: 4.2 million square meters per annum

Brand: Decowood

Production during FY2021-22: 1.11 million square meters

Production growth over FY2020-21: 2.9%

Capacity utilisation: 27%

Sales Volume, FY2021-22: 1.09 million square meters

Sales volume de-growth over FY2020-21: 3.1%

Revenues, FY2021-22: ₹83.7 crore

Segment contribution to total revenues, FY2021-22: 5.4%

Revenue growth, FY2021-22: 6.5%

Overview

The Indian decorative veneer market was valued at ₹2000 crore in 2021. Rising affluence and increase in income levels are the key factors driving the market. Demand from the residential and hospitality segments also add boost to this sector. Greenlam retained its position as the leading manufacturer of veneer in India with an installed capacity of 4.20million square meters per annum.

Outlook

Through a leverage of its wide swatch, the Company anticipates a deepening of its phygital (physical and digital) engagement, widening product access and offtake. The Company anticipates to grow its veneers business attractively through capitalisation on a sectorial churn in which branded and organised brands gain market share and acceptability.

Engineered wooden floors business

Manufacturing facilities: Behror, Rajasthan

Installed capacity: 1.0 million square meters per annum

Brand: Mikasa

Production during FY2021-22: 0.11 million square meters

Production de-growth over FY2020-21: 13.1%

Capacity utilisation: 11%

Sales Volume, FY2021-22: 1.16million square meters

Sales volume de-growth over FY2020-21: 5.4%

Revenues, FY2021-22: ₹35.5crore

Segment contribution to total revenues, FY2021-22: 2.3%

Revenue growth, FY2021-22: 8.9%

Overview

The engineered wooden floors segment has emerged as one of the most exciting segments in the country's decorative surface solutions.

The engineered wooden floors deliver premium aesthetic presentability, easy maintenance and convenient installation. Greenlam is the only manufacturer of this product in India with an installed capacity of [1.0] million square meters per annum. The Company's state-of-the-art manufacturing process and a variety of designs have strengthened the grip of this business. The Company's products are engineered in a manner that withstands climatic changes typical to the country. The Company's Mikasa brand provides a unique positioning, wide product range, implementation support and up to 30-year warranty, providing the consumers with a peace of mind.

Outlook

The Indian wooden flooring market in India is anticipated to record higher growth figures as the hospitality sector in the country goes through an expansion. Greenlam intends to launch new products and product collections, along with a focus on sustained communication about its products. Furthermore, the segment has an optimistic outlook for the Company, with an expectation of decline in imports due to rise in shipment charges playing a positive role.

| Engineered wooden doors business                        | Overview  |
|---|---|
| Manufacturing facilities: Behror, Rajasthan             | The Indian doors segment is significantly being driven by key factors such as increasing urbanisation and growth in middle-class income. In a market of traditional flush doors, Greenlam came up with a revolutionary concept (Mikasa doors and frames) that are superior and are an improved version of the traditional carpentry. Mikasa doors and frames are delivered in a ready-to-install integrated set. The Company reported a growth of 3.1% in the sales of the segment in FY 2021-22. |
| Installed capacity: 1.2 lac doors per annum             |   |
| Brand: Mikasa   |   |
| Production during FY2021-22: 21374 units                |   |
| Production de-growth over FY2020-21: 24.2%              |   |
| Capacity utilisation: 18%                               |   |
| Sales Volume, FY2021-22: 21702 units                    |   |
| Sales volume de-growth over FY2020-21: 28.7%            |   |
| Revenues, FY2021-22: ₹25.5crore                         | Outlook   |
| Segment contribution to total revenues, FY2021-22: 1.6% |   |
| Revenue growth, FY2021-22: 3.1%                         |   |

Financial overview

Revenue from operations of the Company improved 38.5% from ₹1,126.1 crore in FY 2020-21 to ₹1559.2 crore in FY 2021-22. The EBITDA margin of the Company declined 410 basis point from 14.5% in FY2020-21 to 10.4% in FY2021-22.

Key ratios

| Particulars                 | FY 2021-22 | FY 2020-21 |
|-----------------------------|------------|------------|
| Gross Debt-equity ratio     | 0.52       | 0.41       |
| Net Debt-equity ratio       | 0.25       | 0.19       |
| Return on net worth (%)     | 13.8%      | 12.2%      |
| Book value per share (₹)    | 51.36      | 226.35     |
| Debtors Turnover (days)     | 29         | 45         |
| Inventory Turnover (days)   | 104        | 107        |
| Interest Coverage Ratio     | 17.10      | 13.85      |
| Current Ratio               | 1.66       | 1.50       |
| Operating Profit Margin (%) | 10.4%      | 14.5%      |
| Net Profit Margin (%)       | 5.5%       | 5.9%       |

Note:

1. Increase in Gross Debt-equity ratio was largely attributable to issue of Non-Convertible Debenture of ₹99 crore, investment in new projects and increase in working capital.
2. Increase in Net Debt-equity ratio was largely attributable to investment in new projects and increase in working capital.
3. Decrease in Book Value per share was due to split of equity shares of the Company from face value of ₹5/- each to face value of ₹1/- each.
4. Decrease in Debtors Turnover (days) was due to lower debtor value and higher revenues.
5. Decrease in Operating Profit Margin was largely attributable to steep increase in raw material and other costs

Risks and concerns

**Competition risk:** Rising competition may result in a reduction in the Company's market share.

**Mitigation:** Greenlam has a strong network of distribution and a wide range of products across laminates, veneers, engineered floors and doors categories, helping the Company in deepening its market penetration. Moreover, focus on product quality and innovation is projected to result in growth across the market cycle.

**Product risk:** The Company's products may become irrelevant and experience weakened business, leading to an excess in the inventory and a decline in its revenues.

**Mitigation:** While manufacturing its products, Greenlam not only considers the current trends but also the future ones. Moreover, the Company take into account product usability, quality, aesthetically pleasing and price-value proposition. Besides, the Company offers a wide range of products that consists of decorative laminates, veneers, engineered wooden floors and doors, establishing itself as a complete home décor solution provider.

**Finance risk:** The Company's inability of effective financial management could have a negative impact on the sustainability of its operations.

**Mitigation:** With the help of a robust receivable and payable management mechanism, the Greenlam's cash and liquid investment position as on 31 March, 2022 stood at ₹165.1 crore, ensuring an optimal financial stability. Moreover, the Company also benefits from a debt-service ratio of 4.4 and a healthy interest cover of 17.1.

**Quality risk:** Lack of product quality may have a severe impact on the products' sales and brand image.

**Mitigation:** The Company has state-of-the-art facilities manufacturing best quality products to

ensure maximising of resource utilisation and minimisation of wastage.

**Distribution risk:** An inefficient distribution network may restrict the Company's geographical expansion.

**Mitigation:** Greenlam has over 14000 dealers, distributors and retailers spread throughout India, which helps in maintaining a wide and robust logistics network, further helping in addressing the customer needs faster. Besides, the Company's presence in over 100 countries across the globe allows it to cater to a wide customer base.

**Technology risk:** Obsolescence of technology could end up being a major bottleneck to the Company's competitiveness.

**Mitigation:** Greenlam has recently upgraded its IT infrastructure to the latest edition of SAP HANA, helping in decision-making, improving efficiencies and ensuring access to real-time information.

Human resources

Greenlam Industries Limited's human resource practices helped reinforce market leadership. The Company invested in formal and informal training as well as on-the-job learning. It emphasised engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management. The Company enjoys an attractive employee retention rate; it creates leaders from within, strengthening prospects. As on March 31, 2022, the Company's payroll employee base stood at 2023.

Opportunities

Rising preference of consumers for branded products has caused a shift from the unorganised to the organised market and we believe as the market is recovering from the Covid-19 pandemic, there will be

a greater preference to work with organised brands over the unorganised ones, widening the market for companies like ours. Imports may face a decline (especially in the engineered wooden flooring and engineered door segments), creating a large opportunity for world-class home-grown brands like ours. We believe that in this sectorial movement, the local and regional players could yield ground to large international brands like Greenlam.

Threats

Imports from neighboring countries may face regulatory restrictions, which could pose a challenge in a deeply price-competitive market. Passing the entire increased costs to consumers may not be feasible.

Internal control systems and their adequacy

The Company has strong internal control procedures in place that are commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

# Corporate Governance Report

FOR THE FINANCIAL YEAR 2021-22

As required under Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI Listing Regulations') the details of compliance by the Company with the norms on Corporate Governance are as under:

## 1. Company's philosophy on the Code of Governance

The Company has complied with the principles and practices of good Corporate Governance. The Company's philosophy is to attain transparency and accountability in its relationship with employees, shareholders, creditors, consumers, dealers and lenders, ensuring a high degree of regulatory compliance. Your Company firmly believes that a good governance process represents the foundation of corporate excellence.

## 2. Board of Directors ('Board')

### a) Composition of the Board and Category of Directors:

The Board of the Company comprises of optimum combination of Executive, Non-Executive and Independent Directors including Independent Woman Director. As on March 31, 2022, the Board of the Company comprises of 7(seven) directors, consisting of the following;

- 1 (One) Non-Executive Promoter Chairman
- 2 (Two) Executive Promoter Directors
- 4 (Four) Non-Executive Independent Directors

During the financial year 2021-22, Mr. Yogesh Kapur (DIN:00070038) was appointed as a Non-Executive Independent Director not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from the conclusion of 8<sup>th</sup> Annual General Meeting (AGM) till the conclusion of 13<sup>th</sup> AGM or expiry of 5 years from 8<sup>th</sup> AGM, whichever is earlier, by the Members of the Company in the 8<sup>th</sup> Annual General Meeting held on August 12, 2021.

The Company has complied with the requirements of having a woman independent director on its Board under Regulation 17(1)(a) of the SEBI Listing Regulations, 2015. The Company has two women directors on its Board including one Executive Promoter Director and one Non-Executive Independent Director as of March 31, 2022.

The composition of the Board is in accordance with provisions of Regulation 17(1) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ('the Act, 2013').

The Independent Directors neither have nor had any material pecuniary relationship with the Company, its holding, subsidiary(ies) or associate Company(ies), or their promoters, or directors, during the three immediately preceding financial years or during the current financial year apart from receiving the sitting fees, reimbursement of expenses incurred for attending the Board meeting, Committee meetings, Independent Directors' meeting and annual commission. The Company has received declaration/confirmation from all the Independent Directors that they meet the criteria of independence as laid down in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act, 2013 and in terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors confirmed that they are independent of management and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence.

### b) Attendance of each Director at the Meeting of the Board of Directors and at the 8<sup>th</sup> Annual General Meeting of the Company and also the number of other Board of Directors or Committees in which a Director is a member or chairperson:

During the financial year 2021-22, 7 (seven) meetings of Board of Directors were held on May 27, 2021; July 27, 2021; August 28, 2021; October 26, 2021; December 13, 2021; December 28, 2021 and February 08, 2022 and the gap between any two consecutive meetings held during the financial year 2021-22 did not exceed 120 days.

Also, a resolution was passed by Board of Directors of the Company through circulation on March 31, 2022 in compliance with the provisions of Section 175 and other applicable provisions of the Act, 2013 and Secretarial Standards-1 (SS-1) issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

The composition of the Board of the Company and the attendance of each Director at the Board Meetings held during the financial year 2021-22 and at the previous Annual General Meeting ("AGM") i.e. at the 8<sup>th</sup> AGM held on August 12, 2021 and also the number of other Boards or Board Committees in which the Directors are member/chairperson as on March 31, 2022 are as follows:

| Sl. No. | Name of the Directors and DIN               | Category of directorship                  | No. of Board Meeting(s) |          | Attendance at the 8 <sup>th</sup> AGM | No. of outside directorship(s) held |                | No. of outside committee(s)* (in public limited companies) |          |
|---------|---|---|-------------------------|----------|---------------------------------------|-------------------------------------|----------------|--|----------|
|         |   |   | Held                    | Attended |                                       | Public                              | Private        | Member <sup>#</sup>  | Chairman |
| 1.      | Mr. Shiv Prakash Mittal<br>[DIN: 00237242]  | Non-Executive Chairman-Promoter Director  | 7                       | 7        | Yes                                   | 1                                   | 5              | 2  | -        |
| 2.      | Mr. Saurabh Mittal<br>[DIN: 00273917]       | Managing Director & CEO-Promoter Director | 7                       | 7        | Yes                                   | 1                                   | 8 <sup>^</sup> | -  | -        |
| 3.      | Ms. Parul Mittal<br>[DIN: 00348783]         | Whole-time Director-Promoter Director     | 7                       | 7        | Yes                                   | 1                                   | 3              | -  | -        |
| 4.      | Mr. Vijay Kumar Chopra<br>[DIN: 02103940]   | Non-Executive -Independent Director       | 7                       | 7        | Yes                                   | 3                                   | 2              | 2  | 1        |
| 5.      | Mr. Sandip Das<br>[DIN: 00116303]           | Non-Executive -Independent Director       | 7                       | 7        | Yes                                   | 1                                   | -              | 2  | -        |
| 6.      | Ms. Matangi Gowrishankar<br>[DIN: 01518137] | Non-Executive -Independent Director       | 7                       | 7        | Yes                                   | 5                                   | 4              | 3  | 1        |
| 7.      | Mr. Yogesh Kapur*<br>[DIN: 00070038]        | Non-Executive -Independent Director       | 5                       | 5        | N.A.                                  | 2                                   | 1              | 2  | 1        |

\* Mr. Yogesh Kapur was appointed as Independent Director of the Company with effect from the conclusion of 8<sup>th</sup> Annual General Meeting held on August 12, 2021.

^ Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee has only been considered.

# Number of Membership also includes Chairmanship held in the Committee(s).

^ Includes Directorships in foreign companies.

### c) The name of other listed entities where Directors of Greenlam Industries Limited are directors and the category of directorship (as on March 31, 2022):

| Sl. No. | Name of the Director and DIN                | Name of other Listed* Companies where directorship is held | Category of Directorship |
|---------|---|--|--------------------------|
| 1.      | Mr. Shiv Prakash Mittal<br>(DIN: 00237242)  | Greenpanel Industries Limited                              | Executive Chairman       |
| 2.      | Mr. Saurabh Mittal<br>(DIN: 00273917)       | None   | -                        |
| 3.      | Ms. Parul Mittal<br>(DIN: 00348783)         | None   | -                        |
| 4.      | Mr. Vijay Kumar Chopra<br>(DIN:02103940)    | IIFL Finance Limited                                       | Independent Director     |
|         |   | Sheela Foam Limited  | Independent Director     |
| 5.      | Mr. Sandip Das<br>(DIN: 00116303)           | Sterlite Technologies Limited                              | Independent Director     |
| 6.      | Ms. Matangi Gowrishankar<br>(DIN: 01518137) | Gabriel India Limited                                      | Independent Director     |
|         |   | Cyient Limited   | Independent Director     |
|         |   | ASHV Finance Limited                                       | Independent Director     |
|         |   | Arohan Financial Services Limited                          | Independent Director     |
| 7.      | Mr. Yogesh Kapur<br>(DIN: 00070038)         | Kirloskar Oil Engines Limited                              | Independent Director     |

\*Listed entities also include Companies having debt securities listed on recognized stock exchange.

None of the Directors on the Board of the Company is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees as specified in Regulation 26(1) of the SEBI Listing Regulations, across all the public companies in

which he/she is a Director. For assessment of these criteria, the limit under Regulation 26(1) of the SEBI Listing Regulations, the membership/ chairmanship of the Audit Committee and the Stakeholders' Relationship Committee have only been considered.



All the Directors are in compliance with the limit of Directorships including Independent Directorships of listed companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

**d) Information supplied to the Board of Directors:**

During the financial year 2021-22, all necessary information, as required under the applicable provisions of the Act, 2013, Part A of Schedule II of the SEBI Listing Regulations and SS-1 ("Secretarial Standard on Meetings of the Board of Directors") and other applicable laws, rules and regulations were placed and discussed at the Meetings of the Board of Directors.

**e) Separate Meeting of Independent Directors:**

During the financial year 2021-22, as per the

requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on March 29, 2022 whereby, all the Independent Directors were present without the presence of the Non-Independent Directors and the members of the management of the Company. This meeting was conducted in a manner so as to enable the Independent Directors to discuss and review the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors, if any, and for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board. The outcome of the meeting was apprised to the Chairman of the Company.

**f) Shareholding of Non-Executive Director(s):**

As on March 31, 2022, the shares of the Company held by Non-Executive Directors of the Company are as mentioned below:

| Sl. No. | Name of the Non-Executive Director | Number of Equity Shares held | Percentage (%) of Shareholding |
|---------|------------------------------------|------------------------------|--------------------------------|
| 1.      | Mr. Shiv Prakash Mittal            | 25,30,000                    | 2.10%                          |
| 2.      | Mr. Sandip Das                     | 15,025                       | 0.01%                          |
| 3.      | Mr. Vijay Kumar Chopra             | 2,500                        | 0.00%                          |

Further, none of the Director of the Company hold Non-Convertible Debentures of the Company.

**g) Familiarisation programme for Independent Directors:**

On an ongoing basis, the Company has conducted the Familiarization program for Independent Directors during the financial year 2021-22 in accordance with the provisions of Regulation 25(7) of SEBI Listing Regulations. The details for the same have been disclosed on the website of the Company at <https://www.greenlamindustries.com/pdf-file/Details%20of%20Familiarization%20Programme%20imparted%20to%20Independent%20Directors.pdf>

**h) Chart/matrix setting out the skills/expertise/competence of the Board of Directors:**

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 | Name of the Director possessing such skills  |
|---------|--|---|---------------------------------------|--|
| 1.      | Understanding of Business/ Industry                              | Experience and knowledge of interior surface infrastructure businesses/ distribution/ marketing-domestic and international              | Yes                                   | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal  |
| 2.      | Strategy and strategic planning                                  | Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies. | Yes                                   | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Vijay Kumar Chopra<br>Mr. Sandip Das<br>Ms. Matangi<br>Gowrishankar<br>Mr. Yogesh Kapur |
| 3.      | Critical and innovative thoughts                                 | The ability to critically analyse the information and develop innovative approaches and solutions.                                      | Yes                                   | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Vijay Kumar Chopra<br>Mr. Sandip Das<br>Ms. Matangi<br>Gowrishankar<br>Mr. Yogesh Kapur |

| Sl. No. | Skills/Expertise/Competencies required by the Board of Directors |  | Status of availability with the Board | Name of the Director possessing such skills  |
|---------|--|--|---------------------------------------|--|
| 4.      | Financial understanding  | Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.                                   | Yes                                   | Mr. Saurabh Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Vijay Kumar Chopra<br>Mr. Sandip Das<br>Ms. Matangi<br>Gowrishankar<br>Mr. Yogesh Kapur                     |
| 5.      | HR/people orientation  | Experience and understanding of HR policies, of leading and managing HR activities, talent development and strengthening the people function.                                | Yes                                   | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Vijay Kumar Chopra<br>Mr. Sandip Das<br>Ms. Matangi<br>Gowrishankar<br>Mr. Yogesh Kapur |
| 6.      | Risk and compliance oversight                                    | Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks. | Yes                                   | Mr. Saurabh Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Vijay Kumar Chopra<br>Mr. Sandip Das<br>Ms. Matangi<br>Gowrishankar<br>Mr. Yogesh Kapur                     |
| 7.      | Technology orientation   | Understanding of technology in a consumer environment. Knowledge and experience of impact of technology on consumer decision making.   | Yes                                   | Mr. Sandip Das   |

**i) Confirmation that in the opinion of the Board of Directors, the Independent Directors of the Company fulfils the conditions specified in the SEBI Listing Regulations and are independent of the management of the Company:**

Based on the declaration of independence pursuant to Section 149(6) and (7) of the Act, 2013 read with Regulation 25(8) and 16(1)(b) of the SEBI Listing Regulations, received from each of the Independent Director of the Company and placed before the Board of Directors at their meeting held on May 27, 2021 and August 28, 2021, it is confirmed by the Board of directors that Mr. Vijay Kumar Chopra, Mr. Sandip Das, Ms. Matangi Gowrishankar and Mr. Yogesh Kapur,

the Independent Directors of the Company fulfils the conditions specified in the SEBI Listing Regulations and are independent of the management.

**j) Detailed reason for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

During the financial year 2021-22, none of the Independent Directors of the Company have resigned from the Board of the Company, before the expiry of their tenure.

**k) Disclosures of relationships between Directors inter-se:**

| Name of the Directors    | Category of Directorship                  | Relationship between Directors  |
|--------------------------|---|---|
| Mr. Shiv Prakash Mittal  | Non-Executive Chairman-Promoter Director  | Mr. Saurabh Mittal (Son) and Ms. Parul Mittal (Son's wife)              |
| Mr. Saurabh Mittal       | Managing Director & CEO-Promoter Director | Mr. Shiv Prakash Mittal (Father) and Ms. Parul Mittal (Spouse)          |
| Ms. Parul Mittal         | Whole-time Director-Promoter Director     | Mr. Shiv Prakash Mittal (Father-in-law) and Mr. Saurabh Mittal (Spouse) |
| Mr. Vijay Kumar Chopra   | Non-Executive-Independent Director        | None  |
| Mr. Sandip Das           | Non-Executive-Independent Director        | None  |
| Ms. Matangi Gowrishankar | Non-Executive-Independent Director        | None  |
| Mr. Yogesh Kapur         | Non-Executive-Independent Director        | None  |

**3. Code of Conduct**

The Code of Conduct for Board members and senior management of the Company is available on the Company's website at [https://www.greenlamindustries.com/pdf-file/Code\\_of\\_Conduct\\_for\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.greenlamindustries.com/pdf-file/Code_of_Conduct_for_Directors_and_Senior_Management.pdf). Annual declaration signed by the Managing Director & CEO of the Company

pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI Listing Regulations is annexed to the Annual Report as “Annexure A”.

4. Committees of Board of Directors

The Board of Directors of the Company being at the fiduciary position have crucial role in the governance structure of the Company and the Board has constituted various Committees to deal with specific areas/ activities which need a closer review or which are operational or routine matters. In order to perform the duties in true spirit and in the interest of the Company and its stakeholders in efficient and timely manner, the Board has delegated its powers to various committees.

The Committees of the Board of Directors are set up under the formal approval of the Board to carry out defined roles as per their terms of reference, which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all committees are placed before the Board for review. Your Company has six Board level committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders’ Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Operational & Finance Committee
- f) Risk Management Committee

a) Audit Committee

Composition:

As on March 31, 2022, the Audit Committee of the Company, comprises of 4 (four) Directors i.e.3 (three) Non-Executive Independent Directors and 1 (one) Executive-Promoter Director.

| Sl. No. | Name of the Committee Members | Category                    | Designation |
|---------|-------------------------------|-----------------------------|-------------|
| 1.      | Mr. Vijay Kumar Chopra        | Independent Director        | Chairman    |
| 2.      | Mr. Sandip Das                | Independent Director        | Member      |
| 3.      | Mr. Yogesh Kapur              | Independent Director        | Member      |
| 4.      | Mr. Saurabh Mittal            | Executive-Promoter Director | Member      |

During the financial year 2021-22, the following changes in the constitution of the Audit Committee took place:

- 1. Ms. Matangi Gowrishankar, Independent Director of the Company, ceased to be a member of the Audit Committee w.e.f. August 28, 2021.
- 2. Mr. Yogesh Kapur, Independent Director of the Company, was appointed as a member of the Audit Committee w.e.f. August 28, 2021.

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal of the Company, acts as the Secretary to the Audit Committee.

The composition and terms of reference of the Audit Committee conforms to the requirements of Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act, 2013. All the members of the Audit Committee are financially literate and Mr. Vijay Kumar Chopra, Chairman of the Audit Committee is a qualified Chartered Accountant and thus Company fulfils the requirement of appointing at-least one member having accounting or related financial management expertise.

Terms of Reference ('TOR') of the Audit Committee are as follows:

Powers of the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information required from any employee.
- To obtain external, legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.

Role of Audit Committee:

The role of the Audit Committee shall include 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, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. 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;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;

- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
- iv. Significant adjustments made in the financial statements arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosure of any related party transactions;
- vii. 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 utilization 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;
- 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. Carrying out any other function as may be referred to by the Board or mandated by regulatory provisions from time to time;
- 21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
- 22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders.
- 23. The role of the Audit Committee with respect to risk management shall include:
  - i. To evaluate the risk management system;
  - ii. To review the risk assessment & minimization procedures across the Company;
  - iii. To assist the Board in compliance with the risk management policy; and
  - iv. To discuss and manage key risks.

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Management letters/letters of internal control weaknesses issued by the statutory auditors;

- c. Internal audit reports relating to internal control weaknesses;
- d. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- e. Statement of deviations:
  - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Meetings and attendance:

During the financial year 2021-22, 5 (five) meetings of the Audit Committee were held on May 27, 2021; July 26, 2021; August 28, 2021; October 26, 2021 and February 07, 2022.

The attendance of Committee Members at the above-mentioned meetings held during the financial year 2021-22 were as under:

| Name of the Committee Members | Category                           | No. of Meetings |          |
|-------------------------------|------------------------------------|-----------------|----------|
|                               |                                    | Held            | Attended |
| Mr. Vijay Kumar Chopra        | Non-Executive-Independent Director | 5               | 5        |
| Mr. Sandip Das                | Non-Executive-Independent Director | 5               | 4        |
| Ms. Matangi Gowrishankar*     | Non-Executive-Independent Director | 3               | 3        |
| Mr. Yogesh Kapur#             | Non-Executive-Independent Director | 2               | 2        |
| Mr. Saurabh Mittal            | Executive-Promoter Director        | 5               | 5        |

\*Ms. Matangi Gowrishankar, Independent Director of the Company ceased to be a member of the Audit Committee w.e.f. August 28, 2021.

#Mr. Yogesh Kapur was appointed as Independent Director of the Company w.e.f. August 12, 2021 and subsequently was appointed as a member of the Audit Committee w.e.f. August 28, 2021.

Also, resolutions were passed by the members of Audit Committee through circulation on December 13, 2021 and March 31, 2022 in compliance with the provisions of Section 175 and other applicable provisions of the Act, 2013 and Secretarial standards-1 (SS-1) issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs

Mr. Vijay Kumar Chopra, Independent Director and Chairman of the Audit Committee was present at the 8<sup>th</sup> Annual General Meeting of the Company held on August 12, 2021.

#### b) Nomination and Remuneration Committee

##### Composition:

As on March 31, 2022, the Nomination and Remuneration Committee of the Company comprises of 3 (three) directors.

| Sl. No. | Name of the Committee Members | Category                           | Designation |
|---------|-------------------------------|------------------------------------|-------------|
| 1.      | Mr. Sandip Das                | Non-Executive-Independent Director | Chairman    |
| 2.      | Ms. Matangi Gowrishankar      | Non-Executive-Independent Director | Member      |
| 3.      | Mr. Shiv Prakash Mittal       | Non-Executive-Promoter Director    | Member      |

All the members of the Nomination and Remuneration Committee are Non-Executive Directors.

During the financial year 2021-22, the following changes in the constitution of the Nomination and Remuneration Committee took place:

1. Mr. Vijay Kumar Chopra, Independent Director of the Company, ceased to be a member of the Nomination and Remuneration Committee w.e.f. August 28, 2021.

2. Ms. Matangi Gowrishankar, Independent Director of the Company, was appointed as a member of the Nomination and Remuneration Committee w.e.f. August 28, 2021.

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal of the Company, acts as the Secretary to the Nomination and Remuneration Committee.

The composition and terms of reference of the Nomination and Remuneration Committee conforms to the requirements of Regulation 19 read with Part D (A) of Schedule II of the SEBI Listing Regulations and Section 178 of the Act, 2013.

#### Terms of Reference of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the Company from time to time, the following:

1. To formulate criteria for:
  - a. determining qualifications, positive attributes and independence of a director;
  - b. evaluation of Independent Directors and the Board of Directors.
2. 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.
3. 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 and removal to the HR Department and to the Board.
4. To carry out evaluation of the performance of every Director of the Company;
5. 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;
6. 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;
7. 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.

8. To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
9. To recommend to the board, all remuneration, in whatever form payable to the senior management.
10. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates

#### Meetings and Attendance:

During the financial year 2021-22, 2 (two) meetings of Nomination and Remuneration Committee were held on May 27, 2021 and October 25, 2021 and the attendance of Members were as follows:

| Name of the Committee Members | Category                           | No. of Meetings |          |
|-------------------------------|------------------------------------|-----------------|----------|
|                               |                                    | Held            | Attended |
| Mr. Sandip Das                | Non-Executive-Independent Director | 2               | 2        |
| Mr. Shiv Prakash Mittal       | Non-Executive-Promoter Director    | 2               | 2        |
| Mr. Vijay Kumar Chopra*       | Non-Executive-Independent Director | 1               | 1        |
| Ms. Matangi Gowrishankar#     | Non-Executive-Independent Director | 1               | 1        |

\*Mr. Vijay Kumar Chopra, Independent Director of the Company, ceased to be a member of the Nomination and Remuneration Committee w.e.f. August 28, 2021.

# Ms. Matangi Gowrishankar, Independent Director of the Company, was appointed as a member of the Nomination and Remuneration Committee w.e.f. August 28, 2021.



Mr. Sandip Das, Independent Director and Chairman of the Nomination and Remuneration Committee was present at the 8<sup>th</sup> Annual General Meeting of the Company held on August 12, 2021.

#### Performance evaluation criteria for all the Directors (including Independent Directors)

Details of the performance evaluation criteria for all the Directors (including Independent Directors) of the Company is provided in the Directors' Report forming part of the Annual Report of the Company.

#### Remuneration to Directors and Disclosures: Summary of Remuneration Policy of the Company

The Board has adopted the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee in compliance with Section 178 of the Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. This policy applies to all the "Executives" of the Company and is valid for all employment agreements entered into after the approval of the Policy and for changes made to

existing employment agreements thereafter. In keeping with the provisions of Section 178 of the Act, 2013, the remuneration structure of the Company comprises of fixed remuneration (including fixed supplements), performance-based remuneration (variable salary), pension scheme, where applicable, other benefits in kind and severance payment, where applicable. Further, the Policy states that the Non-Executive Directors and Independent Directors of the Company may receive remuneration only by way of sitting 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. Additionally, the Policy also lays down the overall selection criteria for the executives of the Company which is based on broad heads such as competencies, capabilities, compatibility, strong interpersonal skills, commitment among others. The Policy also entitles executives to a severance fee. The Remuneration Policy of the Company has been disclosed on the website of the Company at <https://www.greenlamindustries.com/pdf-file/Remuneration-Policy.pdf>.

#### Remuneration to Directors:

##### (i) Executive Directors

The details of remuneration including commission to all Executive Directors for the financial year ended March 31, 2022 is as follows and the same is within the ceiling prescribed under applicable provisions of the Act, 2013.

| Name and Designation                         | Service Contract / Notice Period*   | Salary (₹)     | Commission (₹) | Provident Fund (₹) | Perquisites and other allowances(₹) |
|--|---|----------------|----------------|--------------------|-------------------------------------|
| Mr. Saurabh Mittal (Managing Director & CEO) | Re-appointed as Managing Director & CEO for five years w.e.f. November 11, 2019 | 2,42,76,480.00 | 3,34,00,000.00 | 21,71,520.00       | Nil                                 |
| Ms. Parul Mittal (Whole-time Director)       | Re-appointed as Whole-time Director for five years w.e.f. November 11, 2019     | 1,20,00,000.00 | 2,25,50,000.00 | 14,40,000.00       | Nil                                 |

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

Out of the above remuneration, the salary, contribution to provident fund and perquisites, if any, are fixed component and the commission is linked with the profitability of the Company. None of the remuneration component is linked to performance of the individual director.

For the purpose of severance fees, the term 'Salary' means basic salary of Directors.

##### (ii) Non- Executive Directors

The details of sitting fees and annual commission to Non-Executive Directors for the financial year 2021-22 are as follows:

| Name and Designation     | Service Contract/Notice Period  | Sitting Fees paid (₹) | Commission paid/ payable (₹) | Number of shares and convertible instruments held in the Company |
|--------------------------|---|-----------------------|------------------------------|--|
| Mr. Shiv Prakash Mittal  | Retire by rotation  | 6,50,000.00           | 18,00,000.00                 | 25,30,000 equity shares  |
| Mr. Vijay Kumar Chopra   | Re-appointed as Independent Director for a second term of 3 (three) years from the conclusion of 6 <sup>th</sup> Annual General Meeting (AGM) of the Company held on August 10, 2019 up to the conclusion of 9 <sup>th</sup> AGM to be held in calendar year 2022.  | 8,20,000.00           | 18,00,000.00                 | 2500 equity shares   |
| Mr. Sandip Das           | Appointed for 5 years as Independent Director at the Board Meeting of the Company held on June 13, 2019   | 10,10,000.00          | 18,00,000.00                 | 15025 equity shares  |
| Ms. Matangi Gowrishankar | Appointed for a term of five consecutive years with effect from the conclusion of 7 <sup>th</sup> Annual General Meeting (AGM) till the conclusion of 12 <sup>th</sup> AGM, by the Members of the Company in the 7 <sup>th</sup> Annual General Meeting held on August 28, 2020   | 9,20,000.00           | 18,00,000.00                 | Nil  |
| Mr. Yogesh Kapur         | Appointed for a term of 5 (five) consecutive years with effect from the conclusion of 8 <sup>th</sup> Annual General Meeting (AGM) till the conclusion of 13 <sup>th</sup> AGM or expiry of 5 years from 8 <sup>th</sup> AGM, whichever is earlier, by the Members of the Company in the 8 <sup>th</sup> Annual General Meeting held on August 12, 2021 | 4,90,000.00           | 11,44,110.00                 | Nil  |

The necessary approvals are obtained from shareholders wherever required for the payment of annual commission to the Non-Executive Directors.

Except as mentioned above, there was no pecuniary relationship or transaction of the Directors vis-à-vis the Company. The Company has not granted any stock option to its Directors.

The criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com)

##### c) Stakeholders' Relationship Committee

#### Composition:

As on March 31, 2022 the Stakeholders' Relationship Committee of the Company comprises of 2 (two) promoter Directors and 1 (one) Independent Director of the Company.

| Sl. No. | Name of the Committee Members | Category                           | Designation |
|---------|-------------------------------|------------------------------------|-------------|
| 1.      | Mr. Shiv Prakash Mittal       | Non-Executive-Promoter Director    | Chairman    |
| 2.      | Mr. Saurabh Mittal            | Executive-Promoter Director        | Member      |
| 3.      | Mr. Yogesh Kapur              | Non-Executive-Independent Director | Member      |

During the financial year 2021-22, the following changes in the constitution of the Stakeholders' Relationship Committee took place:

1. Ms. Matangi Gowrishankar, Independent Director of the Company, ceased to be a member of the Stakeholders' Relationship Committee w.e.f. August 28, 2021.

2. Mr. Yogesh Kapur was appointed as Independent Director of the Company w.e.f. August 12, 2021 and subsequently was appointed as a member of the Stakeholders' Relationship Committee w.e.f. August 28, 2021.

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal of the Company, acts as the Secretary to the Stakeholders' Relationship Committee and Compliance Officer of the Company.

The composition and terms of reference of the Stakeholders' Relationship Committee conforms

to the requirements of Regulation 20 read with Part D (B) of Schedule II of the SEBI Listing Regulations and Section 178(5) of the Act, 2013.

**Terms of Reference of the Stakeholder's Relationship Committee are as below:**

- i. 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 dividend,
  - d. Issue of new/duplicate certificates,
  - e. General Meetings,
  - f. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
  - g. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- ii. Reviewing the measures taken for effective exercise of voting rights by shareholders.
- iii. Reviewing the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv. Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- v. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from the shareholders from time to time;
- vi. To review and 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;
- vii. To review and approve requests of dematerialization and re-materialisation of securities of the Company and such other related matters;
- viii. Appointment and fixing of remuneration of RTA and overseeing their performance;
- ix. Review the status of the litigation(s) filed by/ against the security holders of the Company;

- x. Review the status of claims received for unclaimed shares;
- xi. Recommending measures for overall improvement in the quality of investor services;
- xii. Review the impact of enactments/ amendments issued by the MCA/SEBI and other regulatory authorities on matters concerning the investors in general;
- xiii. 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.

The table below gives the number of complaints received, resolved and pending during the financial year 2021-22

**Number of complaints:**

| Received | Resolved | Pending |
|----------|----------|---------|
| Nil      | Nil      | Nil     |

**Meetings and Attendance:**

During the financial year 2021-22, 1 (one) meeting was held on July 26, 2021 and the attendances of Committee Members were as follows:

| Name of the Committee Members | Category                           | No. of Meetings |          |
|-------------------------------|------------------------------------|-----------------|----------|
|                               |                                    | Held            | Attended |
| Mr. Shiv Prakash Mittal       | Non-Executive-Promoter Director    | 1               | 1        |
| Mr. Saurabh Mittal            | Executive-Promoter Director        | 1               | 1        |
| Ms. Matangi Gowrishankar*     | Non-Executive-Independent Director | 1               | 1        |
| Mr. Yogesh Kapur#             | Non-Executive-Independent Director | 0               | 0        |

\*Ms. Matangi Gowrishankar, Independent Director of the Company, ceased to be a member of the Stakeholders' Relationship Committee w.e.f. August 28, 2021.

#Mr. Yogesh Kapur, was appointed as Independent Director of the Company w.e.f. August 12, 2021 and subsequently was appointed as a member

of the Stakeholders' Relationship Committee w.e.f. August 28, 2021.

Mr. Shiv Prakash Mittal, Non-Executive Chairman and Chairman of the Stakeholders' Relationship Committee was present at the 8<sup>th</sup> Annual General Meeting of the Company held on August 12, 2021.

**d) Corporate Social Responsibility Committee**

Corporate Social Responsibility (CSR) Committee of the Company is constituted as per Section 135 of the Act, 2013. CSR Committee, *inter alia*, had formulated and recommended to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act, 2013. The CSR Committee recommends the amount of expenditure to be incurred on the CSR activities and monitor the CSR activities undertaken by the Company from time to time.

**Composition of the Committee:**

As on March 31, 2022, the Corporate Social Responsibility Committee of the Company comprises of 4 (four) Directors.

| Sl. No. | Name of the Committee Members | Category                           | Designation |
|---------|-------------------------------|------------------------------------|-------------|
| 1.      | Ms. Matangi Gowrishankar      | Non-Executive-Independent Director | Chairperson |
| 2.      | Mr. Saurabh Mittal            | Executive-Promoter Director        | Member      |
| 3.      | Ms. Parul Mittal              | Executive-Promoter Director        | Member      |
| 4.      | Mr. Sandip Das                | Non-Executive-Independent Director | Member      |

During the financial year 2021-22, the following changes in the constitution of the Corporate Social Responsibility Committee took place:

1. Mr. Shiv Prakash Mittal, Non-Executive-Promoter Director of the Company ceased to be a member of the Corporate Social Responsibility Committee w.e.f. August 28, 2021.
2. Ms. Matangi Gowrishankar, Independent Director of the Company, was appointed as a

member of the Corporate Social Responsibility Committee w.e.f. August 28, 2021.

Further, Ms. Matangi Gowrishankar was designated as the chairperson of the Corporate Social Responsibility Committee w.e.f. October 26, 2021.

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal of the Company, acts as the Secretary to the Corporate Social Responsibility Committee.

The composition and terms of reference of the Corporate Social Responsibility Committee conforms to the requirements of Section 135 of the Act, 2013 and the necessary rules made thereunder.

**Terms of Reference of the CSR Committee are as provided hereunder:**

- (i) To formulate, monitor and recommend to the Board the CSR Policy including the activities to be undertaken by the Company;
- (ii) To recommend the amount of expenditure to be incurred on the activities undertaken;
- (iii) To monitor the implementation of the framework of Corporate Social Responsibility Policy;
- (iv) To evaluate the social impact of the Company's CSR Activities;
- (v) To review the Company's disclosure of CSR matters;
- (vi) To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed;
- (vii) To consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation including Corporate Social Responsibility Voluntary Guidelines 2009 and the Companies Act, 2013.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company at <https://www.greenlamindustries.com/pdf-file/Corporate%20Social%20Responsibility%20Policy.pdf>

The Annual Report on CSR activities for the Financial Year 2021-22 is annexed to Directors' Report forming part of the Annual Report of the Company.

**Meetings and Attendance:**

During the financial year 2021-22, 3 (Three) meetings were held on May 27, 2021, October 25, 2021 and March 31, 2022 and the attendance of Committee Members were as follows:

| Name of the Committee Members | Category                           | No. of Meetings |          |
|-------------------------------|------------------------------------|-----------------|----------|
|                               |                                    | Held            | Attended |
| Ms. Matangi Gowrishankar*     | Non-Executive-Independent Director | 2               | 2        |
| Mr. Saurabh Mittal            | Executive-Promoter Director        | 3               | 3        |
| Mr. Shiv Prakash Mittal#      | Non-Executive-Promoter Director    | 1               | 1        |
| Ms. Parul Mittal              | Executive-Promoter Director        | 3               | 3        |
| Mr. Sandip Das                | Non-Executive-Independent Director | 3               | 3        |

\* Ms. Matangi Gowrishankar, Independent Director of the Company, was appointed as a member of the Corporate Social Responsibility Committee w.e.f. August 28, 2021.

# Mr. Shiv Prakash Mittal, Non-Executive-Promoter Director of the Company ceased to be a member of the Corporate Social Responsibility Committee w.e.f. August 28, 2021.

**e) Operational & Finance Committee**

As on March 31, 2022 the Operational & Finance Committee of the Company comprises of 3 (three) Directors.

| Sl. No. | Name of the Committee Members | Category                        | Designation |
|---------|-------------------------------|---------------------------------|-------------|
| 1.      | Mr. Shiv Prakash Mittal       | Non-Executive-Promoter Director | Member      |
| 2.      | Mr. Saurabh Mittal            | Executive-Promoter Director     | Member      |
| 3.      | Ms. Parul Mittal              | Executive-Promoter Director     | Member      |

The Committee meets as and when required to consider the matters assigned to it by the Board of the Company from time to time.

During the financial year 2021-22, 7 (Seven) meetings of the Operational & Finance Committee were held on April 19, 2021; July 30, 2021; November 17, 2021; December 29, 2021; January 29, 2022; February 14, 2022 and February 28, 2022.

**f) Risk Management Committee**

The Risk Management Committee is constituted as per the provision of Regulation 21 of SEBI Listing Regulations.

**Composition:**

As on March 31, 2022, the constitution of the Risk Management Committee of the Company is as follows:

| Sl. No. | Name of the Committee Members | Category                           | Designation |
|---------|-------------------------------|------------------------------------|-------------|
| 1.      | Mr. Saurabh Mittal            | Executive-Promoter Director        | Chairman    |
| 2.      | Ms. Parul Mittal              | Executive-Promoter Director        | Member      |
| 3.      | Ms. Matangi Gowrishankar      | Non-Executive-Independent Director | Member      |
| 4.      | Mr. Sandip Das                | Non-Executive-Independent Director | Member      |
| 5.      | Mr. Ashok Kumar Sharma        | Chief Financial Officer            | Member      |
| 6.      | Mr. BL Sharma                 | Head of Manufacturing              | Member      |
| 7.      | Mr. Devendra Gupta            | Vice President – Purchase          | Member      |

The composition and terms of reference of the Risk Management Committee conforms to the requirements of Regulation 21 read with Part D (C) of Schedule II of the SEBI Listing Regulations.

**Terms of Reference of the Risk Management Committee are as below:**

- To formulate a detailed risk management policy as defined in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which shall include Business Continuity Plan;
- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

- Measures for risk mitigation including systems and processes for internal control of identified risks;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To conduct discussions on risk across domains such as Business resiliency, Cyber, ESG etc.;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
- 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.

**Meetings and Attendance:**

During the financial year 2021-22, 2 (Two) meetings were held on September 24, 2021 and March 22, 2022 and the attendance of Committee Members were as follows:

| Name of the Committee Members | Category                           | No. of Meetings |          |
|-------------------------------|------------------------------------|-----------------|----------|
|                               |                                    | Held            | Attended |
| Mr. Saurabh Mittal            | Executive-Promoter Director        | 2               | 2        |
| Ms. Parul Mittal              | Executive-Promoter Director        | 2               | 2        |
| Ms. Matangi Gowrishankar      | Non-Executive-Independent Director | 2               | 2        |
| Mr. Sandip Das                | Non-Executive-Independent Director | 2               | 2        |
| Mr. Ashok Kumar Sharma        | Chief Financial Officer            | 2               | 2        |
| Mr. BL Sharma                 | Head of Manufacturing              | 2               | 2        |
| Mr. Devendra Gupta            | Vice President – Purchase          | 2               | 2        |

**5) Subsidiaries**

Details of the subsidiaries of the Company and their business activities are provided in the Directors' Report forming part of the Annual Report of the Company.

**6) General Body Meetings****i. The details of previous three Annual General Meeting (AGM) of the shareholders are as under:**

| Financial Year | Date of AGM                           | Venue  | Time       |
|----------------|---------------------------------------|--|------------|
| 2020-21        | August 12, 2021 [8 <sup>th</sup> AGM] | Video Conferencing/Other Audio Visual Means <sup>5</sup> | 11:30 A.M. |
| 2019-20        | August 28, 2020 [7 <sup>th</sup> AGM] | Video Conferencing/Other Audio Visual Means <sup>5</sup> | 11:00 A.M. |
| 2018-19        | August 10, 2019 [6 <sup>th</sup> AGM] | Registered Office at Makum Road, Tinsukia, Assam-786125* | 9:15 A.M.  |

<sup>5</sup>Due to the Covid-19 Pandemic and the Nation-wide Lockdown and other restriction imposed by the Government of India and pursuant to Ministry of Corporate Affairs (MCA) General Circular No. 02/2021 dated January 13, 2021 read with General Circular No. 20/2020, 14/2020 and 17/2020 dated May 05, 2020, April 08, 2020 and April 13, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and other applicable circulars, the Eighth (8<sup>th</sup>) and Seventh (7<sup>th</sup>) Annual General Meetings of the Company were held through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM').

\*During the year under review, the Registered office of the Company was shifted from the State of Assam to National Capital Territory of Delhi w.e.f. August 27, 2021.



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

| AGM No.         | AGM Date        | Details of Special Resolutions passed   |
|-----------------|-----------------|---|
| 8 <sup>th</sup> | August 12, 2021 | Nil   |
| 7 <sup>th</sup> | August 28, 2020 | Nil   |
| 6 <sup>th</sup> | August 10, 2019 | i) Re-appointment of Mr. Saurabh Mittal as Managing Director & CEO of the Company.<br>ii) Re-appointment of Ms. Parul Mittal as Whole-time Director of the Company.<br>iii) Re-appointment of Mr. Vijay Kumar Chopra as an Independent Director of the Company.<br>iv) Re-appointment of Ms. Sonali Bhagwati Dalal as an Independent Director of the Company. |

iii. The Details of Special Resolutions passed through postal ballot during the financial year 2021-22: During the financial year 2021-22, following Resolutions were passed through postal ballot.

- Enhancement of borrowing power of the Company.
- Creation of charge on the assets of the Company to secure the borrowings of the Company.
- Raising of funds upto ₹500 Crore through issue of securities.

The Company had sought the approval of the shareholders by way of a special resolutions through notice of postal ballot dated December 28, 2021 for a) Enhancement of borrowing power of the Company; b) Creation of charge on the assets of the Company to secure the borrowings of the Company and c) Raising of funds upto ₹500 Crore through issue of securities, which were duly passed on January 28, 2022.

iv. Person who conducted the Postal Ballot: The Board of Directors of the Company at their Meeting held on December 13, 2021, appointed Mr. Dilip Kumar Sarawagi, Proprietor of DKS & Co., Practicing Company Secretary, as the Scrutinizer to conduct the Postal Ballot through Remote e-voting process in a fair and transparent manner conducted for seeking approval of shareholders for item mentioned at point a), b) and c) above.

v. There is no immediate proposal for passing any special resolution through Postal Ballot.

vi. Procedure for Postal ballot: The postal ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular

No. 20/2021 dated December 08, 2021, and other applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

**7) Means of communication**

The quarterly/half-yearly/annual financial results of the Company (standalone and consolidated) are filed with Stock Exchanges where the securities of the Company are listed, immediately after they are approved by the Board of Directors. In pursuance to the provisions of Regulation 47 of SEBI Listing Regulations, these are also published in the prescribed pro-forma within 48 hours of the conclusion of the meeting of the Board of Directors in which they are approved, in English newspaper circulating the whole or substantially the whole of India and in one vernacular newspaper of the state where the registered office of the Company is situated. In addition, these results are simultaneously uploaded on the Company's website. The official press releases and/or presentation made to institutional investors or to the analysts are also available on the Company's website.

**Details about the means of communication:**

| Means of Communication   | Compliance   |
|--|--|
| Quarterly/Half yearly/ Annual financial results  | Published in leading newspapers  |
| Newspapers wherein results are normally published  | Dainandin Barta (Assamese Daily), Jansatta (Hindi Langugae), Business Standard and Financial Express (English Daily) |
| Any website, where displayed   | www.greenlamindustries.com   |
| Whether it also displays official news releases and presentation made to institutional investors or to the analysts. | Yes  |

**8) General shareholders' information**

|       |   |  |
|-------|---|--|
| i.    | Date, time and venue of the 9 <sup>th</sup> Annual General Meeting                      | On Wednesday, August 10, 2022 at 3.00 p.m. through Video Conferencing/ Other Audio Visual Means  |
| ii.   | Financial Year  | Financial year of the Company is from April 01 to March 31.  |
| iii.  | Publication of results for the financial year 2022-23 (tentative and subject to change) | a) <b>First quarter results:</b> On or before August 14, 2022.<br>b) <b>Second quarter and half year results:</b> On or before November 14, 2022.<br>c) <b>Third quarter results:</b> On or before February 14, 2023.<br>d) <b>Fourth quarter results and results for the year ending March 31, 2023:</b> On or before May 30, 2023. |
| iv.   | Dividend payment date   | Between August 11, 2022 and August 20, 2022  |
| v.    | Listing of Equity Shares at Stock Exchanges   | BSE Ltd. ("BSE")<br>Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai-400001<br><br>National Stock Exchange of India Ltd. ("NSE")<br>Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai-400051  |
| vi.   | Listing of Non-Convertible Debentures at Stock Exchanges                                | During the period under review, 990 Secured, Listed, Redeemable, Non-Convertible Debentures (NCDs) of face value of ₹10 lakhs each aggregating to ₹99 Crores, allotted on private placement basis, were listed on National Stock Exchange of India Limited w.e.f. March 04, 2022.  |
| vii.  | Payment of Listing Fees   | Annual Listing Fees for both the stock exchanges for the financial year 2022-23 has been duly paid by the Company.   |
| viii. | Stock Code/Symbol   | BSE Scrip Code: 538979<br>NSE Symbol: GREENLAM   |

**ix. Market price data for each month during the financial year 2021-22:**

Amount in (₹)

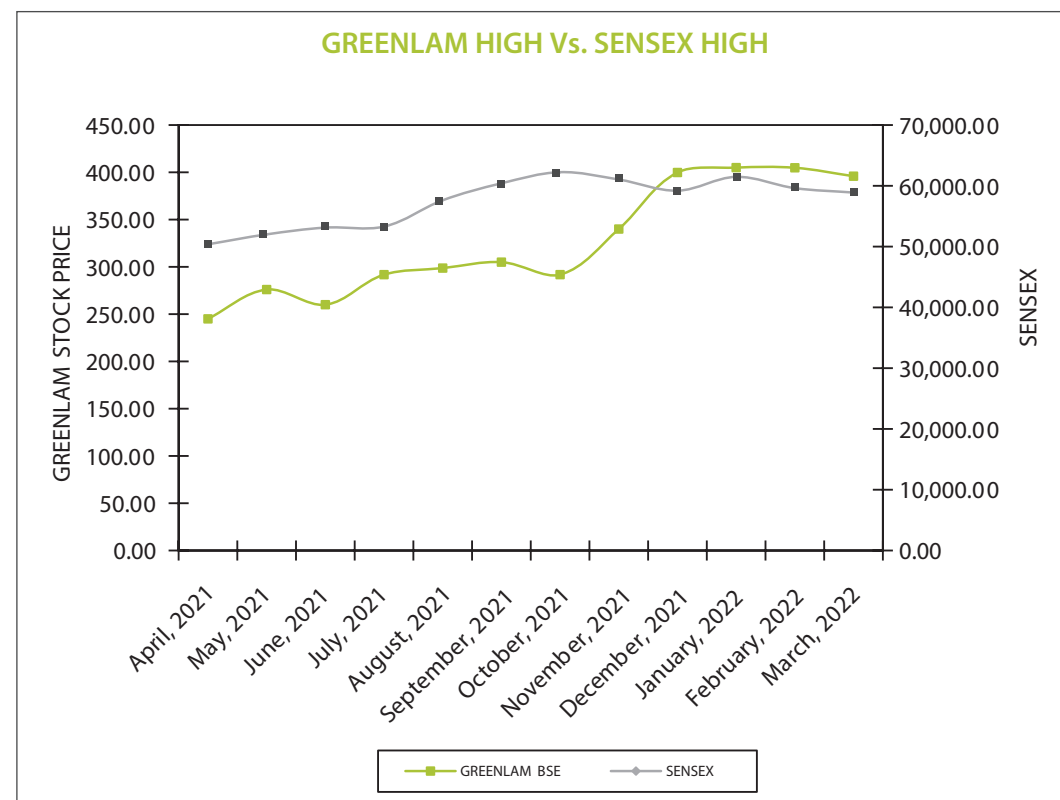
| Month                                  | At BSE  |         | At NSE  |         |
|--|---------|---------|---------|---------|
|  | High    | Low     | High    | Low     |
| April, 2021                            | 1225.00 | 920.00  | 1165.95 | 900.05  |
| May, 2021                              | 1380.00 | 961.25  | 1385.85 | 951.35  |
| June, 2021                             | 1300.00 | 1127.40 | 1300.00 | 1126.00 |
| July, 2021                             | 1458.80 | 1224.80 | 1460.00 | 1220.00 |
| August, 2021                           | 1493.50 | 1250.00 | 1490.00 | 1250.00 |
| September, 2021                        | 1524.95 | 1350.00 | 1510.00 | 1340.55 |
| October, 2021                          | 1458.90 | 1325.05 | 1465.30 | 1323.65 |
| November, 2021                         | 1700.00 | 1369.00 | 1748.95 | 1362.25 |
| December, 2021                         | 1999.00 | 1453.05 | 1997.40 | 1450.00 |
| January, 2022                          | 2024.90 | 1698.80 | 1985.00 | 1707.55 |
| February 01, 2022 to February 09, 2022 | 1971.15 | 1736.00 | 1970.00 | 1739.90 |
| February 10, 2022 to February 28, 2022 | 404.80  | 300.15  | 403.00  | 293.80  |
| March, 2022                            | 395.90  | 303.25  | 399.20  | 311.10  |

Note: Decrease in market price of equity share from February 10, 2022 reflects price adjustment for split of equity shares of the Company from face value of ₹5/- per share to face value of ₹1 per share.

**x. E-mail ID for Investors:** investor.relations@greenlam.com

**xi. Performance in comparison to broad based indices - BSE Sensex:**

Greenlam Industries Limited share performance:



Note: For the purpose of above chart, the split of face value of equity shares from ₹ 5/- per share to ₹ 1/- per share has been given effect in the share price for the entire reporting period for the convenience of the readers.

**Suspension of Securities during the financial year 2021-22:**

During the financial year 2021-22, the securities of the Company were not suspended from trading

|   |   |
|---|---|
| <b>Registrar &amp; Share Transfer Agent ("R&amp;T Agent")</b> | <b>LINK INTIME INDIA PRIVATE LIMITED</b><br>Contact: Mr. Bharat Bhushan<br>Address: Noble Heights, 1 <sup>st</sup> Floor, Plot NH 2<br>C-1 Block LSC, Near Savitri Market,<br>Janakpuri, New Delhi - 110058<br>Phone No.:+91-11- 49411000<br>Fax No.:+91-11-41410591<br>Email: delhi@linkintime.co.in   |
| <b>Share Transfer System</b>                                  | The Company has a Committee of the Board of Directors called Stakeholders' Relationship Committee, which meets as and when required. SEBI has mandated that, no share can be transferred, transmitted and transposed in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer, transmission and transposition of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. The Compliance Certificate pursuant to Regulation 40(9) of the SEBI Listing Regulations for the year ending March 31, 2022 issued by Mr. Pramod Kumar Pal, Practicing Company Secretary, have been duly submitted to stock exchanges, where the securities of the Company are listed. |

**xii. Distribution of equity shareholding as on March 31, 2022 is as given below:**

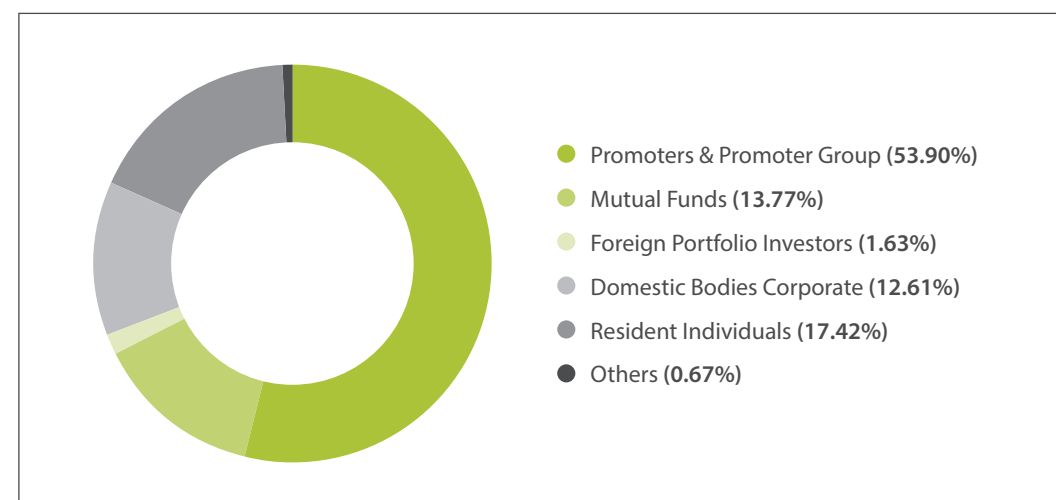
Distribution of shareholding by size is as given below:

| Range in number of shares held | Number of shareholders | Percentage of shareholders (%) | Number of shares held | Percentage of shares held (%) |
|--------------------------------|------------------------|--------------------------------|-----------------------|-------------------------------|
| 1-500                          | 11,098                 | 90.19                          | 8,16,494              | 0.68                          |
| 501-1,000                      | 510                    | 4.14                           | 4,00,621              | 0.33                          |
| 1,001-2,000                    | 311                    | 2.53                           | 4,55,428              | 0.38                          |
| 2,001-3,000                    | 108                    | 0.88                           | 2,71,008              | 0.22                          |
| 3,001-4,000                    | 48                     | 0.39                           | 1,67,628              | 0.14                          |
| 4,001-5,000                    | 37                     | 0.30                           | 1,76,026              | 0.15                          |
| 5,001-10,000                   | 84                     | 0.68                           | 6,21,071              | 0.51                          |
| 10,001 and above               | 109                    | 0.89                           | 11,77,73,594          | 97.59                         |
| <b>Total</b>                   | <b>12,305</b>          | <b>100.00</b>                  | <b>12,06,81,870</b>   | <b>100.00</b>                 |

**Note:** Please note that the number of shareholders of the Company are not consolidated on the basis of PAN and folio number of shareholders.

**xiii. Distribution of category wise shareholding as on March 31, 2022 is as given below:**

| Category of Shareholders    | Number of shares    | Percentage of shares (%) |
|-----------------------------|---------------------|--------------------------|
| Promoters & Promoter Group  | 6,50,43,310         | 53.90                    |
| Mutual Funds                | 1,66,21,648         | 13.77                    |
| Foreign Portfolio Investors | 19,62,874           | 1.63                     |
| Domestic Bodies Corporate   | 1,52,21,193         | 12.61                    |
| Resident Individuals        | 2,10,24,275         | 17.42                    |
| Others                      | 8,08,570            | 0.67                     |
| <b>Total</b>                | <b>12,06,81,870</b> | <b>100.00</b>            |



**Dematerialisation of shares and liquidity**

The Company's equity shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE544R01021. Nearly 99.94% of total listed equity shares have been 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. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company has significant foreign exchange exposure towards imports, exports, foreign currency assets and liabilities. With respect to managing the foreign exchange risks, the Company hedges the net outstanding of foreign currency exposures on fortnightly basis thereby mitigating the foreign exchange risk. The unhedged foreign currency exposure has a natural hedge thereby eliminating majority of foreign exchange risk. Commodity pricing does not have direct bearing but has an indirect bearing on the Company since, some of the Company's chemical consumption is linked to crude prices. The Company maintains a policy of hedging its 60-90 days of consumption by doing forward buying.

**xvi. Corporate Identity Number(CIN):** L21016DL2013PLC386045**xvii. Plant locations:**

- E-176-179, RIICO Industrial Estate, Phase II, P.O. Behror, Dist. Alwar, Rajasthan-301701
- Village Paterh Bhonku, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh-174101

**xviii. Address for correspondence:**

Registrar: **Link Intime India Private Limited**  
Contact: **Mr. Bharat Bhushan**  
Noble Heights, 1<sup>st</sup> Floor, Plot NH 2  
C-1 Block LSC, Near Savitri Market,  
Janakpuri, New Delhi - 110058  
Phone No.: +91-11-49411000  
Fax No.: +91-11-41410591  
Email: delhi@linkintime.co.in

Company: **Greenlam Industries Limited**  
Contact: **Mr. Prakash Kumar Biswal,**  
**Company Secretary & Vice President - Legal**  
203, 2<sup>nd</sup> Floor, West Wing, Worldmark 1, Aerocity,  
IGI Airport Hospitality District, New Delhi-110037  
Phone No.: +91-11-42791399  
Email: investor.relations@greenlam.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 has issued Non-Convertible Debentures (NCDs) of ₹99 Crores and the credit rating assigned to the NCDs by ICRA Limited is AA- (Outlook: Stable).

**xx. Unclaimed Equity Dividend:**

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account will, in terms of the provisions of Section 125 of the Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. The details of unclaimed dividend as on March 31, 2022 are as follows:

| Sl. No. | Financial Year | Date of Declaration | Dividend per share (₹) | Date of transfer to Unpaid Dividend Account | Amount outstanding as on 31.03.2022 (₹) | Due date for transfer to IEPF |
|---------|----------------|---------------------|------------------------|---|---|-------------------------------|
| 1.      | 2020-21        | 12.08.2021          | 5.00                   | 18.09.2021                                  | 86164.00                                | 18.09.2028                    |
| 2.      | 2019-20        | 04.03.2020          | 4.00                   | 09.04.2020                                  | 144012.00                               | 09.04.2027                    |
| 3.      | 2018-19        | 10.08.2019          | 3.00                   | 12.09.2019                                  | 71586.00                                | 12.09.2026                    |
| 4.      | 2017-18        | 28.08.2018          | 2.50                   | 04.10.2018                                  | 49260.00                                | 04.10.2025                    |
| 5.      | 2016-17        | 21.08.2017          | 1.50                   | 27.09.2017                                  | 29524.50                                | 27.09.2024                    |
| 6.      | 2015-16        | 24.08.2016          | 1.00                   | 30.09.2016                                  | 25732.00                                | 30.09.2023                    |
| 7.      | 2014-15        | 24.08.2015          | 0.50                   | 30.09.2015                                  | 12415.00                                | 30.09.2022                    |

Members who have not encashed their dividend warrants for the above financial years/period may approach the Company for enabling it to remit the dividend amount(s) before the due date of transfer of such dividend amount to IEPF.

**9) Other Disclosures**

- The Company does not have any materially significant related party transactions, which may have potential conflict with the interest of the Company at large. Further, the statutory disclosure requirements relating to related party transactions have been complied in the Financial Statements.
- The Financial Statements have been made in accordance with the Indian Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.
- There is no case of material non-compliance of any statutory compliances to be ensured by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges i.e. BSE & NSE or Securities and Exchange Board of India or any statutory authority on any matter related to the capital market, during the last three years.

The details of fine imposed by the BSE Limited and National Stock Exchange of India Limited during the financial year 2020-21 and subsequent withdrawal/waiver thereof are disclosed in the Director's Report of the Company for the financial year 2021-22.

- The Company has in place Vigil Mechanism/ Whistle Blower Policy as required and it is affirmed that no personnel has been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and the Act, 2013.
- The Policy for determining material subsidiaries is disclosed on the website of the Company and can be accessed at <https://www.greenlamindustries.com/pdf-file/policy-for-determining-material-subsidiaries.pdf>
- The Policy on Materiality of Related Party Transactions and on Dealing with the Related Party Transactions is also posted on the Company's website and can be accessed at <https://www.greenlamindustries.com/pdf-file/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20and%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>
- 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. The Company maintains a policy of hedging its 60-90 days of consumption by doing forward buying.

- Discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:

The Company has complied with the discretionary requirements with regard to reporting of Internal Auditor directly to Audit Committee, moving towards a regime of unqualified Financial Statements and unmodified audit opinion.

- In addition to Directors' Report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All key managerial personnel and senior management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

- 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.

- In order to prevent misuse of any unpublished price sensitive information (UPSI), to maintain confidentiality of all UPSI and prohibit any insider trading activity and abusive self-dealing of securities, in the interest of the shareholders at large, the Company has framed a Code of Conduct for Prohibition of Insider Trading. The said Code prohibits the Designated Persons of the Company from dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The details of dealing in Company's shares by Designated Employees/Designated Persons are quarterly placed before the Audit Committee. The Code also prescribes sanction framework and any instance of breach of code is dealt in accordance with the same. A copy of the said Code is made available to all Designated Persons of the Company and compliance of the same is ensured.

Further, the Company has framed a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is available on the website of the Company at <https://www.greenlamindustries.com/pdf-file/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf>.

- 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.



- n) 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 directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report as "Annexure B".
- o) During the financial year 2021-22, there was no such instance, where the recommendation of any committee of the Board of the Company which is mandatorily required and is not accepted by the Board of the Company.
- p) During the financial year 2021-22 total fees for all services paid/payable by the Company and/or 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<br>(in ₹) |
|--|------------------|
| Statutory Audit Fees including Limited Review Fees | 31,50,000        |
| Fees for other statutory certifications            | 5,45,500         |
| Reimbursement of Expenses                          | 1,13,024         |
| Statutory Audit Fees of Subsidiary                 | 1,50,000         |
| <b>Total</b>                                       | <b>39,58,524</b> |

- q) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to provide an attractive working environment for its employees and to provide safe and healthy working conditions. The Company has also adopted a 'Anti- Sexual Harassment Policy' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. Details of Complaints received and redressed during the Financial Year 2021-22:

- a. number of complaints received during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil

- c. number of complaints pending as on end of the financial year: Nil
- r) Disclosure of Loans and Advances in the nature of Loans to firms/companies in which Directors are interested by Name and Amount:
- During the financial year ended March 31, 2022, the Company and its subsidiaries have not granted any Loan to any firm/company in which Director are interested.
- 10) During the financial year 2021-22, there was no instance of any non-compliance of the requirements of corporate governance report as specified in sub-paras (2) to (10) of Schedule V(C) of the SEBI Listing Regulations.
- 11) The Company has complied with the applicable requirement specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 12) Compliance Certificate of the Auditors

The Secretarial Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and the certificate is annexed to this report as "Annexure C".

#### 13) Disclosures with respect to demat suspense account/unclaimed suspense account

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 9,071 equity share of 66 shareholders
- (b) Number of shareholders who approached the Company for transfer of shares from suspense account during the year: None
- (c) Number of shareholders to whom shares were transferred from suspense account during the year: None
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 9,071 equity shares of 66 shareholders
- (e) Aggregate number of shares on which voting rights shall remain frozen till the rightful owner of such shares claims the shares: 9,071 equity shares

**For and on behalf of Board of Directors**

**Saurabh Mittal**

*Managing Director & CEO*

[DIN: 00273917]

**Parul Mittal**

*Whole-time Director*

[DIN: 00348783]

Place: New Delhi

Date: May 30, 2022

## Annexure-A

### Declaration by the Managing Director and CEO under Regulation 26(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Compliance with Code of Conduct

To  
The Members,  
**Greenlam Industries Limited**

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended on March 31, 2022.

Place: New Delhi

Date: May 30, 2022

**Saurabh Mittal**  
*Managing Director & CEO*  
[DIN: 00273917]

Annexure-B

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,  
**Greenlam Industries Limited**  
203, 2<sup>nd</sup> Floor, West Wing,  
Worldmark 1, Aerocity,  
IGI Airport, Hospitality District,  
New Delhi-110037, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Greenlam Industries Limited having CIN: L21016DL2013PLC386045 and having registered office at 203, 2<sup>nd</sup> Floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi – 110037, India (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 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 & 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 March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:-

| S. No. | Name of Directors        | DIN      | Date of appointment in Company |
|--------|--------------------------|----------|--------------------------------|
| 1      | Mr. Shiv Prakash Mittal  | 00237242 | 12/08/2013                     |
| 2      | Mr. Saurabh Mittal       | 00273917 | 12/08/2013                     |
| 3      | Ms. Parul Mittal         | 00348783 | 11/11/2014                     |
| 4      | Mr. Vijay Kumar Chopra   | 02103940 | 30/10/2014                     |
| 5      | Mr. Sandip Das           | 00116303 | 13/06/2019                     |
| 6      | Ms. Matangi Gowrishankar | 01518137 | 28/08/2020                     |
| 7      | Mr. Yogesh Kapur         | 00070038 | 12/08/2021                     |

Ensuring the eligibility 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 these 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.

For **Chandrasekaran Associates**  
Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No.: 1428/2021

**Dr. S. Chandrasekaran**  
Senior Partner  
Membership No. FCS 1644  
Certificate of Practice No. 715 UDIN: F001644D000389636

Date: 30.05.2022  
Place: Delhi

**Note:**  
Due to restricted movement amid COVID-19 pandemic, for the purpose of issuing the Certificate of Non-Disqualification of Directors, we have examined the Secretarial Records including Minutes, Documents, Reports and other records etc. and some of them was received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

Annexure-C

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Members,  
**Greenlam Industries Limited**  
203, 2<sup>nd</sup> Floor, West Wing,  
Worldmark 1, Aerocity,  
IGI Airport, Hospitality District,  
New Delhi-110037, India

We have examined all relevant records of Greenlam Industries Limited (the Company) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate 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.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**  
Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No.: 1428/2021  
  
**Dr. S. Chandrasekaran**  
Senior Partner  
Membership No. FCS 1644  
Certificate of Practice No. 715 UDIN: F001644D000389636

Date: 30.05.2022  
Place: Delhi

**Note:**  
Due to restricted movement amid COVID-19 pandemic, for the purpose of issuing the Certificate on Compliance with the conditions of Corporate Governance, we have examined the Secretarial Records including Minutes, Documents, Reports and other records etc. and some of them was received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

Annexure-D

Certification by Chief Executive Officer and Chief Financial Officer pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors,  
**Greenlam Industries Limited**

- (a)

We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended on March 31, 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 to the Auditors and the Audit Committee that there are no:

i.

Significant changes in internal control over financial reporting during the year;

ii.

Significant changes in accounting policies during the year and 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.

|                    |                                    |                                |
|--------------------|------------------------------------|--------------------------------|
|                    | <b>Saurabh Mittal</b>              | <b>Ashok Kumar Sharma</b>      |
| Place: New Delhi   | <i>Managing Director &amp; CEO</i> | <i>Chief Financial Officer</i> |
| Date: May 30, 2022 | [DIN: 00273917]                    |                                |

# Business Responsibility & Sustainability Reporting

In 2018, Ministry of Corporate Affairs (MCA) updated National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business 2011 (NVGs) to National Guidelines for Responsible Business Conduct (NGRBCs) to align with various national and international developments such as Paris Climate Agreement, United Nation Guiding Principles (UNGPs) on Business and Human Rights and Sustainable Development Goals. In 2021 Security and Exchange Board of India (SEBI) mandated disclosure of Environment, Social and Governance (ESG) of listed entities from FY2022-23 onwards in a Business Responsibility and Sustainability Reporting (BRSR) format. The framework is intended to increase the transparency of corporate disclosures and assist market participants in analyzing sustainability related risks and opportunities. BRSR requirements are robust in nature and it covers a broader spectrum than other ESG reporting frameworks. This format seeks disclosure on the performance against the nine principles of National Guidelines on Responsible Business Conduct (NGRBC).

Reporting under the BRSR framework is voluntary for the top-1000 listed companies in India by market

capitalization in financial year 2021-22. However, compliance with BRSR requirements will be mandatory for the top-1000 companies beginning in financial year 2022-23 and voluntary for other listed companies, including those that have listed specified securities on the Small and Medium Enterprises (SME) exchange. Greenlam aims to disclose its sustainability performance in the new BRSR format for FY 2021-22. The intention for this early adoption and disclosure is to assess company's current practices, identify area of improvements and adopt practices that not only meet but go beyond the requirements set out by the framework. We are cognizant that reporting on all the KPIs specified under BRSR is not feasible in the current year. We are committed to continuously improve our disclosures on ESG parameters. During the reporting year, we concluded materiality assessment exercise and identified 14 material topics. Going forward, we will implement the defined action plan and shall evaluate setting up of organization wide targets and commitments. The information presented in this report is based on the current practices at the company and meets the requirements set out by NGRBC and BRSR.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.

Corporate Identity Number (CIN) of the Listed Entity: L21016DL2013PLC386045
2.

Name of the Listed Entity: Greenlam Industries Limited
3.

Year of incorporation: 2013
4.

Registered office address: 203, 2<sup>nd</sup> Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District, New Delhi-110 037
5.

Corporate address: 203, 2<sup>nd</sup> Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District, New Delhi-110 037
6.

E-mail: investor.relations@greenlam.com
7.

Telephone: +91-11-42791399
8.

Website: www.greenlamindustries.com
9.

Financial year for which reporting is being done: 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022

10.

Name of the Stock Exchange(s) where shares are listed: BSE Limited (BSE), National Stock Exchange (NSE)
11.

Paid-up Capital: ₹1206.82 lakhs
12.

Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:  
  
Mr. Ashok Kumar Sharma,  
Chief Financial Officer  
Contact No.: +91-11-42791399  
Email Id: ashok.sharma@greenlam.com
13.

Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).  
  
Standalone



**II. Products/Services****14. Details of business activities (accounting for 90% of the turnover):**

| S. No. | Description of Main Activity | Description of Business Activity                             | % of Turnover of the entity |
|--------|------------------------------|--|-----------------------------|
| 1.     | Manufacturing                | Wood and wood products, furniture, paper, and paper products | 100                         |

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| S. No. | Product/Service              | NIC Code | % of total Turnover contributed |
|--------|------------------------------|----------|---------------------------------|
| 1.     | Laminate and Allied Products | 16219    | 90.7%                           |
| 2.     | Veneer and Allied Products   | 16211    | 9.3%                            |

**III. Operations****16. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 2                | 22                | 24    |
| International | 0                | 15                | 15    |

In addition, the company has 9 Regional Distribution Centers, 4 Warehouses and 1 Experience Center in India.

**17. Markets served by the entity:****a. Number of locations**

| Locations                        | Number                            |
|----------------------------------|-----------------------------------|
| National (No. of States & UTs)   | 28 states and 8 union territories |
| International (No. of Countries) | 100+ countries                    |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

44.8%

**c. A brief on types of customers**

Greenlam is committed to deliver best-in-class products and services to its customers. Our customers include trade partners (super stockist, distributor, wholesaler, dealer/retailer), OEM, project and institutional customers, architects and designers and fabricators. We have been successful in building trust among our customers through wide range of quality products.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

| S. No.    | Particulars              | Total (A) | Male    |           | Female  |           |
|-----------|--------------------------|-----------|---------|-----------|---------|-----------|
|           |                          |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES |                          |           |         |           |         |           |
| 1.        | Permanent (D)            | 1276      | 1195    | 93.7      | 81      | 6.3       |
| 2.        | Other than Permanent (E) | 36        | 35      | 97.2      | 1       | 2.8       |
| 3.        | Total employees (D + E)  | 1312      | 1230    | 93.8      | 82      | 6.2       |
| WORKERS   |                          |           |         |           |         |           |
| 4.        | Permanent (F)            | 747       | 747     | 100.0     | 0       | 0         |
| 5.        | Other than Permanent (G) | 3314      | 3161    | 95.4      | 153     | 4.6       |
| 6.        | Total workers (F + G)    | 4061      | 3908    | 96.2      | 153     | 3.8       |

**b. Differently abled Employees and workers:**

| S. No.                      | Particulars                               | Total (A) | Male    |           | Female  |           |
|-----------------------------|---|-----------|---------|-----------|---------|-----------|
|                             |   |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES |   |           |         |           |         |           |
| 1.                          | Permanent (D)                             | Nil       | -       | -         | -       | -         |
| 2.                          | Other than Permanent (E)                  | Nil       | -       | -         | -       | -         |
| 3.                          | Total differently abled employees (D + E) | Nil       | -       | -         | -       | -         |
| DIFFERENTLY ABLED WORKERS   |   |           |         |           |         |           |
| 4.                          | Permanent (F)                             | Nil       | -       | -         | -       | -         |
| 5.                          | Other than permanent (G)                  | Nil       | -       | -         | -       | -         |
| 6.                          | Total differently abled workers (F + G)   | Nil       | -       | -         | -       | -         |

**19. Participation/Inclusion/Representation of women**

| Particulars                                     | Total (A) | No. and percentage of Females |           |
|---|-----------|-------------------------------|-----------|
|   |           | No. (B)                       | % (B / A) |
| Board of Directors                              | 7         | 2                             | 29%       |
| Key Management Personnel (other than Directors) | 2         | -                             | -         |

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

|                     | FY 2021-2022 |        |       | FY 2020-2021 |        |       | FY 2019-2020 |        |       |
|---------------------|--------------|--------|-------|--------------|--------|-------|--------------|--------|-------|
|                     | Male         | Female | Total | Male         | Female | Total | Male         | Female | Total |
| Permanent Employees | 16.3%        | 35.8 % | 17.5% | 12.9%        | 30.2%  | 14.1% | 13.5%        | 20.9%  | 14.1% |
| Permanent Workers   | 2.1%         | -      | 2.1%  | 7.7%         | -      | 7.7%  | 4.1%         | -      | 4.1%  |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21.(a) Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ subsidiary/ Associate/ Joint Venture | % of shares held by listed entity^ | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|------------------------------------|--|
| 1.     | Greenlam Asia Pacific Pte. Ltd.   | Subsidiary   | 100                                | No   |
| 2.     | Greenlam America Inc.   | Subsidiary   | 100                                | No   |
| 3.     | Greenlam Europe (UK) Ltd.   | Subsidiary   | 100                                | No   |
| 4.     | Greenlam Asia Pacific (Thailand) Co. Ltd.                                   | Subsidiary   | 97.5                               | No   |
| 5.     | Greenlam Holding Co. Ltd.   | Subsidiary   | 99                                 | No   |
| 6.     | Pt Greenlam Asia Pacific  | Subsidiary   | 99                                 | No   |
| 7.     | Greenlam Decolan SA   | Subsidiary   | 100                                | No   |
| 8.     | Greenlam South Limited  | Subsidiary   | 100                                | No   |
| 9.     | Pt Greenlam Indo Pacific  | Subsidiary   | 67.0                               | No   |
| 10.    | Greenlam Russia LLC   | Subsidiary   | 100                                | No   |
| 11.    | Greenlam Poland Sp. z.o.o.  | Subsidiary   | 100                                | No   |
| 12.    | Hg Industries Limited   | Subsidiary   | 74.91                              | No   |

^Includes controlling interest

**VI. CSR Details****22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No):**

Yes

(ii) Turnover (in ₹): ₹1559.19 crore

(iii) Net worth (in ₹): ₹619.86 crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)  | FY 2021-2022                               |  |         | FY 2020-2021                               |  |         |
|---|---|--|--|---------|--|--|---------|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | The Company does not have a structured mechanism to receive and redress grievances of communities   | Nil  | NA   |         | Nil  | NA   |         |
| Investors (other than shareholders)               | Yes ( <a href="https://www.greenlamindustries.com/investor/contact-details.html">https://www.greenlamindustries.com/investor/contact-details.html</a> )             | Nil  | NA   |         | Nil  | NA   |         |
| Shareholders                                      | Yes ( <a href="https://www.greenlamindustries.com/investor/contact-details.html">https://www.greenlamindustries.com/investor/contact-details.html</a> )             | Nil  | NA   |         | Nil  | NA   |         |
| Employees and workers                             | Yes ( <a href="https://www.greenlamindustries.com/pdf-file/vigil-mechanism-policy.pdf">https://www.greenlamindustries.com/pdf-file/vigil-mechanism-policy.pdf</a> ) | Nil  | NA   |         | Nil  | NA   |         |
| Customers*  | Yes ( <a href="https://www.greenlamindustries.com/contact-us.html">https://www.greenlamindustries.com/contact-us.html</a> )   | 341  | 4  |         | 661  | 34   |         |
| Value Chain Partners#                             | Yes   | Nil  | NA   |         | Nil  | NA   |         |

\* The link provided on the Company's website enables our customers to lodge their complaints / grievances related to our products

#For value chain partners to report grievances, Company has outlined detailed escalation matrix in its COBEC document. However, COBEC is an internal document and is not available for public view.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S.No. | Material issue identified   | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity   | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|-------|-----------------------------|--|---|--|--|
| 1.    | Environmental Compliance    | Risk                                       | Non-compliance with the applicable environmental laws/ regulations/ guidelines in India may lead to fines / penalties / reputational damages  | Regular tracking and compliance with all applicable environmental laws   | Negative   |
| 2.    | Effluent & Waste Management | Risk                                       | Improper handling of waste generated from business activities can damage nearby environment, affect health of people and communities, impact company's reputation and may even lead to closure of operations. | Specific procedures in place for generation, storage and disposal of hazardous waste, Biomedical waste, E-waste, Battery, Solid Waste and Plastic waste. | Negative   |

| S.No. | Material issue identified            | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity  | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|-------|--------------------------------------|--|--|--|--|
| 3.    | Sustainable Sourcing of Raw Material | Risk                                       | Risk arising due to sourcing of raw material from illegal sources  | Periodic due diligence is conducted for suppliers supplying raw material used in manufacturing of high-pressure laminates          | Negative   |
| 4.    | Water Management                     | Risk                                       | Disruption of business operations due to water shortage or scarcity  | Water recycling initiatives implemented to reduce the dependency on external water sources   | Negative   |
| 5.    | Energy Management                    | Risk                                       | Increase in price of diesel, coal and electricity.<br><br>Emerging regulations for adoption of clean technology and renewable energy | Use of biomass/ biofuel as fuel in operations<br><br>Greater adoption of renewable energy<br><br>Use of energy efficient equipment | Negative   |
| 6.    | GHG and Carbon Emissions             | Risk                                       | Emerging regulations for disclosure of GHG emissions   | GHG Emission accounting development in process   | Negative   |
| 7.    | Health & Safety of Products          | Opportunity                                | Engaging with customers and proactive disclosure of information about product safety   | Obtained certifications like 'Greenguard Gold', 'Greenlabel' and NSF   | Positive   |
| 8.    | Occupational Health & Safety         | Risk                                       | Risk of adverse impact on employee health and wellbeing  | ISO 45001 implemented across plants  | Negative   |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions  | P1  | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes   |   |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)                       | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No)*   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available   | <a href="https://www.greenlamindustries.com/investor/company-policy.html">https://www.greenlamindustries.com/investor/company-policy.html</a><br>Refer to Table 1 |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes/ certifications/labels/ standards adopted by your entity and mapped to each principle | Refer to table 2  |     |     |     |     |     |     |     |     |

\*The COBEC document which aligns with the requirements of several Principles has been approved by our Executive Directors.

| Disclosure Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|----|----|----|----|
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.  | Company has undertaken materiality assessment exercise in FY 2021-22 and is in a process of setting specific commitments and targets against the identified material issues  |    |    |    |    |    |    |    |    |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.   | Company has undertaken materiality assessment exercise in FY 2021-22 and is in a process of setting specific commitments and targets against the identified material issues. Principle wise performance is disclosed in subsequent section   |    |    |    |    |    |    |    |    |
| Governance, leadership and oversight  |  |    |    |    |    |    |    |    |    |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | At Greenlam, environment-social-governance (ESG) is particularly critical as the end product needs to be built with natural resource and any deviation from the mean or perceived irresponsibility can affect respect and market position. The environment component at our company ensures that our business consumes environmentally responsible resources, consumes only as much as is moderately needed, recycles water, responsible waste management, consumes moderate fossil fuels and builds resistance to climate change. The social component addresses the need to invest in employees, vendors, customers and community engagement, a framework of relationships that protects the company from unexpected supply or demand or production shocks. At Greenlam, ESG provides a platform for doing the right things the right way at the right time, the basis of its long-term sustainability |    |    |    |    |    |    |    |    |

| Disclosure Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|----|----|----|----|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).   | Mr. Ashok Kumar Sharma, Chief Financial Officer of the Company shall act as Business Responsibility Head (BR Head) and shall be responsible for implementing the Business Responsibility initiatives. Mr. Saurabh Mittal, Managing Director & CEO of the Company shall be responsible for overseeing the implementation of this Policy |    |    |    |    |    |    |    |    |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, Mr. Saurabh Mittal, Managing Director & CEO of the Company is responsible for decision making on sustainability related issues  |    |    |    |    |    |    |    |    |
| 10. Details of Review of NGRBCs by the Company:   |  |    |    |    |    |    |    |    |    |

| Subject for Review  | Indicate whether review was undertaken by Director/ / Committee of the Board/ Any other Committee |    |    |    |    |    |    |    |    | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |    |    |    |    |    |    |    |    |
|---|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
|   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Quarterly  |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Quarterly  |    |    |    |    |    |    |    |    |

|   |    |    |    |    |    |    |    |    |    |
|---|----|----|----|----|----|----|----|----|----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|   | No |    |    |    |    |    |    |    |    |
| 12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated: Not Applicable                                    |    |    |    |    |    |    |    |    |    |

| Questions   | P1             | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----------------|----|----|----|----|----|----|----|----|
| The entity does not consider the Principles material to its business (Yes/No)   | Not applicable |    |    |    |    |    |    |    |    |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | Not applicable |    |    |    |    |    |    |    |    |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |                |    |    |    |    |    |    |    |    |
| It is planned to be done in the next financial year (Yes/ No)   |                |    |    |    |    |    |    |    |    |
| Any other reason (please specify)   |                |    |    |    |    |    |    |    |    |

Table 1- Annexure to 1a- Policies aligned to NGRBC Principles

| Principle | Greenlam Industries Limited Policy(ies)  |
|-----------|--|
| P1        | <ul style="list-style-type: none"><li>Code of Business Ethics and Conduct (COBEC)</li><li>Business Responsibility Policy</li></ul>   |
| P2        | <ul style="list-style-type: none"><li>Code of Business Ethics and Conduct (COBEC)</li><li>Quality Environment, Health &amp; Safety Policy</li><li>Business Responsibility Policy</li></ul> |
| P3        | <ul style="list-style-type: none"><li>Quality, Environment, Health &amp; Safety Policy</li><li>Business Responsibility Policy</li></ul>  |
| P4        | <ul style="list-style-type: none"><li>Corporate Social Responsibility Policy</li></ul>   |
| P5        | <ul style="list-style-type: none"><li>Code of Business Ethics and Conduct (COBEC)</li><li>Business Responsibility Policy</li><li>Human Rights Policy</li></ul>                             |
| P6        | <ul style="list-style-type: none"><li>Quality, Environment, Health &amp; Safety Policy</li><li>Business Responsibility Policy</li></ul>  |
| P7        | <ul style="list-style-type: none"><li>Business Responsibility Policy</li></ul>   |
| P8        | <ul style="list-style-type: none"><li>Business Responsibility Policy</li></ul>   |
| P9        | <ul style="list-style-type: none"><li>Business Responsibility Policy</li></ul>   |

Table 2- Annexure to 4- National and International Standards

| Principles | Name of the national and international codes/certifications/labels/ standards  |
|------------|--|
| P2         | <ul style="list-style-type: none"><li>ISO 14001 Environment Management System</li><li>FSC, PEFC, Greengard, NSF, SEFA certification</li></ul>        |
| P3         | <ul style="list-style-type: none"><li>UN Guiding principle on business and human rights, International Labor Organization Core Conventions</li></ul> |
| P4         | <ul style="list-style-type: none"><li>Materiality Assessment and Stakeholder Engagement in line with GRI Standards</li></ul>                         |
| P5         | <ul style="list-style-type: none"><li>UN Guiding principle on business and human rights, International Labor Organization Core Conventions</li></ul> |
| P6         | <ul style="list-style-type: none"><li>ISO 14001 Environment Management System</li><li>FSC, PEFC, Greengard, NSF, SEFA certification</li></ul>        |
| P9         | <ul style="list-style-type: none"><li>ISO 9001 Quality Management System</li><li>ISO14001 Environment Management System</li></ul>                    |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

| Essential Indicators  |  |   |  |
|---|--|---|--|
| 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year: |  |   |  |
| Segment   | Total number of training and awareness programmes held | Topic/ principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
| Board of Directors  | Nil  |   |  |
| Key Managerial Personnel  | Nil  |   |  |



| Segment                         | Total number of training and awareness programmes held | Topic/ principles covered under the training and its impact   | %age of persons in respective category covered by the awareness programmes |
|---------------------------------|--|---|--|
| Employees other than BoD & KMPs | 2  | Principle 1 - Training on Code of Business Ethics and Conduct | 5%   |
| Workers                         | 10   | Principle 3 & 6 - COVID-19, AIDS, importance of water         | 30%  |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary         |                 |   |                      |                   |  |
|------------------|-----------------|---|----------------------|-------------------|--|
| Category         | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR '000) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine    |                 |   | Nil                  |                   |  |
| Settlement       |                 |   | Nil                  |                   |  |
| Compounding Fees |                 |   | Nil                  |                   |  |

| Non-Monetary |                 |   |   |  |
|--------------|-----------------|---|---|--|
|              | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions                         | Brief of the Case   | Has an appeal been preferred? (Yes/No)   |
| Imprisonment | Nil             | Not applicable  | Not applicable  | Not applicable   |
| Punishment   | 1,6             | Commission for Air Quality Management in National Capital Region and Adjoining Areas (CAQM) | DG set running in deviation of Graded Response Action Plan (GRAP) due to which CAQM ordered temporarily closure of our Behror, Rajasthan plant operations | Company represented the matter before CAQM and obtained appropriate permission for resuming the operations |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details   | Name of regulatory/enforcement agencies/judicial institutions |
|----------------|---|
| Not applicable |   |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Greenlam Industries Limited has defined guidelines on anti-corruption and anti-bribery as part of Code of Business Ethics and Conduct (COBEC). The COBEC covers all employees whether directly or indirectly employed with the company as well as its subsidiaries and affiliate companies. It also extends to contractual and part time employees, interns and apprentices. Further, employees who are directly dealing with third parties, vendors, suppliers and distributors on behalf of the Company, have the obligation to provide relevant information to these third parties to ensure that they comply with the applicable policies and sections of the COBEC. However, COBEC is an internal document and is not available for public view.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

|           | FY 2021-22 | FY 2020-21 |
|-----------|------------|------------|
| Directors | Nil        | Nil        |
| KMPs      | Nil        | Nil        |
| Employees | Nil        | Nil        |
| Workers   | Nil        | Nil        |

6. Details of complaints with regard to conflict of interest:

|  | FY 2021-22 |         | FY 2020-21 |         |
|--|------------|---------|------------|---------|
|  | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil        | Nil     | Nil        | Nil     |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil        | Nil     | Nil        | Nil     |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|--|--|
| Nil                                       | Nil  | Nil  |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, Greenlam Industries Limited has stringent procedures to avoid any conflict of interest involving members of the Board. Company's Code of Conduct for Board Member covers Conflict of interest for Board of Directors as well. In addition, the company has policy on related party transactions and dealing with related party transactions. Company policies are available here <https://www.greenlamindustries.com/investor/company-policy.html>

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|       | FY 2021-22 | FY 2020-21 | Details of improvements in environmental and social impacts   |
|-------|------------|------------|---|
| R&D   | 100%       | 100%       | CAPEX and developmental expenses to enhance EHS performance were made on <ul style="list-style-type: none"> <li>RO system modifications and additions in order to enhance the secondary and tertiary treatment processes which resulted in saving of ground water</li> <li>Fuel efficient boiler with high capacity installed in order to optimize the energy output and minimize the pollution loads by installing scrubbing system. This will result in reduction in energy consumption and greenhouse gas emissions</li> <li>Fire hydrant lines and systems covering additional plant areas have been laid to enhance the capabilities of the existing safety mechanism</li> </ul> |
| Capex | 7.7%       | 2.3%       |   |

- 2.a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Greenlam has procedures in place for sustainable sourcing.

- b. **If yes, what percentage of inputs were sourced sustainably?**

In FY2021-22 – based on the volume of raw material used approximately 30% of paper used in high pressure laminates, 39% of door raw materials, 1.3% of veneer and more than 50% of pine wood used in Engineered Floors were sourced from Forest Stewardship Council (FSC®) certified sources.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The company does not have a formal mechanism to safely reclaim its products as laminates have a long shelf life of 20 years or more. Decorative Veneers, Engineered Wooden Flooring, Engineered Doors and Prelaminated Particle Board can be recycled, if needed. In addition, the company also provides its customers a Safety Data Sheet alongwith the final product which contains instructions for disposing of laminates as per applicable regulations in the respective geographies / location. Some of the safe disposal techniques of laminates includes landfill, incineration or co-processing in cement manufacturing. Safety Data Sheet is also available on company website at the link below <https://www.greenlam.com/india/media/pdf/Safety%20Data%20Sheet%20%E2%80%93%20Laminates%20and%20Compacts.pdf>

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The company uses plastic packaging material to package the finished goods and therefore understands that EPR is applicable to the business. Greenlam has applied for plastic waste registration to the concerned State Pollution Control Board. However, the regulatory agency is currently evaluating the applicability of such registration to Greenlam's operations.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Company has not conducted LCA of its products. However, Greenlam is cognizant of the impact of chemicals used in resins while manufacturing laminates and veneers. To address the harmful environmental impacts, the company has adopted partial use of environment friendly alternatives to phenol for preparation of resins.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate input material                     | Recycled or re-used input material to total material |            |
|---|--|------------|
|   | FY 2021-22   | FY 2020-21 |
| Paper for High Pressure Laminate Production | 19.0%  | 17.0%      |

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| Material                       | FY 2021-22 |          |                 | FY 2020-21 |          |                 |
|--------------------------------|------------|----------|-----------------|------------|----------|-----------------|
|                                | Re-used    | Recycled | Safely Disposed | Re-used    | Recycled | Safely Disposed |
| Plastics (including packaging) | -          | -        | 518.0           | -          | -        | 451.0           |
| E-waste                        | -          | -        | 0.96            | -          | -        | -               |
| Hazardous waste                | 5.8        | -        | 6.7             | 2.8        | -        | 13.7            |
| Other waste#                   |            |          |                 |            |          |                 |

#currently Greenlam is not monitoring data of waste generated from other categories like paper, wood, cardboard etc.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| None                      |   |

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains****Essential Indicators**

1. **a. Details of measures for the well-being of employees:**

| % of employees covered by      |              |                  |              |                    |              |                    |              |                    |              |                     |              |
|--------------------------------|--------------|------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|--------------|
| Category                       | Total<br>(A) | Health insurance |              | Accident insurance |              | Maternity benefits |              | Paternity Benefits |              | Day Care facilities |              |
|                                |              | No.<br>(B)       | %<br>(B / A) | No.<br>C           | %<br>(C / A) | No.<br>(D)         | %<br>(D / A) | No.(E)<br>(E / A)  | %<br>(E / A) | No. (F)             | %<br>(F / A) |
| Permanent employees            |              |                  |              |                    |              |                    |              |                    |              |                     |              |
| Male                           | 1195         | 1195             | 100          | 1195               | 100          | NA                 | NA           | 1195               | 100          | Nil                 | NA           |
| Female                         | 81           | 81               | 100          | 81                 | 100          | 81                 | 100          | NA                 | NA           | Nil                 | NA           |
| Total                          | 1276         | 1276             | 100          | 1276               | 100          | 81                 | 6.4          | 1195               | 93.6         | Nil                 | NA           |
| Other than Permanent employees |              |                  |              |                    |              |                    |              |                    |              |                     |              |
| Male                           | 35           | 35               | 100          | Nil                | NA           | NA                 | NA           | 35                 | 100          | Nil                 | NA           |
| Female                         | 1            | 1                | 100          | Nil                | NA           | 1                  | 100          | NA                 | NA           | Nil                 | NA           |
| Total                          | 36           | 36               | 100          | Nil                | NA           | 1                  | 2.8          | 35                 | 97.2         | Nil                 | NA           |

## 1. b. Details of measures for the well-being of workers:

| % of employees covered by      |           |                  |           |                    |           |                    |           |                    |           |                     |           |
|--------------------------------|-----------|------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
| Category                       | Total (A) | Health insurance |           | Accident insurance |           | Maternity benefits |           | Paternity Benefits |           | Day Care facilities |           |
|                                |           | No. (B)          | % (B / A) | No. C              | % (C / A) | No. (D)            | % (D / A) | No.(E)             | % (E / A) | No. (F)             | % (F / A) |
| Permanent employees            |           |                  |           |                    |           |                    |           |                    |           |                     |           |
| Male                           | 747       | 747              | 100       | 747                | 100       | NA                 | NA        | 747                | 100       | Nil                 | NA        |
| Female                         | 0         | 0                | 0         | 0                  | 0         | 0                  | 0         | NA                 | NA        | Nil                 | NA        |
| Total                          | 747       | 747              | 100       | 747                | 100       | 0                  | 0         | 747                | 100       | Nil                 | NA        |
| Other than Permanent employees |           |                  |           |                    |           |                    |           |                    |           |                     |           |
| Male                           | 3161      | 3161             | 100       | Nil                | NA        | NA                 | NA        | 3161               | 100       | Nil                 | NA        |
| Female                         | 153       | 153              | 100       | Nil                | NA        | 153                | 100       | NA                 | NA        | Nil                 | NA        |
| Total                          | 3314      | 3314             | 100       | Nil                | NA        | 153                | 4.6       | 3161               | 95.4      | Nil                 | NA        |

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2021-22   |  |  | FY 2020-21   |  |  |
|----------|--|--|--|--|--|--|
|          | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF       | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| Gratuity | 100%   | Nil  | NA   | 100%   | Nil  | NA   |
| ESI      | 77.2%  | 100%   | Y  | 80.1%  | 100%   | Y  |

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, equal opportunity is covered under COBEC document. However COBEC is an internal document of the Company.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees |                | Permanent workers   |                |
|--------|---------------------|----------------|---------------------|----------------|
|        | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male   | 100%                | 100%           | NA                  | NA             |
| Female | 100%                | 100%           | NA                  | NA             |
| Total  | 100%                | 100%           | NA                  | NA             |

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

|                                | Yes/No (If Yes, then give details of the mechanism in brief)   |
|--------------------------------|--|
| Permanent Workers              | Yes, Grievance Redressal is part of company's COBEC which is applicable to employees, suppliers, business partners, etc. The COBEC details out procedures for reporting a concern, escalation matrix, procedures for protection against retaliation, procedures of handling frivolous complains and disciplinary action. |
| Other than Permanent Workers   |  |
| Permanent Employees            |  |
| Other than Permanent Employees |  |

## 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Nil. None of our employees are members to any recognized association or trade unions.

## 8. Details of training given to employees and workers:

| Category                     | FY 2021-22^ |                               |           |                      |           | FY 2020-21*^ |                               |           |                      |           |
|------------------------------|-------------|-------------------------------|-----------|----------------------|-----------|--------------|-------------------------------|-----------|----------------------|-----------|
|                              | Total (A)   | On Health and safety measures |           | On Skill upgradation |           | Total (D)    | On Health and safety measures |           | On Skill upgradation |           |
|                              |             | No. (B)                       | % (B / A) | No (C)               | % (C / A) |              | No. (E)                       | % (E / D) | No. (F)              | % (F / D) |
| Permanent Employees          |             |                               |           |                      |           |              |                               |           |                      |           |
| Male                         | 1195        | 1195                          | 100       | 1088                 | 91.0      | -            | -                             | -         | -                    | -         |
| Female                       | 81          | 81                            | 100       | 12                   | 14.8      | -            | -                             | -         | -                    | -         |
| Total                        | 1276        | 1276                          | 100       | 1100                 | 86.2      | -            | -                             | -         | -                    | -         |
| Permanent Workers            |             |                               |           |                      |           |              |                               |           |                      |           |
| Male                         | 747         | 207                           | 27.7      | 379                  | 50.7      | -            | -                             | -         | -                    | -         |
| Female                       | 0           | 0                             | 0         | 0                    | 0         | -            | -                             | -         | -                    | -         |
| Total                        | 747         | 207                           | 27.7      | 379                  | 50.7      | -            | -                             | -         | -                    | -         |
| Other than Permanent Workers |             |                               |           |                      |           |              |                               |           |                      |           |
| Male                         | 3161        | 1083                          | 34.3      | 0                    | 0         | -            | -                             | -         | -                    | -         |
| Female                       | 153         | 96                            | 62.7      | 0                    | 0         | -            | -                             | -         | -                    | -         |
| Total                        | 3314        | 1179                          | 35.6      | 0                    | 0         | -            | -                             | -         | -                    | -         |

\* This data for FY2020-21 has not been monitored;

^This does not cover "Other than Permanent Employees" data.

## 9. Details of performance and career development reviews of employees and worker:

| Category         | FY 2021-22 |         |          | FY 2020-21 |         |          |
|------------------|------------|---------|----------|------------|---------|----------|
|                  | Total (A)  | No. (B) | %(B / A) | Total (C)  | No. (D) | %(D / C) |
| <b>Employees</b> |            |         |          |            |         |          |
| Male             | 1195       | 1195    | 100      | 1058       | 1058    | 100      |
| Female           | 81         | 81      | 100      | 76         | 76      | 100      |
| Total            | 1276       | 1276    | 100      | 1134       | 1134    | 100      |
| <b>Workers</b>   |            |         |          |            |         |          |
| Male             | Nil        | Nil     | Nil      | Nil        | Nil     | Nil      |
| Female           | Nil        | Nil     | Nil      | Nil        | Nil     | Nil      |
| Total            | Nil        | Nil     | Nil      | Nil        | Nil     | Nil      |

The above data is with respect to permanent employees and permanent workers

## 10. Health and safety management system:

## a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the company has implemented ISO 45001 Occupational Health & Safety Management System for its manufacturing facilities with 100% coverage of operations.

## b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment and Incident Management System are in place to identify work-related hazards and assess risks on routine and non-routine basis.

## c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

## d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.



**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number  | Category  | FY 2021-22 | FY 2020-21 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0          | 6.3        |
|   | Workers   | 0          | 0          |
| Total recordable work-related injuries  | Employees | 0          | 1          |
|   | Workers   | 0          | 0          |
| No. of fatalities   | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Following measures are undertaken by the company during the reporting year

- Hazard Identification and Risk Assessment of all processes and machinery
- Machine Guarding, Sensors, Workplace Safety Trainings, Personal Protective Equipment Provision
- Provision of reporting of Unsafe Conditions and Unsafe Acts
- Safety Committee Meetings
- Permit to Work system
- Health Check-up
- First aid, fire fighting system, OHC and ambulance provision
- Safety mock drills and emergency evacuation trainings

**13. Number of Complaints on the following made by employees and workers:**

|                    | FY 2021-22            |                                       |         | FY 2020-21            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0                     | 0                                     | Nil     | 0                     | 0                                     | Nil     |
| Health & Safety    | 36                    | 2                                     | Nil     | 24                    | 0                                     | Nil     |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100%*   |
| Working Conditions          | 100%  |

\*Both the plants are periodically assessed in accordance with ISO 14001 and 45001. No major observations/ non-compliances reported in the respective audits.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Though there were no major observations highlighted during ISO audits, however on proactive basis following measures were implemented during the reporting year

- Machine Guarding strengthening at Impregnators-Dryers
- Trolley design improvement
- Safety Shoes provision for maintenance workmen
- Mandatory PPE display at workplace
- Operating control location shifting for daylight in Press Assembly

**Leadership Indicators****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

Yes, the company provides Future Service Gratuity (FSG) to all employees in event of death.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Periodic inspections are performed at the value chain partners to ensure that statutory dues are deducted and deposited as per due dates. For the contractors, plant HR teams conducts regular audits to ensure that all contractual employees are paid their statutory dues as per statutory timelines.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

|           | Total no. of affected employees/ workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-----------|--|------------|---|------------|
|           | FY 2021-22                               | FY 2020-21 | FY 2021-22  | FY 2020-21 |
| Employees | Nil                                      | Nil        | Nil   | Nil        |
| Workers   | Nil                                      | Nil        | Nil   | Nil        |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

**5. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | Nil   |
| Working Conditions          | Nil   |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Nil

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

Greenlam has undertaken detailed stakeholder engagement through an external agency. A detailed stakeholder identification process followed by stakeholder interactions was conducted. This process has helped Greenlam to identify stakeholder that:

- Are directly or indirectly dependent on Greenlam's products or services and associated performance
- Can influence or have impact on Greenlam's strategic or operational decision-making

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement                       |
|-------------------|--|---|---|---|
| Customer          | No   | Emails, SMS, Pamphlets, Advertisement, Website, Meetings  | Regularly   | Offers, product promotion, customer service, queries & feedback   |
| Regulators        | No   | Email, Website  | Regularly   | Regulatory Compliances  |
| Employees         | No   | Email, Notice Board, Website  | Regularly   | Trainings, Learning & Development, Career Development and Performance Review, Health and Safety, Employee Recognition |
| Suppliers         | No   | Email, SMS  | Regularly   | Procurement   |
| Investors         | No   | Email, SMS, Meetings, Website   | Regularly   | Business and Financial Updates  |

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category             | FY 2021-22 |                                     |           | FY 2020-21 |                                     |           |
|----------------------|------------|-------------------------------------|-----------|------------|-------------------------------------|-----------|
|                      | Total (A)  | No. of employee/workers covered (B) | % (B / A) | Total (C)  | No. of employee/workers covered (B) | % (D / C) |
| <b>Employees</b>     |            |                                     |           |            |                                     |           |
| Permanent            | 1276       | 135                                 | 10.6%     | 1134       | 112                                 | 9.9%      |
| Other than permanent | 36         | 0                                   | 0%        | 35         | 0                                   | 0         |
| Total Employees      | 1312       | 135                                 | 10.3%     | 1169       | 112                                 | 9.6%      |
| <b>Workers</b>       |            |                                     |           |            |                                     |           |
| Permanent            | 747        | 208                                 | 27.8%     | 766        | 190                                 | 24.8%     |
| Other than permanent | 3314       | 625                                 | 18.9%     | 2989       | 310                                 | 10.4%     |
| Total Workers        | 4061       | 833                                 | 20.5%     | 3755       | 500                                 | 13.3%     |

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category             | FY 2021-22 |                       |           |                        |           | FY 2020-21* |                       |           |                        |           |
|----------------------|------------|-----------------------|-----------|------------------------|-----------|-------------|-----------------------|-----------|------------------------|-----------|
|                      | Total (A)  | Equal to Minimum Wage |           | More than Minimum Wage |           | Total (D)   | Equal to Minimum Wage |           | More than Minimum Wage |           |
|                      |            | No. (B)               | % (B / A) | No (C)                 | % (C / A) |             | No. (E)               | % (E / D) | No. (F)                | % (F / D) |
| Employees            |            |                       |           |                        |           |             |                       |           |                        |           |
| Permanent            |            |                       |           |                        |           |             |                       |           |                        |           |
| Male                 | 1195       | NIL                   | -         | 1195                   | 100       | 1058        | NIL                   | -         | 1058                   | 100       |
| Female               | 81         | NIL                   | -         | 81                     | 100       | 76          | NIL                   | -         | 76                     | 100       |
| Other than Permanent |            |                       |           |                        |           |             |                       |           |                        |           |
| Male                 | 35         | NIL                   | -         | 35                     | 100       | 35          | NIL                   | -         | 35                     | 100       |
| Female               | 1          | NIL                   | -         | 1                      | 100       | 0           | NIL                   | -         | 0                      | 100       |
| Workers              |            |                       |           |                        |           |             |                       |           |                        |           |
| Permanent            |            |                       |           |                        |           |             |                       |           |                        |           |
| Male                 | 747        | NIL                   | -         | 747                    | 100       | 766         | NIL                   | -         | 766                    | 100       |
| Female               | 0          | NIL                   | -         | 0                      | 100       | 0           | NIL                   | -         | 0                      | 100       |
| Other than Permanent |            |                       |           |                        |           |             |                       |           |                        |           |
| Male                 | 3161       | NIL                   | -         | 3161                   | 100       | 2829        | NIL                   | -         | 2829                   | 100       |
| Female               | 153        | NIL                   | -         | 153                    | 100       | 160         | NIL                   | -         | 160                    | 100       |

**3. Details of remuneration/salary/wages, in the following format:**

| Gender                            | Male   |   | Female |   |
|-----------------------------------|--------|---|--------|---|
|                                   | Number | Median remuneration/salary/ wages of respective category ₹ in lac | Number | Median remuneration/salary/ wages of respective category ₹ in lac |
| Board of Directors (BoD)          | 5      | 26.2  | 2      | 193.6   |
| Key Managerial Personnel          | 2      | 90.8  | Nil    | N.A   |
| Employees other than BoD and KMP* | 1195   | 5.7   | 81     | 7.0   |
| Workers*                          | 747    | 1.9   | -      | -   |

\*The table shows data with respect to Permanent Employees and Workers only

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The company has vigil mechanism policy and anti-sexual harassment policy. In addition, the company's COBEC defines criteria for grievance redressal against violation of COBEC norms and is applicable to all employees and other value chain partners.

**6. Number of Complaints on the following made by employees and workers:**

| Complaints                  | FY 2021-22            |                                       |         | FY 2020-21            |                                       |         |
|-----------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                             | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment           | Nil                   | NA                                    |         | Nil                   | NA                                    |         |
| Discrimination at workplace | Nil                   | NA                                    |         | Nil                   | NA                                    |         |
| Child Labour                | Nil                   | NA                                    |         | Nil                   | NA                                    |         |

| Complaints                        | FY 2021-22            |                                       |         | FY 2020-21            |                                       |         |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                   | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Forced Labour/Involuntary Labour  | Nil                   | NA                                    |         | Nil                   | NA                                    |         |
| Wages                             | Nil                   | NA                                    |         | Nil                   | NA                                    |         |
| Other Human Rights related issues | Nil                   | NA                                    |         | Nil                   | NA                                    |         |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Our COBEC outlines strict policy towards non-retaliation for the people who report a concern. Anyone who is found to be involved in retaliation or in targeting a person for reporting a misconduct or violation is subjected to strict disciplinary actions. All complaints of retaliation are reported to the Ethics Committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

| Complaints                  | % of your plants and offices that were assessed (by entity or statutory authorities or third parties)    |
|-----------------------------|--|
| Child labour                |  |
| Forced/involuntary labour   | Our Nalagarh, Himachal Pradesh plant is covered under annual SEDEX audit which covers all these aspects. |
| Sexual harassment           |  |
| Discrimination at workplace | However, for Behror, Rajasthan plant no such assessment have been conducted                              |
| Wages                       |  |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

None

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

| Essential Indicators   |                      |                     |
|--|----------------------|---------------------|
| 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: |                      |                     |
| Parameter  | FY 2021-22           | FY 2020-21          |
| Total electricity consumption <sup>1</sup> (A)   | 98673109 MJ          | 79346891 MJ         |
| Total fuel consumption <sup>2</sup> (B)  | 909866737 MJ         | 569965067 MJ        |
| Energy consumption through other sources <sup>3</sup> (C)  | 3210815 MJ           | 3406320 MJ          |
| <b>Total energy consumption (A+B+C)</b>  | <b>1011750661 MJ</b> | <b>652718278 MJ</b> |
| Energy intensity per rupee of turnover ( <i>Total energy consumption/ turnover in rupees</i> ) (MJ/Re)         | 0.065                | 0.058               |

<sup>1</sup> This includes electricity consumed from state power grid

<sup>2</sup> This includes energy produced from non-renewable fuel including HSD, husk, coal and petcoke

<sup>3</sup> Other sources include energy consumed from renewable sources i.e. solar electricity

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

| Parameter  | FY 2021-22    | FY 2020-21    |
|--|---------------|---------------|
| <b>Water withdrawal by source (in kiloliters)</b>  |               |               |
| (i) Surface water  | 0             | 0             |
| (ii) Groundwater   | 217372        | 378247        |
| (iii) Third party water  | 0             | 0             |
| (iv) Seawater / desalinated water  | 0             | 0             |
| (v) Others   | 0             | 0             |
| <b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>            | <b>217372</b> | <b>378247</b> |
| <b>Total volume of water consumption (in kiloliters)</b>                                   | <b>217372</b> | <b>378247</b> |
| <b>Water intensity per rupee of turnover (<i>Water consumed / turnover</i>) (Litre/Re)</b> | <b>0.014</b>  | <b>0.034</b>  |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. All Greenlam facilities are equipped with Effluent Treatment Plant (ETP) consisting of primary and secondary treatment. The treated wastewater is utilized primarily for gardening purposes. In addition to that, Reaction kettle distillates and wash waters are evaporated. The ETP sludge generated goes to authorized hazardous waste vendor for further disposal to landfill.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter                                     | Please specify unit | FY 2021-22 | FY 2020-21 |
|---|---------------------|------------|------------|
| NOx   | Mg/Nm3              | 286.1      | 326.7      |
| SOx   | Mg/Nm3              | 12.8       | 15.6       |
| Particulate matter (PM)s                      | Mg/Nm3              | 57.1       | 146.7      |
| Persistent organic pollutants (POP)           |                     | NA         | NA         |
| Volatile organic compounds (VOC) <sup>4</sup> |                     | NA         | NA         |
| Hazardous air pollutants (HAP)                |                     | NA         | NA         |
| Others - Carbon Mono Oxide                    | Mg/Nm3              | 95.7       | 99.8       |

<sup>4</sup>VOC monitoring will be initiated from next financial year

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, by Universal Analytical Labs

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

The organization will undertake GHG inventorization exercise for Scope 1 and Scope 2 categories in upcoming years.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Not applicable

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

No



**8. Provide details related to waste management by the entity, in the following format:**

| Parameter   | FY 2021-22    | FY 2020-21    |
|---|---------------|---------------|
| <b>Total Waste generated (in metric tonnes)</b>   |               |               |
| Plastic waste (A)   | 518           | 451.1         |
| E-waste (B)   | 0.96          | 0             |
| Bio-medical waste (C)   | 0.03          | 0.07          |
| Construction and demolition waste (D)   | 0             | 0             |
| Battery Waste (E)   | 0.08          | 0.12          |
| Radioactive waste (F)   | 0             | 0             |
| Other Hazardous waste. Please specify, if any. (G)  | 9.5           | 14.9          |
| Other Non-hazardous waste generated (H). Please specify, if any (Break-up by composition i.e. by materials relevant to the sector) <sup>5</sup> | 2595.0        | 1660.0        |
| <b>Total (A+B + C + D + E + F + G + H)</b>  | <b>3123.6</b> | <b>2126.2</b> |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>  |               |               |
| <b>Category of waste</b>  |               |               |
| (i) Recycled  |               |               |
| (ii) Re-used (used oil)   | 5.8           | 2.8           |
| (iii) Other recovery operations   |               |               |
| <b>Total</b>  | <b>5.8</b>    | <b>2.8</b>    |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                               |               |               |
| <b>Category of waste</b>  |               |               |
| (i) Incineration  | 0.03          | 0.07          |
| (ii) Landfilling  | 6.7           | 13.7          |
| (iii) Other disposal operations   | 3111.1        | 2109.6        |
| <b>Total</b>  | <b>3123.6</b> | <b>2126.2</b> |

<sup>5</sup> Other Non hazardous waste include paper scrap, packing waste, wooden scrap and metal waste

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

As part of Integrated Management System, waste management procedures are adopted for handling and disposal of hazardous and other waste, biomedical waste, e-waste, battery waste, solid waste and plastic waste with clear roles, responsibilities and accountabilities defined. The company has identified various categories of waste generated in different processes and laid down procedures of handling of waste as part of waste management system. Waste monitoring and management objectives are reviewed on yearly basis. Future actions are planned based on the previous practices and the findings.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S. No. | Location of operations offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|---|
|--------|--------------------------------|--------------------|---|

Not applicable as none of company's operations are in/around ecological sensitive areas.

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project   | EIA Notification No.  | Date      | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link                               |
|---|---|-----------|---|--|---|
| Environmental clearance. for proposed capacity expansion of Phenol Formaldehyde Resin and Melamine Formaldehyde Resin at Behror, Rajasthan (Proposal No.-53767) | F1(4)/SEIAA/ SEAC-Raj/ Sectt/Project/ Cat. 5(f)B2 (17017)/2019-20 | 9/11/2021 | Yes   | Yes  | Please refer below for the weblink <sup>6</sup> |

<sup>6</sup><http://www.environmentclearance.nic.in/DownloadPfdFile.aspx?FileName=cjMkF4k1XzV/Xf8QdHJR6/njfcgi6c/c3hOOV+QmcQBE/YfaT4U1jLABMMZN9xBYDYzgFW9qFBxOJFh1n/6YmnWupLpUZk1iSGJt+nHpf8Y=&FilePath=93ZZBm8LWEXfg+HAIQix2fE2t8z/pgnoBhDIYdZCzxUIDadBGU7t8v4JoQvNU6UBISmLOYQ7WQYaxkvIQvexKQ==>

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| S. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken if any |
|--------|---|---------------------------------------|---|--------------------------------|
|--------|---|---------------------------------------|---|--------------------------------|

Yes, the company is compliant with all applicable environmental law/ regulations/ guidelines of India as of March 31, 2022

**Leadership Indicators****1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

| Parameter   | FY 2021-22          | FY 2020-21          |
|---|---------------------|---------------------|
| <b>From renewable sources</b>                                   |                     |                     |
| Total electricity consumption (A)                               | -                   | -                   |
| Total fuel consumption <sup>7</sup> (B)                         | 239781658 MJ        | 227087541 MJ        |
| Energy consumption through other sources <sup>8</sup> (C)       | 3210815 MJ          | 3406320 MJ          |
| <b>Total energy consumed from renewable sources (A+B+C)</b>     | <b>242992473 MJ</b> | <b>230493861 MJ</b> |
| <b>From non-renewable sources</b>                               |                     |                     |
| Total electricity consumption <sup>9</sup> (D)                  | 98673109 MJ         | 79346891 MJ         |
| Total fuel consumption <sup>10</sup> (E)                        | 670085079 MJ        | 342877526 MJ        |
| Energy consumption through other sources (F)                    | -                   | -                   |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b> | <b>768758188 MJ</b> | <b>422224417 MJ</b> |

<sup>7</sup>This includes energy produced from husk

<sup>8</sup>This includes electricity produced from renewable sources i.e. solar power

<sup>9</sup> This includes energy from state power grid

<sup>10</sup> This includes HSD, coal and petcoke

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**

No

**2. Provide the following details related to water discharged:**

| Parameter  | FY 2021-22 | FY 2020-21 |
|--|------------|------------|
| <b>Water discharge by destination and level of treatment (in kilolitres) –</b> |            |            |
| (i) To Surface water   | Nil        | Nil        |
| - No treatment   |            |            |
| - With treatment – please specify level of treatment                           |            |            |
| (ii) To Groundwater  | Nil        | Nil        |
| - No treatment   |            |            |
| - With treatment – please specify level of treatment                           |            |            |
| (iii) To Seawater  | Nil        | Nil        |
| - No treatment   |            |            |
| - With treatment – please specify level of treatment                           |            |            |
| (iv) Sent to third-parties   | Nil        | Nil        |
| - No treatment   |            |            |
| - With treatment – please specify level of treatment                           |            |            |
| (v) Others   | Nil        | Nil        |
| - No treatment   |            |            |
| - With treatment – please specify level of treatment                           |            |            |
| <b>Total water discharged (in kilolitres)</b>                                  | <b>Nil</b> | <b>Nil</b> |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- a. Name of the area:** Behror, Rajasthan
- b. Nature of operations:** Manufacturing of Laminates, Decorative Veneers, Engineered Wooden Flooring, Engineered Doors & Frames and Prelaminated Particle Boards

**c. Water withdrawal, consumption and discharge in the following format:**

| Parameter  | FY 2021-22    | FY 2020-21    |
|--|---------------|---------------|
| <b>Water withdrawal by source (in kilolitres) -</b>                                    |               |               |
| (i) Surface water  | -             | -             |
| (ii) Groundwater   | 137483        | 320895        |
| (iii) Third party water  | -             | -             |
| (iv) Seawater / desalinated water  | -             | -             |
| (v) Others   | -             | -             |
| <b>Total volume of water withdrawal (in kilolitres)</b>                                | <b>137483</b> | <b>320895</b> |
| <b>Total volume of water consumption (in kilolitres)</b>                               | <b>137483</b> | <b>320895</b> |
| <b>Water intensity per rupee of turnover</b><br>(Water consumed / turnover) (Litre/Re) | 0.009         | 0.027         |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Not Available. Currently Greenlam has not conducted Scope 3 GHG emissions Study.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| S. No. | Initiative undertaken           | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative                             |
|--------|---------------------------------|--|---|
|        | Recycling of used Hydraulic Oil | Inhouse used hydraulic oil filtering units                                       | 5.8MT of oil is reused and saved from fresh purchases |

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

No

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

Company has not undertaken any formal study to measure the negative environmental impact from its value chain.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

None

**PRINCIPLE 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**Essential Indicators****1. a. Number of affiliations with trade and industry chambers/ associations.**

Greenlam Industries Limited has affiliations with 3 industry chambers/associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1      | Indian Laminate Manufacturers Association             | National  |
| 2      | The Plastics Export Promotion Council                 | National  |
| 3      | The Federation of Indian Export Organizations         | National  |

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| Nil               |                   |                         |

| Leadership Indicators  |  |   |  |   |                        |
|--|--|---|--|---|------------------------|
| 1. Details of public policy positions advocated by the entity: |  |   |  |   |                        |
| S. No.   | Public policy advocated                | Method resorted for such advocacy   | Whether information available in public domain? (Yes/No) | Frequency of review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
| 1  | PLI Scheme for High Pressure Laminates | Greenlam has made a representation to the Government of India through Indian Laminate Manufacturers Association (ILMA) for extending PLI scheme to the laminate industry. Greenlam believes that this will further encourage investment-led growth in this sector | No   | As required   | NA                     |

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

| Essential Indicators   |  |                      |   |  |                          |   |
|--|--|----------------------|---|--|--------------------------|---|
| 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.                                      |  |                      |   |  |                          |   |
| Name and brief details of project  | SIA Notification No.                     | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link        |   |
| Not applicable   |  |                      |   |  |                          |   |
| 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:                        |  |                      |   |  |                          |   |
| S. No.   | Name of Project for which R&R is ongoing | State                | District  | No. of Project Affected Families (PAFs)          | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
| Not applicable   |  |                      |   |  |                          |   |
| 3. Describe the mechanisms to receive and redress grievances of the community.   |  |                      |   |  |                          |   |
| Currently the company does not have a structured mechanism to receive and redress grievances of the community.   |  |                      |   |  |                          |   |
| 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:  |  |                      |   |  |                          |   |
| Parameter  |  |                      |   | FY 2021-22                                       | FY 2020-21               |   |
| Directly sourced from MSMEs  |  |                      |   | 11.9%  | 8.4%                     |   |
| Sourced directly from within the district and neighboring districts <sup>11</sup>  |  |                      |   | Nil  | Nil                      |   |
| <sup>11</sup> Greenlam has its operations spread all across India and does not differentiate sourcing from within or outside a particular area/district/locality of the country. |  |                      |   |  |                          |   |
| Leadership Indicators  |  |                      |   |  |                          |   |
| 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):   |  |                      |   |  |                          |   |
| Details of negative social impact identified   |  |                      |   | Corrective action taken                          |                          |   |
| Not applicable   |  |                      |   |  |                          |   |

| 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:                          |  |  |  |
|--|--|--|--|
| Not Applicable as Greenlam undertakes its CSR activities within the proximity of it's manufacturing facilities.  |  |  |  |
| 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)                   |  |  |  |
| No   |  |  |  |
| (b) From which marginalized /vulnerable groups do you procure?   |  |  |  |
| Not Applicable   |  |  |  |
| (c) What percentage of total procurement (by value) does it constitute?  |  |  |  |
| Not Applicable   |  |  |  |
| 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: |  |  |  |
| S. No.   | Intellectual Property based on traditional knowledge   | Owned/ Acquired (Yes/ No)  | Basis of calculating benefit share                                       |
| Not applicable   |  |  |  |
| 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.     |  |  |  |
| Name of authority  |  | Brief of the Case  | Corrective action taken  |
| Not applicable   |  |  |  |
| 6. Details of beneficiaries of CSR Projects:   |  |  |  |
| S. No.   | CSR Project  | No. of persons benefitted from CSR Projects  | % of beneficiaries from vulnerable and marginalized groups <sup>12</sup> |
| 1  | Pratham Education Foundation at Behror, Rajasthan and Nalagarh, Himachal Pradesh<br>- Improving learning outcomes in Pre Primary and Primary Education in 15 villages in Behror and 10 villages in Nalagarh  | Direct Beneficiaries - 2548<br>Indirect Beneficiaries - 2110 (788 mothers, 1178 community members, 144 volunteers) |  |
| 2  | Mamta Health Institute for Mother and Child at Behror, Rajasthan and Nalagarh, Himachal Pradesh<br>- Improving maternal and child healthcare through awareness sessions and community activities in 34 villages in Behror and 9 villages in Nalagarh | Direct Beneficiaries - 10536   |  |
| 3  | Sehgal Foundation at Behror, Rajasthan and Nalagarh, Himachal Pradesh<br>- Ensuring integrated village development through working on water, agriculture, health and hygiene in a phase wise approach  | Direct Beneficiaries – 2000  |  |
| 4  | Udayan Care at Ghaziabad<br>- Catering to the needs of distressed girl children by providing them access to care workers, counselors, tutors and mentor mothers  | Direct Beneficiaries – 21  |  |
| 5  | Mitrajyothi covering pan India<br>- Providing assistance to the visually impaired through production and distribution of educational materials   | Direct Beneficiaries - 1490<br>Indirect Beneficiaries – 5960   |  |

<sup>12</sup>Currently the company is not tracking impact of its CSR activities on vulnerable and marginalized groups



PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

| Essential Indicators  |                          |                                   |   |                                    |                                   |         |
|---|--------------------------|-----------------------------------|---|------------------------------------|-----------------------------------|---------|
| 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.   |                          |                                   |   |                                    |                                   |         |
| Greenlam has provision of registering complaints / feedback from customers related to its products. The company has created a "Contact Us" tab on its website ( <a href="https://www.greenlamindustries.com/contact-us.html">https://www.greenlamindustries.com/contact-us.html</a> ) wherein customers can submit their queries, complaints and/ or suggestions on different product categories. Greenlam tracks and monitors all the customer submissions on regular basis. |                          |                                   |   |                                    |                                   |         |
| 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:   |                          |                                   |   |                                    |                                   |         |
|   |                          |                                   | As a percentage to total turnover   |                                    |                                   |         |
| Environmental and social parameters relevant to the product   |                          |                                   | Safety Data Sheet for high pressure laminate and allied segment is provided with the products and available on company website. This comprises 90% of the total turnover of the company |                                    |                                   |         |
| Safe and responsible usage  |                          |                                   |   |                                    |                                   |         |
| Recycling and/or safe disposal  |                          |                                   |   |                                    |                                   |         |
| 3. Number of consumer complaints in respect of the following:   |                          |                                   |   |                                    |                                   |         |
|   | FY 2021-22               |                                   | Remarks   | FY 2020-21                         |                                   | Remarks |
|   | Received during the year | Pending resolution at end of year |   | Received during the year           | Pending resolution at end of year |         |
| Data privacy  | Nil                      | -                                 |   | Nil                                | -                                 |         |
| Advertising   | 2                        | Nil                               |   | 3                                  | Nil                               |         |
| Cyber-security  | Nil                      | -                                 |   | Nil                                | -                                 |         |
| Delivery of essential services  | NA                       | -                                 |   | NA                                 |                                   |         |
| Restrictive Trade Practices   | Nil                      | -                                 |   | Nil                                | -                                 |         |
| Unfair Trade Practices  | Nil                      | -                                 |   | Nil                                | -                                 |         |
| Other   | NIL                      | -                                 |   | NIL                                | -                                 |         |
| 4. Details of instances of product recalls on account of safety issues:   |                          |                                   |   |                                    |                                   |         |
| Intellectual Property based on traditional knowledge  |                          | Owned/ Acquired (Yes/No)          |   | Basis of calculating benefit share |                                   |         |
| Voluntary recalls   |                          | Not Applicable                    |   |                                    |                                   |         |
| Forced recalls  |                          |                                   |   |                                    |                                   |         |
| 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.  |                          |                                   |   |                                    |                                   |         |
| Yes. The company has in place framework on Information Security.  |                          |                                   |   |                                    |                                   |         |
| 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.   |                          |                                   |   |                                    |                                   |         |
| With respect to complaints received against advertisements run by the Company, the Company either corrected or withdrew the same wherever necessary.  |                          |                                   |   |                                    |                                   |         |

| Leadership Indicators   |  |
|---|--|
| 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  | Details of all our products and services are available on our website: <a href="https://www.greenlamindustries.com/">https://www.greenlamindustries.com/</a>   |
| 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.   | <p>The company has obtained certification for 'Greenguard' and 'Greenlabel' among other for its products. The Certification Labels are displayed on the products for consumers to make informed decision. The company products are compliant to all the expected standards of VOCs, formalin, and other allied chemical constituents' emissions, The company also discloses this information in its corporate website. Additionally, customers are also provided with Safety Data Sheet to help them for safe handling and disposal of the products. This document is also available on company website at the link below</p> <p><a href="https://www.greenlam.com/india/media/pdf/Safety%20Data%20Sheet%20%E2%80%93%20Laminates%20and%20Compacts.pdf">https://www.greenlam.com/india/media/pdf/Safety%20Data%20Sheet%20%E2%80%93%20Laminates%20and%20Compacts.pdf</a></p> |
| 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.   | Our products do not qualify as essential services, however, whenever necessary, information about disruption is shared through e-mail / call / visit in person.  |
| 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.  | Yes, 'Greenguard' and FSC® logos are displayed on applicable the high pressure laminates. In addition to that, BIS logo is also provided on applicable product categories. We also highlight that some of our products have anti-bacterial and anti-virus properties.  |
| 5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) | No.  |
| 6. Provide the following information relating to data breaches:   |  |
| a. Number of instances of data breaches along-with impact.  | None   |
| b. Percentage of data breaches involving personally identifiable information of customers.  | None   |

# Independent Auditors’ Report

To  
the Members of  
**Greenlam Industries Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Standalone Ind AS financial statements of Greenlam Industries Limited (“the Company”), which comprise the Balance sheet as at March 31, 2022, and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 (“The act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2022, and the profit, and the total 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note No. 48 to the financial Statements which describes significant uncertainties due to the outbreak of COVID-19 pandemic on the Company’s operations and results as assessed by the management.

Our opinion is not modified in respect of this matter.

**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.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key Audit Matter   | Auditor’s Response  |
|--|---|
| <b>Recognition of Revenue</b><br><br>The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.<br><br>For the year ended March 31, 2022, the Company’s Statement of Profit & Loss included Sales of ₹151924.11 Lakhs. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control.<br><br>The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.<br><br>Refer to accounting policies Note I.09 and Note No. 24 of the standalone Financial Statements. | <b>Principal Audit Procedures</b> <ul style="list-style-type: none"><li>▪ We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.</li><li>▪ Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li><li>▪ We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.</li><li>▪ We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements.</li><li>▪ In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.</li><li>▪ We validated the appropriateness and completeness of the related disclosures in Note No. 24 of the Standalone financial statements.</li></ul> |

**Information Other than the Standalone Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in Company’s annual report particularly with respect to the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business responsibility report and Corporate Governance report, but does not include the financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report.

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 during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements.**

The Company’s Board of Directors is 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 financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company

and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 financial 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 system 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 in terms of Section 143 (11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and Statement of Change in Equity 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 Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of sub-section 2 of section 164 of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) In our opinion, and to the best of our information and according to the information given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no 35 to the financial statements).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are



material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note No 44 to the standalone financial statements

- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) 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 amount of dividend proposed is in accordance with section 123of the Act, as applicable.

**For S S KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**  
Partner  
Membership Number: 094380  
UDIN: 22094380ALINDZ7976  
Place: New Delhi  
Date: May 30, 2022

“Annexure A” to the Independent Auditors’ Report

The Annexure **as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements** of our Independent Auditors’ Report to the members of **Greenlam Industries Limited** on the financial statements for the year ended March 31, 2022, we report that:

- i. In respect of the Company’s Property, Plant and Equipment (PPE) and Intangible:
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE & relevant details of right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b) According to the information and explanation provided to us, the Property, Plant & Equipment, and right to use assets have been physically verified by the management during the year, based on the regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.
- c) According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date except for the following property (Refer Note No. 1.3 to the Standalone Financial Statements)

(₹ in Lakhs)

| Description of Property | Gross Carrying Value as on March 31, 2022 | Held in the Name of                | Whether promoter, director or their relative or employee | Period held | Reason for not being held in name of Company   |
|-------------------------|---|------------------------------------|--|-------------|--|
| Building                | 286.98                                    | SDB Infrastructure Private Limited | No   | Since 2013  | The Company has obtained peaceful possession over the said property and taking necessary steps including discussion with the seller for transfer of the title deed to the Company. |

- d) According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. A) According to the information and explanations given to us and based on our examination of the records of the Company, the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and book records.
- B) According to the information and explanation given to us and based on our examination of records, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The returns/statement filed at end of the quarter with banks are in agreement with books of accounts of company.
- iii. In our opinion and according to the information and explanations given to us, during the year, the

- Company have made unsecured loans, provided guarantee and made investments as disclosed in note no 37.2, note no 35, and note no 4 of financial statements respectively. However, it has not provided security to companies, firms, Limited Liability Partnerships or any other parties.

a. In respect of loans and guarantee granted by the Company to its subsidiaries

(A) The aggregate amount of loan paid during the year amounted to Rs 3,411 lakhs and balance outstanding at the balance sheet date with respect to such loans to subsidiaries is nil.

The aggregate amount during the year and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries is Rs 3268.62 lakhs.

(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to loans and guarantee to parties other than subsidiaries, joint ventures and associates but being related party is nil.
- b. According to the information and explanation given to us and based on our examination of records, the Company has made investment and provided guarantee to its subsidiaries,, however investments so made and guarantees so provided are not prejudicial to the company's interest.
- c. According to the information and explanation given to us and based on our examination of records, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the company is regular in repayment of principal and interest as and when due
- d. According to the information and explanation given to us and based on our examination of records, no amount is overdue, for more than ninety days Accordingly, provisions of clauses 3 (iii) (d) of the Order is not applicable.
- e. According to the information and explanation given to us and based on our examination of records, in respect of loans granted by the Company to its related party, the amount of which has fallen due during the year, neither any amount has been renewed or extended nor any fresh loans granted to settle the amount of said
- loans. Further, there is no overdue amount on account of said loans. Accordingly, the clauses 3 (iii) (e) of the Order is not applicable.

f. According to the information and explanation given to us and based on our examination of records, 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. Accordingly, the clauses 3 (iii) (f) of the Order is not applicable

iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security provided.

v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.

vii. According to the information and explanations given to us and the records of the Company examined by us, in our opinion:

a) the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, Goods and Services Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other material statutory dues as applicable, with the appropriate authorities with slight delays. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

- b) there are no statutory dues referred to in clause 3 (vii) (a) above which have not been deposited on account of any dispute except for the following:

| Name of Statute                 | Nature of Dues                      | Amount (₹)    | Period to which the amount relates | Forum where the dispute is pending   |
|---------------------------------|-------------------------------------|---------------|------------------------------------|--|
| Himanchal Pradesh VAT Act, 2005 | ITC claimed on purchase of diesel   | 18.56 Lakhs   | FY 2010-2011                       | The Additional Excise and Taxation Commissioner Cum-Appellate Authority (South Zone) Shimla Himachal Pradesh |
| Service Tax                     | Service Tax on Ocean Freight        | 11.73 Lakhs   | Apr 16 to June 17                  | Commissioner Appeals Jaipur  |
| Income Tax Act, 1961            | Demand u/s 154                      | 4.84 Lakhs*   | FY 2013-14                         | CIT (A)  |
| Income Tax Act, 1961            | Certain allowances added back by AO | 652.83 Lakhs  | FY 2013-14                         | CIT(A)   |
| Income Tax Act, 1961            | TP Adjustment & Other disallowances | 206.29 Lakhs^ | FY 2016-17                         | CIT(A)   |
| Income Tax Act, 1961            | TP Adjustment & Other disallowances | 20.65 Lakhs   | FY 2014-15                         | ITAT   |
| Income Tax Act, 1961            | TP Adjustment & Other disallowances | 42.91 Lakhs   | FY 2015-16                         | CIT(A)   |
| Income Tax Act, 1961            | TP Adjustment & Other disallowances | 132.05 Lakhs  | FY 2017-18                         | CIT(A)   |

\* The amount mentioned excludes amount deposited under protest amounting to ₹ 0.60 lakhs

^ The amount mentioned excludes amount deposited under protest amounting to ₹ 52 lakhs

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, provisions of clause 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender. Accordingly, provisions of under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and the Company is not having associate or joint venture. Accordingly, provisions of clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries during the year and the Company is not having associate or joint venture. Accordingly, provisions of clause 3(ix)(f) of the Order is not applicable.

- (x) (a) According to the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, provisions of clause 3 (x)(a) of the order is not applicable.
- (b) According to the information and explanation given to us and based on our examination of records, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, provisions of clause 3 (x)(b) of the order is not applicable.
- (xi) (a) As per the information and explanation given to us and on the basis of our examination of the records, we have neither came across any instance of material fraud by the company or on the company or reported during the year, nor have been informed of such case by the management.
- (b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have been informed that there is no whistle blower complaint received by the Company during the year (and up to the date of this report). Accordingly, provisions of clause 3(xi) of the Order is not applicable.
- (xii) The company is not Nidhi Company. Accordingly, Clause (xii)(a), (xii)(b) and (xii)(c) of Para 3 of the order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the note no 37 of financial statements as required by the applicable Ind AS.
- (xiv) (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 (2 of 1934). Accordingly, the provisions of the clause 3(xvi)(a) of the Order are not applicable to the company.
- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3(xvi)(d) of the Order is not applicable.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3(xviii) of the Order is not applicable.
- (xix) 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 financial statements and 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 indicating 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) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, provisions of clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

#### For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm Registration Number: 000756N

#### NAVEEN AGGARWAL

Partner

Membership Number: 094380

UDIN: 22094380ALINDZ7976

Place: New Delhi

Date: May 30, 2022



**“Annexure B”** to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Greenlam Industries Limited.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’**

We have audited the internal financial controls with reference to financial statements reporting of **Greenlam Industries limited** (“the Company”) as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement 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 (ICAI). 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was 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 system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 auditor’s judgement, including the assessment of the risks of material misstatement of the 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 system with reference to financial statement.

**Meaning of Internal Financial Controls with reference to financial statement**

A Company’s internal financial control with reference to financial statement 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 control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statement**

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with

reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2022, based on the internal control with reference to financial statement criteria established by the Company considering the essential components

of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statement issued by the Institute of Chartered Accountants of India.

**For S S KOTHARI MEHTA & COMPANY**

Chartered Accountants  
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**

Partner  
Membership Number: 094380  
UDIN: 22094380ALINDZ7976  
Place: New Delhi  
Date: May 30, 2022

Balance Sheet as at 31 March, 2022

|   |         | ₹ in Lakhs       |                  |
|---|---------|------------------|------------------|
|   | NOTE    | 31st March, 2022 | 31st March, 2021 |
| <b>ASSETS :</b>   |         |                  |                  |
| <b>Non-current Assets</b>                                 |         |                  |                  |
| Property, Plant and Equipment                             | 1       | 38623.48         | 39090.98         |
| Capital Work-in-Progress                                  | 2       | 306.56           | 1633.61          |
| Other Intangible Assets                                   | 3       | 710.00           | 791.88           |
| Intangible Assets under Development                       | 2a      | 151.42           | 71.54            |
| <b>Financial Assets</b>                                   |         |                  |                  |
| Investments   | 4       | 13050.48         | 7057.00          |
| Trade Receivables   | 8a      | 108.53           | 78.21            |
| Loans   | 5       | -                | 25.00            |
| Other Non-current Assets                                  | 6       | 656.06           | 1278.59          |
| <b>Total Non-current assets</b>                           |         | <b>53606.53</b>  | <b>50026.81</b>  |
| <b>Current Assets</b>                                     |         |                  |                  |
| Inventories   | 7       | 44539.06         | 33093.85         |
| <b>Financial Assets</b>                                   |         |                  |                  |
| Investments   | 4a      | 15663.23         | 10639.72         |
| Trade Receivables   | 8       | 12410.69         | 13707.54         |
| Cash and Cash Equivalents                                 | 9       | 846.85           | 1079.80          |
| Bank Balances other than above                            | 9       | 7.56             | 9.06             |
| Loans   | 10      | 49.69            | 53.34            |
| Other Financial Assets                                    | 10a     | 73.21            | 14.49            |
| Current Tax Assets (Net)                                  | 11      | 500.94           | 185.51           |
| Other Current Assets                                      | 12      | 3224.03          | 2900.92          |
| <b>Total Current assets</b>                               |         | <b>77315.25</b>  | <b>61684.22</b>  |
| <b>Total Assets</b>                                       |         | <b>130921.78</b> | <b>111711.03</b> |
| <b>EQUITY AND LIABILITIES:</b>                            |         |                  |                  |
| <b>Equity:</b>  |         |                  |                  |
| Equity Share Capital                                      | 13      | 1206.82          | 1206.82          |
| Other Equity  | 14      | 61986.46         | 54633.30         |
| <b>Total Equity</b>                                       |         | <b>63193.28</b>  | <b>55840.12</b>  |
| <b>Liabilities:</b>                                       |         |                  |                  |
| <b>Non-current Liabilities :</b>                          |         |                  |                  |
| <b>Financial Liabilities</b>                              |         |                  |                  |
| Borrowings  | 15      | 15393.68         | 7991.15          |
| Lease Liabilities   | 16a     | 3510.13          | 4169.51          |
| Other Financial Liabilities                               | 16b     | 124.44           | 167.01           |
| Provisions  | 17      | 866.31           | 966.21           |
| Deferred Tax Liabilities (Net)                            | 18      | 1145.78          | 1482.50          |
| <b>Total Non-current liabilities</b>                      |         | <b>21040.35</b>  | <b>14776.38</b>  |
| <b>Current Liabilities</b>                                |         |                  |                  |
| <b>Financial Liabilities</b>                              |         |                  |                  |
| Borrowings  | 19      | 16909.48         | 14247.47         |
| Lease Liabilities   | 21a     | 1184.29          | 1078.15          |
| Trade Payables  | 20      |                  |                  |
| - Total O/s Dues of Micro and Small Enterprises           |         | 1226.96          | 900.03           |
| - Dues O/s Dues of Other than Micro and Small Enterprises |         | 22942.94         | 20583.16         |
| Other Financial Liabilities                               | 21b     | 1570.37          | 1484.66          |
| Other Current Liabilities                                 | 22      | 2553.65          | 2640.62          |
| Provisions  | 23      | 300.47           | 160.44           |
| <b>Total Current liabilities</b>                          |         | <b>46688.15</b>  | <b>41094.53</b>  |
| <b>Total Equity and Liabilities</b>                       |         | <b>130921.78</b> | <b>111711.03</b> |
| Significant Accounting Policies                           | I       |                  |                  |
| See Accompanying Notes to the Financial Statements        | 1 to 49 |                  |                  |

AS PER OUR ANNEXED REPORT OF EVEN DATE.  
**For S S Kothari Mehta & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of  
**Greenlam Industries Limited**  
CIN: L21016DL2013PLC386045

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

**(Naveen Aggarwal)**  
Membership No. 094380  
Partner  
Place of Signature : New Delhi  
Dated : 30th May 2022

Statement of Profit and Loss for the year ended 31 March, 2022

|  |         | ₹ in Lakhs                     |                                |
|--|---------|--------------------------------|--------------------------------|
|  | NOTE    | Year Ended<br>31st March, 2022 | Year Ended<br>31st March, 2021 |
| <b>INCOME:</b>   |         |                                |                                |
| Sale of Products   |         | 151924.11                      | 109929.78                      |
| Other Operating Revenue  |         | 3994.44                        | 2675.42                        |
| Revenue from Operations  | 24      | 155918.55                      | 112605.20                      |
| Other Income   | 25      | 1746.69                        | 361.51                         |
| <b>Total Income</b>  |         | <b>157665.24</b>               | <b>112966.71</b>               |
| <b>EXPENSES:</b>   |         |                                |                                |
| Cost of Materials Consumed   | 26      | 92104.27                       | 58978.28                       |
| Purchase of Stock in Trade   | 27      | 414.01                         | 595.00                         |
| Changes in Inventories of Finished Goods,                                    |         |                                |                                |
| Stock in Process and Stock in Trade  | 28      | (2326.82)                      | 581.99                         |
| Employees Benefits Expense   | 29      | 20854.06                       | 16651.98                       |
| Finance Costs  | 30      | 1347.75                        | 1603.37                        |
| Depreciation and Amortisation Expense  | 31      | 5430.66                        | 5178.57                        |
| Other Expenses   | 32      | 28620.85                       | 19426.45                       |
| <b>Total Expenses</b>  |         | <b>146444.78</b>               | <b>103015.64</b>               |
| <b>Profit before Exceptional Item and Tax</b>                                |         | <b>11220.46</b>                | <b>9951.07</b>                 |
| <b>Exceptional Item (gain)/Loss</b>  |         | <b>258.96</b>                  | <b>1240.17</b>                 |
| <b>Profit before Tax</b>   |         | <b>10961.50</b>                | <b>8710.90</b>                 |
| <b>Tax Expense</b>   |         |                                |                                |
| Current Tax  |         | 2701.02                        | 2539.90                        |
| Income Tax for Earlier years   |         | 68.72                          | (308.16)                       |
| Deferred Tax   |         | (344.75)                       | (205.71)                       |
| <b>Tax Expense</b>   |         | <b>2424.99</b>                 | <b>2026.03</b>                 |
| <b>Profit for the Year</b>   |         | <b>8536.50</b>                 | <b>6684.87</b>                 |
| <b>Other Comprehensive Income</b>  |         |                                |                                |
| Items that will not be reclassified to profit or loss:                       |         |                                |                                |
| Remeasurement gain/(loss) on defined benefit plans                           |         | 31.37                          | 125.21                         |
| Income tax relating to items that will not be reclassified to profit or loss |         | (7.90)                         | (31.51)                        |
| Other Comprehensive Income, net of tax                                       |         | 23.47                          | 93.70                          |
| <b>Total Comprehensive Income</b>  |         | <b>8559.97</b>                 | <b>6778.57</b>                 |
| <b>Earnings per Equity Share Face Value ₹ 1 Each (refer note 13.3)</b>       |         |                                |                                |
| Basic and Diluted (in ₹)   | 34      | <b>7.07</b>                    | <b>5.54</b>                    |
| Significant Accounting Policies  | I       |                                |                                |
| See Accompanying Notes to the Financial Statements                           | 1 to 49 |                                |                                |

AS PER OUR ANNEXED REPORT OF EVEN DATE.  
**For S S Kothari Mehta & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of  
**Greenlam Industries Limited**  
CIN: L21016DL2013PLC386045

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**(Naveen Aggarwal)**  
Membership No. 094380  
Partner  
Place of Signature : New Delhi  
Dated : 30th May 2022

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

## Standalone Cash Flow Statement for the year ended 31 March 2022

₹ in Lakhs

|   | Year Ended 31st<br>March, 2022 | Year Ended 31st<br>March, 2021 |
|---|--------------------------------|--------------------------------|
| <b>A. Cash flows from operating activities</b>                |                                |                                |
| Profit before Exceptional Item and Tax                        | 11220.46                       | 9951.07                        |
| Adjustments for:  |                                |                                |
| Exceptional Item (Refer Note 46)                              | (258.96)                       | (1240.17)                      |
| Depreciation and Amortisation Expense                         | 5430.66                        | 5178.57                        |
| Finance Costs   | 1347.75                        | 1603.37                        |
| Liabilities no longer required written back                   | (114.58)                       | (84.86)                        |
| Loss on Sale / Discard of Fixed Assets                        | 10.81                          | 35.13                          |
| Unrealised Foreign Exchange Fluctuations                      | (52.36)                        | 14.58                          |
| Bad Debts/Provision for Doubtful Debts                        | 17.18                          | (5.54)                         |
| Provision against Current Assets                              | 23.13                          | 17.86                          |
| Dividend Received   | (1096.74)                      | (27.58)                        |
| Profit on redemption of Current investments (Net)             | (157.53)                       | (27.01)                        |
| Interest Income   | (186.25)                       | (132.93)                       |
| Re-measurement gain/(loss) on defined benefit plans           | 31.37                          | 125.21                         |
|   | <b>4994.47</b>                 | <b>5456.63</b>                 |
| <b>Operating cash flows before working capital changes</b>    | <b>16214.93</b>                | <b>15407.70</b>                |
| Working capital adjustments:                                  |                                |                                |
| (Increase) / Decrease in Trade and Other Receivables          | 706.17                         | 480.40                         |
| (Increase) / Decrease in Inventories                          | (11445.21)                     | 217.15                         |
| (Decrease) / Increase in Trade Payables                       | 2712.44                        | 5249.70                        |
|   | <b>(8026.60)</b>               | <b>5947.25</b>                 |
| <b>Cash Generated from Operations</b>                         | <b>8188.33</b>                 | <b>21354.94</b>                |
| Income Tax Paid   | (3085.17)                      | (2373.87)                      |
| <b>Net cash from operating activities</b>                     | <b>5103.16</b>                 | <b>18981.07</b>                |
| <b>B. Cash flows from investing activities</b>                |                                |                                |
| Acquisition of Fixed Assets                                   | (2655.79)                      | (4926.69)                      |
| Investment  | (11016.99)                     | (10639.72)                     |
| Sale of Fixed Assets  | 17.89                          | 26.60                          |
| Dividend Received   | 1096.74                        | 27.58                          |
| Profit on redemption of Current investments (Net)             | 157.53                         | 27.01                          |
| Interest Received   | 186.25                         | 132.93                         |
| Loan to Subsidiary  | 25.00                          | (25.00)                        |
| <b>Net Cash used in Investing Activities</b>                  | <b>(12189.37)</b>              | <b>(15377.29)</b>              |
| <b>C. Cash flows from financing activities</b>                |                                |                                |
| Proceeds from Long Term Borrowings                            | 9900.00                        | 3738.62                        |
| Short Term Borrowings (Net)                                   | 2662.01                        | (1550.00)                      |
| Lease Liability ( Net)  | (724.06)                       | (628.42)                       |
| Repayment of Long Term Borrowings                             | (2497.47)                      | (5000.00)                      |
| Interest Paid   | (1280.39)                      | (1603.26)                      |
| Dividend Paid   | (1206.82)                      | -                              |
| <b>Net Cash used in Financing Activities</b>                  | <b>6853.27</b>                 | <b>(5043.06)</b>               |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>(232.94)</b>                | <b>(1439.28)</b>               |
| Cash and Cash Equivalents at the beginning of the Year        | 1079.80                        | 2519.08                        |
| <b>Cash / Cash Equivalents at the close of the Year</b>       | <b>846.85</b>                  | <b>1079.80</b>                 |

## Standalone Cash Flow Statement for the year ended 31 March 2022

### Non Cash Changes in Liabilities arising from financing activities

₹ in Lakhs

| Particulars           | As at<br>1 April , 2020 | Cash Flows | Non Cash<br>Change | As at<br>31 March , 2021 |
|-----------------------|-------------------------|------------|--------------------|--------------------------|
| Long Term Borrowings  | 11750.00                | (1261.38)  | -                  | 10488.62                 |
| Short Term Borrowings | 13300.00                | (1550.00)  | -                  | 11750.00                 |

₹ in Lakhs

| Particulars           | As at<br>1 April , 2021 | Cash Flows | Non Cash<br>Change | As at<br>31 March , 2022 |
|-----------------------|-------------------------|------------|--------------------|--------------------------|
| Long Term Borrowings  | 10488.62                | 7402.53    | -                  | 17891.15                 |
| Short Term Borrowings | 11750.00                | 2662.01    | -                  | 14412.01                 |

### Notes:

- Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
- Figures in brackets indicate cash outflows.

AS PER OUR ANNEXED REPORT OF EVEN DATE.

**For S S Kothari Mehta & Company**

Chartered Accountants

ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of

**Greenlam Industries Limited**

CIN: L21016DL2013PLC386045

**Saurabh Mittal**Managing Director and CEO  
(DIN : 00273917)**Parul Mittal**Wholetime Director  
(DIN : 00348783)**(Naveen Aggarwal)**

Membership No. 094380

Partner

Place of Signature : New Delhi

Dated : 30th May 2022

**Ashok Kumar Sharma**

Chief Financial Officer

**Prakash Kumar Biswal**

Company Secretary &amp; VP - Legal



Standalone Statement of changes in equity for the year ended 31 March 2022

| a) Equity share capital <span>₹ in Lakhs</span> |      |                |
|---|------|----------------|
| Particulars                                     | Note | Amount         |
| Balance as at 1 April 2020                      | 13   | 1206.82        |
| Issue of equity share capital during the year   |      | -              |
| Balance as at 31 March 2021                     |      | 1206.82        |
| Issue of equity share capital during the year   |      | -              |
| <b>Balance as at 31 March 2022*</b>             |      | <b>1206.82</b> |

\* The Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹120681870/- consist of 120681870 equity shares of ₹1/- each.

| b) Other equity  |      |                      |                 |                   | ₹ in Lakhs                                  |                 |
|--|------|----------------------|-----------------|-------------------|---|-----------------|
| Particulars  | Note | Reserves and surplus |                 |                   | Items of OCI                                | Total           |
|  |      | Capital reserve      | General reserve | Retained earnings | Remeasurements of defined benefit liability |                 |
| Balance as at 1 April 2020   | 14   | 15333.48             | 2500.00         | 30309.81          | (288.56)                                    | 47854.73        |
| <b>Total comprehensive income for the year ended 31 March 2021</b> |      |                      |                 |                   |   |                 |
| Profit or loss   |      | -                    | -               | 6684.87           | -   | 6684.87         |
| Transfer to Reserve  |      | -                    | 500.00          | (500.00)          | -   | -               |
| Other comprehensive income (net of tax)                            |      | -                    | -               | -                 | 93.70                                       | 93.70           |
| <b>Total comprehensive income</b>                                  |      | <b>-</b>             | <b>500.00</b>   | <b>6184.87</b>    | <b>93.70</b>                                | <b>6778.57</b>  |
| <b>Balance as at 31 March 2021</b>                                 |      | <b>15333.48</b>      | <b>3000.00</b>  | <b>36494.69</b>   | <b>(194.86)</b>                             | <b>54633.30</b> |
| <b>Balance as at 1 April 2021</b>                                  |      | <b>15333.48</b>      | <b>3000.00</b>  | <b>36494.69</b>   | <b>(194.86)</b>                             | <b>54633.30</b> |
| <b>Total comprehensive income for the year ended 31 March 2022</b> |      |                      |                 |                   |   |                 |
| Profit or loss   |      | -                    | -               | 8536.50           | -   | 8536.50         |
| Transfer to Reserve  |      | -                    | 500.00          | (500.00)          | -   | -               |
| Dividend on Equity Shares  |      | -                    | -               | (1206.81)         | -   | (1206.81)       |
| Other comprehensive income (net of tax)                            |      | -                    | -               | -                 | 23.47                                       | 23.47           |
| <b>Total comprehensive income</b>                                  |      | <b>-</b>             | <b>500.00</b>   | <b>6829.69</b>    | <b>23.47</b>                                | <b>7353.16</b>  |
| <b>Balance as at 31 March 2022</b>                                 |      | <b>15333.48</b>      | <b>3500.00</b>  | <b>43324.37</b>   | <b>(171.39)</b>                             | <b>61986.46</b> |

Significant accounting policies

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

AS PER OUR ANNEXED REPORT OF EVEN DATE.  
**For S S Kothari Mehta & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of  
**Greenlam Industries Limited**  
CIN: L21016DL2013PLC386045

**(Naveen Aggarwal)**  
Membership No. 094380  
Partner  
Place of Signature : New Delhi  
Dated : 30th May 2022

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

Notes to Standalone Financial Statement for the year ended 31 March 2022

COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

I CORPORATE INFORMATION:

GREENLAM Industries Limited (the 'Company') is a public limited company domiciled in India incorporated under the provisions of the Companies Act 1956. Its shares are listed on two recognized stock exchanges in India i.e. NSE and BSE. The registered office of the company is located at 2nd Floor, West Wing, World Mark1, Aerocity, IGI Airport Hospitality District, New Delhi - 110 037, India.

Company is engaged in the business of manufacturing laminates, decorative veneers and allied products through its factories at Behror and Nalagarh and branches and dealers' network spread all over the country. It has two overseas wholly owned subsidiary companies i.e. ,Greenlam Asia Pacific Pte Ltd and Greenlam America Inc. And Two domestic subsidiary ,Greenlam South Ltd ( wholly owned) and HG Industries Limited ( holding 74.91% shares). It imports raw materials for manufacturing. Manufactured goods are sold both in domestic and overseas markets. The overseas subsidiaries of the company are mainly engaged in marketing and distribution of company's product.

II BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

a. STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements of the Company for the year ended 31 March, 2022 are authorized for issue in accordance with a resolution of the Directors on 30th May, 2022.

b. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost basis, except for following assets and liabilities which have been measured at fair value.

- a. Derivative Financial Instruments – Fair Value
- b. Net Defined Benefits (Assets)/ Liability- Present value of Defined benefit obligations via actuarial valuation. Accounting policies have been consistently applied except where a newly issued Indian accounting standard is initially adopted or a revision to an existing Indian accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluate all recently issued all revised Indian accounting standards on an on-going basis.

c. ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Management believes that estimates used in the preparation of the financial statements are prudent and reasonable.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

d. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to two decimal points of lakhs, unless otherwise indicated.

e. CURRENT OR NON CURRENT CLASSIFICATION

All Assets and Liabilities have been 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 Companies Act, 2013. Based on the nature of the business of the Company and its business time cycle from inception of an order and its

## Notes to Standalone Financial Statement for the year ended 31 March 2022

completion on realization in cash and cash equivalents, the Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### III SIGNIFICANT ACCOUNTING POLICY

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

#### 1.01 PROPERTY, PLANT AND EQUIPMENT:

1.01.01 Freehold Land is carried at cost and all other Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment acquired after the transition date are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, including import duties and non-refundable taxes, after deducting trade discounts, rebates, borrowing costs any other expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling removing the item and restoring the site on which it was located under an obligation.

Assets which are not ready for their intended use on reporting date are carried as Capital work-in-progress at cost , comprising direct cost and related incidental expenses. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date attributable to bringing the item to working conditions for its intended use and estimated costs of dismantling the item and restoring the site on which it is located. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

1.01.02 Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

1.01.03 Depreciation commences when assets are available for there intended use. Property, Plant and Equipments are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013 except in case of assets costing less than ₹5,000 which are depreciated over their useful life as assessed by the management. Assets are depreciated on Straight Line basis over there useful Life from the date they are available for use. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. Where the historical cost of a depreciable asset undergoes a change due to increase or decrease in long term liability on account of exchange fluctuations, the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

An asset’s carrying amount is written down immediately on discontinuation to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/Loss on Sale and Discard of Fixed Assets.

1.01.04 Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

|                          |                |
|--------------------------|----------------|
| Buildings -              | 30 to 60 years |
| Plant and Equipments -   | 5-15 years     |
| Furniture and Fixtures - | 10 years       |
| Vehicles -               | 8 to 10 years  |
| Office Equipments -      | 3-10 years     |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

1.01.05 Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. Buildings constructed on Right-of-use assets are depreciated based on the useful life prescribed in the Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

#### 1.02 INTANGIBLE ASSETS:

1.02.01 Internally generated intangible asset under development stage is recognized when it is demonstrated that it is technically feasible to use the same and the cost incurred for developing the same is ascertained. Technical Know-how so developed internally is amortised on a straight- line basis over its estimated useful life.

Intangible assets acquired by payment e.g. Trademarks, Computer Software and Technical Know-how are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

1.02.02 Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised on straight-line method as follows :

Trademarks – 5-10 years

Computer Software - 5 years

Technical Know-how - 3 years

1.02.03 An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss when the asset is derecognized

Intangible Assets under Development which are not ready for their intended use are shown Separately as part of Capital Work in Progress.

#### 1.03 Impairment

##### 1.03.01 (i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is ‘credit- impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. 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 Statement of Profit and Loss.

An impairment loss in respect of other 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.

At each balance sheet date, the Company reviews the carrying amount of Property, Plant and Equipments & Intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

Notes to Standalone Financial Statement for the year ended 31 March 2022

1.03.02 (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.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

1.04 INVENTORIES:

1.04.01 The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

Stock of Raw Materials, Stores and spare parts are valued at lower of cost or net realisable value; and of those in transit and at port related to these items are valued at lower of cost to date or net realisable value. Obsolete, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Stock-in-process is valued at lower of cost or net realisable value.

Stock of Finished goods is valued at lower of cost or net realisable value.

Notes to Standalone Financial Statement for the year ended 31 March 2022

Stock-in-trade is valued at lower of cost or net realisable value.

Waste and scraps are accounted at estimated realisable value.

Cost of inventories is ascertained on the 'weighted average' basis. Goods-in-process and finished goods are valued on absorption cost basis.

1.05 CASH FLOW STATEMENT:

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

1.06 Measurement of fair values

1.06.01 A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

1.07 FINANCIAL ASSETS:

1.07.01 The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost using effective interest rate method.

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.

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.

The Company measures all equity instruments in subsidiaries at cost initially and also on subsequent recognition.

Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the



## Notes to Standalone Financial Statement for the year ended 31 March 2022

customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date. They are recognized initially and subsequently measured at amortised cost.

The Company assesses the expected credit losses associated with its assets carried at amortised cost. Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a provision matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the provision for such impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

### 1.07.02 FINANCIAL LIABILITIES:

Financial liabilities are classified as measured at amortised cost or FVTPL.

Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related Plant, Property and Equipment and subsequently under finance costs in profit and loss account.

Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortised cost.

Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments are in the nature of Forward contracts and Interest rate swaps. Forward contracts are executed to hedge the foreign exchange rate with respect to liabilities for goods and services in foreign currencies. Interest rate swaps are executed to hedge the interest rate with respect to borrowings in foreign currencies.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation obtained from banking partners. Gain or loss arising from the changes in fair value of derivatives are debited to the foreign exchange fluctuations in the statement of profit and loss.

### 1.08 DIVIDEND:

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.

### 1.09 REVENUE RECOGNITION:

1.09.01 Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Ind AS 115 “Revenue from Contracts with Customers” provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

## Notes to Standalone Financial Statement for the year ended 31 March 2022

Sale of Goods: Revenue from sales of goods is recognised on transfer of control of products to the customers. Revenue does not include GST, inter-transfers, returns, trade discounts, cash discounts, other benefits passed to customers in kind.

The timing of transfers of controls varies depending on the individual terms of sale.

Arrangements with customers for selling of goods are all fixed price contracts. Services: Revenue from Services are recognized as and when the services are rendered.

### 1.09.02 Other Revenue Streams

**Interest:** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Dividends:** Dividend from investment is recognized when the Company in which they are held declares the dividend and when the right to receive the same is established.

**Insurance Claims:** Insurance Claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on grounds of prudence.

**Export Incentives:** Benefit on account of entitlement to import goods free of duty under the Advance Authorisation Scheme is accounted for on accrual basis at estimated realisable value, as and when exports are made i.e., in the year of export. Profit or loss arising on utilisation of the same or sale thereof is accounted for in the year in which either the imports are made against the said Advance License or the same is sold. Incentives on exports are recognised in books after due consideration of certainty of utilization/receipt of such incentives,

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 Income”.

Government grants relating to property, plant and equipment are treated as deferred income and are credited to the statement of profit and loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within “Other Income”.

Sums receivable under the Central Government’s “Scheme of budgetary support under Goods and Service Tax Regime” to compensate the loss on account of denial of exemption from payment of Goods and Services Tax is recognised in the profit or loss of the period in which it becomes receivable, if there is no unfulfilled condition and other contingencies attaching thereto.

### 1.10 FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company’s monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

### 1.11 EMPLOYEE BENEFITS:

1.11.01 Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

1.11.02 Post Employment and Retirement benefits in the form of Gratuity and Leave Encashment are 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 present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

## Notes to Standalone Financial Statement for the year ended 31 March 2022

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurements of Defined benefit Liability, which comprises actuarial gains and losses, the return on plan assets (Excluding Interests) and the effect of assets 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 contribution and benefit payment. Net interest Expense and other expenses related to defined benefit plans are recognized in Standalone statement of Profit & Loss.

Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees’ Provident Fund Organisation established under The Employees’ Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

### 1.12BORROWING 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. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of borrowings.

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

### 1.13SEGMENT REPORTING:

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the company, and makes strategic decisions. The CODM consists of Managing Director & CEO and Chief Financial Officer.

The Company’s operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing and Sale of (a) Laminate and Allied products; and (b) Veneer and Allied products.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are (a) Sales within India include sales to customers located within India; (b) Sales outside India include sales to customers located outside India.

Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

### 1.14LEASES:

The Company’s lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. 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

## Notes to Standalone Financial Statement for the year ended 31 March 2022

whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

1.14.01 At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

1.14.02 The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### 1.15EARNINGS PER SHARE:

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.16ACCOUNTING FOR TAXES ON INCOME:

Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

1.16.01 Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.”

1.16.02 Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Notes to Standalone Financial Statement for the year ended 31 March 2022

Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

1.17.01 Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of 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.

1.17.02 Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

Notes to Standalone Financial Statement for the year ended 31 March 2022

NOTE '1':-  
PROPERTY, PLANT AND EQUIPMENTS

| Particulars                    | GROSS BLOCK                  |                                |                                 |                              |                              |                                | ACCUMULATED DEPRECIATION        |                             |                              |                    |                                 |                             | NET BLOCK          |                     |
|--------------------------------|------------------------------|--------------------------------|---------------------------------|------------------------------|------------------------------|--------------------------------|---------------------------------|-----------------------------|------------------------------|--------------------|---------------------------------|-----------------------------|--------------------|---------------------|
|                                | Total<br>As At<br>01/04/2020 | Addition<br>During<br>The Year | Deduction<br>During<br>The Year | Total<br>As At<br>31/03/2021 | Total<br>As At<br>01/04/2021 | Addition<br>During<br>The Year | Deduction<br>During<br>The Year | Total<br>As At<br>31/3/2022 | Total<br>As At<br>01/04/2020 | For<br>The<br>Year | Adjustment<br>For<br>Deductions | Total<br>As At<br>31/3/2022 | As At<br>31/3/2022 | As At<br>31/03/2021 |
| Property, Plant and Equipment  |                              |                                |                                 |                              |                              |                                |                                 |                             |                              |                    |                                 |                             |                    |                     |
| Freehold Land                  | 1094.20                      | -                              | -                               | 1094.20                      | 1094.20                      | 114.16                         | -                               | 1208.36                     | -                            | -                  | -                               | -                           | 1208.36            | 1094.20             |
| Land Development               | 603.11                       | -                              | -                               | 603.11                       | 603.11                       | -                              | -                               | 603.11                      | 28.51                        | 4.11               | -                               | 36.74                       | 566.37             | 570.48              |
| Right to use Factory Land      | 1575.72                      | -                              | -                               | 1575.72                      | 1575.72                      | -                              | -                               | 1575.72                     | 21.59                        | 21.97              | -                               | 65.53                       | 1510.18            | 1532.17             |
| Right to use (Other than Land) | 6392.30                      | 352.24                         | 163.86                          | 6580.68                      | 6580.68                      | 595.65                         | 662.69                          | 6513.64                     | 956.09                       | 948.74             | 159.17                          | 2379.13                     | 4134.51            | 4835.03             |
| Buildings                      | 13669.97                     | 381.61                         | -                               | 14051.58                     | 14051.58                     | 1752.33                        | -                               | 15803.91                    | 3482.25                      | 407.41             | -                               | 4327.37                     | 11476.54           | 10161.92            |
| Plant and Equipments           | 40747.91                     | 2715.85                        | 479.48                          | 42984.28                     | 42984.28                     | 2269.90                        | 66.77                           | 45187.41                    | 23012.81                     | 2935.81            | 451.84                          | 28589.48                    | 16597.93           | 17487.50            |
| Furniture and Fixtures         | 3407.53                      | 67.25                          | 20.25                           | 3454.53                      | 3454.53                      | 103.28                         | 29.41                           | 3528.40                     | 739.70                       | 311.65             | 8.13                            | 1336.75                     | 2191.65            | 2411.31             |
| Vehicles                       | 1056.00                      | -                              | 24.25                           | 1031.75                      | 1031.75                      | 0.82                           | 13.39                           | 1019.18                     | 514.44                       | 101.77             | 14.07                           | 677.23                      | 341.95             | 429.61              |
| Heavy Vehicles                 | 14.31                        | 11.52                          | 3.06                            | 22.77                        | 22.77                        | 18.60                          | -                               | 41.37                       | 12.92                        | 0.41               | 2.90                            | 13.65                       | 27.72              | 12.34               |
| Office Equipments              | 1657.56                      | 180.63                         | 132.96                          | 1705.23                      | 1705.23                      | 242.21                         | 18.39                           | 1929.05                     | 1043.41                      | 231.40             | 126.01                          | 1360.79                     | 568.26             | 556.43              |
| Total                          | 70218.61                     | 3709.11                        | 823.86                          | 73103.85                     | 73103.85                     | 5096.95                        | 790.65                          | 77410.15                    | 29811.72                     | 4963.28            | 762.12                          | 38786.67                    | 38623.48           | 39090.98            |

NOTE '2':- CAPITAL WORK IN PROGRESS

| Particulars              | GROSS BLOCK                  |                                |                                 |                              | ACCUMULATED DEPRECIATION     |                                 |                              |                    | NET BLOCK                   |                    |
|--------------------------|------------------------------|--------------------------------|---------------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|--------------------|-----------------------------|--------------------|
|                          | Total<br>As At<br>01/04/2020 | Addition<br>During<br>The Year | Deduction<br>During<br>The Year | Total<br>As At<br>01/04/2021 | Total<br>As At<br>31/03/2021 | Adjustment<br>For<br>Deductions | Total<br>As At<br>01/04/2021 | For<br>The<br>Year | Total<br>As At<br>31/3/2022 | As At<br>31/3/2022 |
| Capital Work in Progress | 1392.13                      | 1569.49                        | 1328.01                         | 1633.61                      | -                            | -                               | -                            | -                  | 306.56                      | 1633.61            |



Notes to Standalone Financial Statement for the year ended 31 March 2022

NOTE '2a':- INTANGIBLE ASSETS UNDER DEVELOPMENT

| Particulars                         | GROSS BLOCK            |                          |                           |                        |                       | ACCUMULATED DEPRECIATION |                                      |                        |                       |                           | NET BLOCK       |                  |
|-------------------------------------|------------------------|--------------------------|---------------------------|------------------------|-----------------------|--------------------------|--------------------------------------|------------------------|-----------------------|---------------------------|-----------------|------------------|
|                                     | Total As At 01/04/2020 | Addition During The Year | Deduction During The Year | Total As At 01/04/2021 | Total As At 31/3/2022 | Total As At 01/04/2020   | Adjustment For Deductions 31/03/2021 | Total As At 01/04/2021 | Total As At 31/3/2022 | Adjustment For Deductions | As At 31/3/2022 | As At 31/03/2021 |
|                                     | 176.72                 | 61.04                    | 166.22                    | 71.54                  | 151.42                | -                        | -                                    | -                      | -                     | -                         | 151.42          | 71.54            |
| Intangible Assets Under Development |                        |                          |                           |                        |                       |                          |                                      |                        |                       |                           |                 |                  |

Capital Work in Progress Ageing

| Particulars                   | outstanding for following periods from due date/transaction date |           |           |                  |
|-------------------------------|--|-----------|-----------|------------------|
|                               | Less than 1 year   | 1-2 years | 2-3 years | More than 3 year |
|                               | 292.89   | 13.66     | -         | 306.56           |
| Project in Progress           |  |           |           |                  |
| Project temporarily suspended |  |           |           |                  |

| 31.03.2021                    | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | Total   |
|-------------------------------|------------------|-----------|-----------|------------------|---------|
| Project in Progress           | 1581.98          | 51.62     | -         | -                | 1633.61 |
| Project temporarily suspended | -                | -         | -         | -                | -       |

Intangible Assets under development Ageing

| Particulars | To be completed in |           |           |                  |
|-------------|--------------------|-----------|-----------|------------------|
|             | Less than 1 year   | 1-2 years | 2-3 years | More than 3 year |
|             | 151.42             | -         | -         | 151.42           |
| Project     |                    |           |           |                  |

| 31.03.2021 | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | Total |
|------------|------------------|-----------|-----------|------------------|-------|
| Project    | 58.04            | 13.50     | -         | -                | 71.54 |

Notes to Standalone Financial Statement for the year ended 31 March 2022

NOTE '3':- OTHER INTANGIBLE ASSETS

| Particulars             | GROSS BLOCK            |                          |                           |                        |                       | ACCUMULATED DEPRECIATION |                                      |                        |                       |                           | NET BLOCK       |                  |
|-------------------------|------------------------|--------------------------|---------------------------|------------------------|-----------------------|--------------------------|--------------------------------------|------------------------|-----------------------|---------------------------|-----------------|------------------|
|                         | Total As At 01/04/2020 | Addition During The Year | Deduction During The Year | Total As At 01/04/2021 | Total As At 31/3/2022 | Total As At 01/04/2020   | Adjustment For Deductions 31/03/2021 | Total As At 01/04/2021 | Total As At 31/3/2022 | Adjustment For Deductions | As At 31/3/2022 | As At 31/03/2021 |
|                         | 1757.12                | 301.29                   | -                         | 2058.41                | 2226.00               | 1051.24                  | -                                    | 1266.53                | 1516.00               | 249.47                    | 710.00          | 791.88           |
| Other Intangible Assets |                        |                          |                           |                        |                       |                          |                                      |                        |                       |                           |                 |                  |
| Trademarks              | 68.58                  | -                        | -                         | 68.58                  | 68.58                 | 68.58                    | -                                    | 68.58                  | 68.58                 | -                         | -               | -                |
| Computer Software       | 1353.63                | 301.29                   | -                         | 1654.92                | 1822.51               | 656.32                   | -                                    | 863.04                 | 1112.51               | 249.47                    | 710.00          | 791.88           |
| Technical Knowhow       | 334.91                 | -                        | -                         | 334.91                 | 334.91                | 326.34                   | -                                    | 334.91                 | 334.91                | -                         | -               | -                |
| Total                   | 1757.12                | 301.29                   | -                         | 2058.41                | 2226.00               | 1051.24                  | -                                    | 1266.53                | 1516.00               | 249.47                    | 710.00          | 791.88           |

- 1.1 During the FY 2021-22, no revaluation of Fixed Assets is done by the company.
- 1.2 There are no Capital Work in progress, Intangible assets under development where completion is over due against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March 22 and 31st March 2021
- 1.3 Title deed of One Office Premises is yet to be transferred in the name of the company, details of which is given below.

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value (₹ in Lakhs) | Title deeds held in the name of   | Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director | Property held since which date   | Reason for not being held in the name of the company  |
|---|---------------------------------|-----------------------------------|---|---|--|---|
| Property Plant & Equipment              | Office Building                 | 286.98                            | SDB Infrastructure Private Limited*<br>*An "Agreement to Sell" executed on 16.03.2005 by and between Som Dutt Builders Private Limited (presently SDB Infrastructure Private Limited) and Greenply Industries Limited (predecessor in interest) for sale of the subject property to the former and the said agreement was registered on 16.03.2005. | N/A   | April 01, 2013#<br># Being the Appointed Date of the composite Scheme of Arrangement under Sections 100 to 104 and 391 to 394 of the Companies Act, 1956 between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors approved by the Hon'ble Gauhati High Court on October 31, 2014. | The Company has obtained peaceful possession over the said property pursuant to the above referred scheme and taking necessary steps including discussion with seller to transfer the title to the Company. |

Notes to Standalone Financial Statement for the year ended 31 March 2022

| 4. NON-CURRENT INVESTMENTS <span>₹ in Lakhs</span>  |         |                |         |                |
|---|---------|----------------|---------|----------------|
|   | Number  | 31 March, 2022 | Number  | 31 March, 2021 |
| Investments in Equity Instruments (at Cost)   |         |                |         |                |
| Trade   |         |                |         |                |
| Unquoted, Fully Paid up   |         |                |         |                |
| Subsidiaries  |         |                |         |                |
| Greenlam Asia Pacific PTE Ltd - Equity Shares of US\$ 1 each  | 2778865 | 1670.74        | 2778865 | 1670.74        |
| Greenlam America Inc. - Equity Shares of US\$ 1 each  | 1600000 | 740.22         | 1600000 | 740.22         |
| Greenlam Europe (UK) Ltd.- Equity Shares of GBP 1 each  | 1       | 0              | 1       | 0              |
| [₹82 (Previous year ₹82)]   |         |                |         |                |
| Greenlam South Ltd. - Equity Shares of ₹10 each   | 2058958 | 1169.55        | 1000000 | 100.00         |
| Greenlam Russia LLC ( 1% Holding)   |         | 0.19           |         | 0              |
| Greenlam South Ltd. - Equity Shares of ₹10 each Converted at ₹75*   | 6059724 | 4544.79        | 6059724 | 4544.79        |
| Greenlam Poland Sp.z.o.o ( 1% holding)  |         | 0.19           | -       | -              |
| Total   |         | 8125.68        |         | 7055.75        |
| * Amount invested in OCPS at the rate ₹ 75/- (face value of ₹ 10 Each) converted into equity shares in 1:1 ratio. |         |                |         |                |
| Investments in Equity Instruments (at Cost)   |         |                |         |                |
| Trade   |         |                |         |                |
| Quoted , Fully Paid up  |         |                |         |                |
| Subsidiaries  |         |                |         |                |
| HG Industries Ltd- Equity Shares of ₹5 each   | 3470966 | 1394.36        | -       | -              |
|   |         | 1394.36        | -       | -              |
| Investments in Equity Instruments (at Cost)   |         |                |         |                |
| Non-Trade   |         |                |         |                |
| Unquoted, Fully Paid up   |         |                |         |                |
| Other than Subsidiaries   |         |                |         |                |
| Indian Laminate Association Trust- 125 equity shares of ₹1000 each  | 125     | 1.25           | 125     | 1.25           |
|   |         | 1.25           |         | 1.25           |
| Investments in Preference Instruments (at Cost)   |         |                |         |                |
| Trade   |         |                |         |                |
| Unquoted , Fully Paid up  |         |                |         |                |
| Subsidiaries  |         |                |         |                |
| Greenlam South Ltd. - (0.01 % OCPS non Cumulative) Redeemable Preference Shares of ₹10 each                       | 1307107 | 3529.19        | -       | -              |
| Total   |         | 13050.48       |         | 7057.00        |
| Aggregate Book Value of Unquoted Investments  |         | 11656.12       |         | 7057.00        |
| Aggregate Market Value of Quoted Investments  |         | 3422.37        |         | -              |
| Investment In India   |         | 10639.14       |         | 4646.04        |
| Investment Outside India  |         | 2411.34        |         | 2410.96        |

Notes to Standalone Financial Statement for the year ended 31 March 2022

| 4a. CURRENT INVESTMENTS <span>₹ in Lakhs</span>   |         |                |          |                |
|---|---------|----------------|----------|----------------|
| Investment in Quoted Mutual Funds measured at FVTPL   | Unit    | 31 March, 2022 | Unit     | 31 March, 2021 |
| ICICI Prudential Overnight Fund- Direct Growth Plan   | -       | -              | 140210   | 155.61         |
| ICICI Prudential Liquid Fund- Direct Growth Plan  | -       | -              | 461202   | 1405.45        |
| Aditya Birla Sun Life Savings Fund - Regular Growth Plan  | 716490  | 2458.46        | 37124    | 156.93         |
| HDFC Ultra Short Term Fund - Regular Growth Plan  | -       | -              | 10554676 | 1250.33        |
| Axis Overnight Fund - Direct Growth Plan  | 209423  | 2353.58        | 6569     | 150.08         |
| Axis Liquid Fund - Direct Growth Plan   | 91011   | 2151.56        | 156443   | 2502.45        |
| Nippon India Overnight Fund - Direct Growth Plan  | 2920638 | 3333.01        | -        | -              |
| Nippon India Liquid Fund - Direct Growth Plan   | 57755   | 3007.92        | -        | -              |
| Aditya Birla Sun Life Overnight Fund - Growth   | 205161  | 2358.70        | -        | -              |
| Unquoted Investments  |         |                |          |                |
| Deposit with NBFC Co.   |         | -              |          | 5018.87        |
|   |         | 15663.23       |          | 10639.72       |
| Aggregate Book Value of Unquoted Investments  |         | -              |          | 5018.87        |
| Aggregate Market Value of Quoted Investments  |         | 15663.23       |          | 5620.85        |
| 5. LOANS NON-CURRENT FINANCIAL ASSETS <span>₹ in Lakhs</span>                                   |         |                |          |                |
| (Unsecured, considered good)  |         |                |          |                |
|   |         | 31 March, 2022 |          | 31 March, 2021 |
| Loan to Subsidiary *  |         | -              |          | 25.00          |
|   |         | -              |          | 25.00          |
| * Refer note 37.2 and 37.3  |         |                |          |                |
| 6. OTHER NON-CURRENT ASSETS <span>₹ in Lakhs</span>   |         |                |          |                |
|   |         | 31 March, 2022 |          | 31 March, 2021 |
| Capital Advances  |         | 133.05         |          | 860.84         |
| Security Deposits- Lease  |         | 337.04         |          | 293.23         |
| Prepaid Interest on Security Deposits   |         | 35.35          |          | 23.37          |
| Other Security Deposits   |         | 150.62         |          | 101.15         |
| Total   |         | 656.06         |          | 1278.59        |
| 7. INVENTORIES <span>₹ in Lakhs</span>  |         |                |          |                |
| (at lower of cost or net realisable value)  |         |                |          |                |
|   |         | 31 March, 2022 |          | 31 March, 2021 |
| Raw Materials   |         | 27000.87       |          | 18437.59       |
| [including in transit and at Customs Warehouse ₹ 4677.75 Lakhs (Previous year ₹ 3212.14 Lakhs)] |         |                |          |                |
| Stock in Process  |         | 4422.87        |          | 5507.33        |
| Finished Goods  |         | 10821.58       |          | 7398.70        |
| [including in Transit ₹ 2562.72 Lakhs (Previous year ₹ 1643.17 Lakhs)]                          |         |                |          |                |
| Stock In Trade  |         | 96.83          |          | 108.43         |
| Stores & Spares   |         | 2196.91        |          | 1641.80        |
| Total   |         | 44539.06       |          | 33093.85       |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 8. TRADE RECEIVABLES

₹ in Lakhs

|  | 31 March, 2022  | 31 March, 2021  |
|--|-----------------|-----------------|
| Secured, considered good   | 327.23          | 130.31          |
| Unsecured, considered good   | 12083.46        | 13577.23        |
| Credit Impaired  | 85.83           | 96.78           |
|  | <b>12496.52</b> | <b>13804.32</b> |
| Less : Loss for Allowances   |                 |                 |
| Credit Impaired  | 85.83           | 96.78           |
| <b>Net Trade Receivables</b>   | <b>12410.69</b> | <b>13707.54</b> |
| <b>Of the above, Trade Receivable from Related parties</b>   |                 |                 |
| Trade Receivable from related parties  | 5705.84         | 5677.97         |
| Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a member. | -               | -               |

### 8a. TRADE RECEIVABLES (Non - Current)

₹ in Lakhs

|                            | 31 March, 2022 | 31 March, 2021 |
|----------------------------|----------------|----------------|
| Unsecured, considered good | 108.53         | 78.21          |
|                            | <b>108.53</b>  | <b>78.21</b>   |

| Ageing Schedule   | Not Due         | Less than 6 months | 6-12 months  | More than 1 year | Total           |
|---|-----------------|--------------------|--------------|------------------|-----------------|
| <b>31 March, 2022</b>   |                 |                    |              |                  |                 |
| Undisputed Trade receivables (considered good)                              | 10380.80        | 1931.97            | 55.83        | 236.45           | 12605.05        |
| Undisputed Trade receivables which have significant increase in Credit risk | -               | -                  | -            | -                | -               |
| Expected credit loss (Provision for doubtful debts)                         | 0.64            | 0.74               | 0.77         | 83.68            | 85.83           |
| <b>Carrying amount (net of impairment)</b>                                  | <b>10380.16</b> | <b>1931.23</b>     | <b>55.06</b> | <b>152.77</b>    | <b>12519.22</b> |

| Ageing Schedule   | Not Due         | Less than 6 months | 6-12 months   | More than 1 year | Total           |
|---|-----------------|--------------------|---------------|------------------|-----------------|
| <b>31 March, 2021</b>   |                 |                    |               |                  |                 |
| Undisputed Trade receivables (considered good)                              | 13266.69        | 87.75              | 204.78        | 323.29           | 13882.51        |
| Undisputed Trade receivables which have significant increase in Credit risk | -               | -                  | -             | -                | -               |
| Expected credit loss (Provision for doubtful debts)                         | 5.73            | 4.54               | 6.05          | 80.44            | 96.76           |
| <b>Carrying amount (net of impairment)</b>                                  | <b>13260.96</b> | <b>83.21</b>       | <b>198.73</b> | <b>242.85</b>    | <b>13785.75</b> |

#### 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. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

### 9a. CASH & CASH EQUIVALENTS

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| Balances with Banks - on Current Accounts | 376.42         | 310.40         |
| Bank Deposits (Maturity with in 3 months) | -              | 500.03         |
| Cash on Hand                              | 27.87          | 22.62          |
| Remittance in Transit                     | 442.56         | 246.75         |
| <b>Total</b>                              | <b>846.85</b>  | <b>1079.80</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 9b. OTHER BANK BALANCES

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| Earmarked balance with Banks for Unpaid Dividend Accounts | 4.19           | 3.33           |
| Margin Money  | 3.37           | 5.73           |
|   | <b>7.56</b>    | <b>9.06</b>    |
| <b>Total</b>  | <b>854.41</b>  | <b>1088.86</b> |

### 10. LOANS - CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

₹ in Lakhs

|                            | 31 March, 2022 | 31 March, 2021 |
|----------------------------|----------------|----------------|
| Advance to Employees       |                |                |
| Unsecured, considered good | 49.69          | 53.34          |
| <b>Total</b>               | <b>49.69</b>   | <b>53.34</b>   |

### 10a. OTHER FINANCIAL ASSETS ( CURRENT)

₹ in Lakhs

|                                    | 31 March, 2022 | 31 March, 2021 |
|------------------------------------|----------------|----------------|
| Foreign exchange forward contracts | 73.21          | 14.49          |
| <b>Total</b>                       | <b>73.21</b>   | <b>14.49</b>   |

Information about the Company's exposure to currency risks related to derivatives is disclosed in note 39.3

### 11. CURRENT TAX ASSETS ( Net)

₹ in Lakhs

|  | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| Advance Payment of Income Tax (Net of Provision) | 500.94         | 185.51         |
|  | <b>500.94</b>  | <b>185.51</b>  |

### 12. OTHER CURRENT ASSETS

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| Advance against Purchases                 | 356.89         | 513.29         |
| Balance with Government Authorities       | 319.05         | 549.51         |
| Insurance Claim Receivable*               | 86.27          | 85.68          |
| Goods and Service Tax Refund Receivable** | 452.33         | 124.28         |
| Advance Payment of Entry Tax/ Sales Tax   | 29.41          | 34.21          |
| Export Incentive Receivable               | 1491.58        | 1187.89        |
| Prepaid Expenses                          | 488.50         | 406.06         |
| <b>Total</b>                              | <b>3224.03</b> | <b>2900.92</b> |

\*Amount Netted of Provision of ₹ 40.99 Lakhs ( Previous year ₹ 17.86 Lakhs)

\*\* includes interest paid on IGST of ₹109.80 Lakhs on imports made under advance authorization scheme after intimation by Department. Later on Hon'ble Gujrat High court has set aside the order in similar matter of other company. Considering this case, company requested concerned govt authorities for refund of interest so paid. The department has communicated that the matter is pending with Hon'ble Supreme Court and accordingly this amount has been kept as receivable.



## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 13. EQUITY SHARE CAPITAL ₹ in Lakhs

|  | Number           | 31 March, 2022 | Number          | 31 March, 2021 |
|--|------------------|----------------|-----------------|----------------|
| <b>13.1 Authorised</b>   |                  |                |                 |                |
| Equity Shares of ₹5 each   | -                | -              | 30000000        | 1500.00        |
| Equity Shares of ₹1 each   | 150000000        | 1500.00        | -               | -              |
| <b>13.2 Issued, Subscribed and Fully Paid up</b>                   |                  |                |                 |                |
| Equity Shares of ₹5 each   | -                | -              | 24136374        | 1206.82        |
| Equity Shares of ₹1 each   | 120681870        | 1206.82        | -               | -              |
| <b>13.3 The reconciliation of the number of shares outstanding</b> |                  |                |                 |                |
| Equity Shares at the beginning of the year ( Face Value ₹5)        | 24136374         | 1206.82        | 24136374        | 1206.82        |
| Less: Equity Shares Cease to Exist *                               | (2416374)        | (1206.82)      | -               | -              |
| Add : Shares Split during the year (Face Value ₹1)*                | 120681870        | 1206.82        | -               | -              |
| <b>Total</b>   | <b>120681870</b> | <b>1206.82</b> | <b>24136374</b> | <b>1206.82</b> |

\* The Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹120681870/- consist of 120681870 equity shares of ₹1/- each.

### 13.4 Terms/Rights attached to the Equity Shares

The Company has a single class of Equity Shares having a par value of ₹1 per share (Previous Year ₹5 per share, Split during the year to ₹1). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the amount of per share dividend recognized as distribution to equity shareholders was ₹5 (face Value ₹5 each) (Previous year ₹Nil). And this year interim dividend distributed ₹Nil per share (Previous year ₹Nil)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

The company has neither issued bonus shares not has bought back any shares during last 5 years

No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date

No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

No calls are unpaid by any Director or Officer of the Company during the year

### 13.5 Name of the Shareholders holding more than 5% Shares

|  | 31 March, 2022 |        | 31 March, 2021 |        |
|--|----------------|--------|----------------|--------|
|  | Number         | %      | Number         | %      |
| <b>EQUITY SHARES</b>   |                |        |                |        |
| SM Greenlam Investments Private Limited (formerly known as Greenply Leasing & Finance Pvt Ltd) | 48197555       | 39.94% | 9063511        | 37.55% |
| Saurabh Mittal   | 11645855       | 9.65%  | 3146534        | 13.04% |
| HDFC Trustee Company Ltd   | 10835880       | 8.98%  | 2174376        | 9.01%  |
| Ashish Dhawan  | 6814210        | 5.65%  | 1362824        | 5.65%  |
| Blue Diamond Properties Private Limited  | 8729850        | 7.23%  | 1745970        | 7.23%  |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 13.6 Details of shares held by promoters

| As at 31 March 2022        | Promoter Name      | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|----------------------------|--------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Equity shares of ₹ 1 each* | Mr. Saurabh Mittal | 15732670                                   | (4086815)              | 11645855                             | 9.65%             | (3.39%)                  |

| As at 31 March 2021       | Promoter Name      | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---------------------------|--------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Equity shares of ₹ 5 each | Mr. Saurabh Mittal | 3206534                                    | (60000)                | 3146534                              | 13.04%            | (0.25%)                  |

\* Refer note 13.3

**13.7** The Company has not reserved any shares for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

### 14. OTHER EQUITY ₹ in Lakhs

|  | 31 March, 2022  | 31 March, 2021  |
|--|-----------------|-----------------|
| <b>Capital Reserve</b>                             |                 |                 |
| Balance as per last Financial Statements           | 15333.48        | 15333.48        |
|  | <b>15333.48</b> | <b>15333.48</b> |
| <b>General Reserve</b>                             |                 |                 |
| Balance as per last Financial Statements           | 3000.00         | 2500.00         |
| Add: Transferred from Statement of Profit and Loss | 500.00          | 500.00          |
|  | <b>3500.00</b>  | <b>3000.00</b>  |
| <b>Retained Earnings</b>                           |                 |                 |
| <b>Retained Earnings other than OCI</b>            |                 |                 |
| Balance as per last Financial Statements           | 36494.69        | 30309.81        |
| Add : Profit for the year                          | 8536.50         | 6684.87         |
| Less : Transferred to General Reserve              | 500.00          | 500.00          |
| Less : Dividend on Equity Shares                   | 1206.82         | -               |
|  | <b>43324.37</b> | <b>36494.69</b> |
| <b>Other Comprehensive Income (OCI)</b>            |                 |                 |
| As per last Balance Sheet                          | (194.86)        | (288.56)        |
| Remeasurements of the net defined benefit plans    | 23.47           | 93.70           |
|  | <b>(171.39)</b> | <b>(194.86)</b> |
| <b>Total</b>                                       | <b>61986.46</b> | <b>54633.30</b> |

### 15. BORROWINGS ( NON CURRENT)

(Refer note 40 for Method of Valuation) ₹ in Lakhs

|  | 31 March, 2022  | 31 March, 2021  |
|--|-----------------|-----------------|
| <b>Secured</b>                                     |                 |                 |
| Term Loans   |                 |                 |
| From Banks   |                 |                 |
| Foreign Currency Loans                             | -               | -               |
| Rupee Loans  | 7991.15         | 10488.62        |
|  | <b>7991.15</b>  | <b>10488.62</b> |
| Less : Current maturities of Long Term Borrowings* | 2497.47         | 2497.47         |
|  | <b>5493.68</b>  | <b>7991.15</b>  |
| <b>Secured</b>                                     |                 |                 |
| Non Convertible Debentures (Refer note 15.3)       | 9900.00         | -               |
|  | <b>9900.00</b>  | -               |
|  | <b>15393.68</b> | <b>7991.15</b>  |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

**15.1** Term Loans of ₹7991.15 Lakhs (Previous Year ₹10488.62 Lakhs) are secured by first pari-passu charge on all movable fixed assets of the Company, present and future, first pari-passu charge on immovable fixed assets of the Company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh), second pari-passu charge on all current assets of the Company, present and future.

### 15.2 Terms of Repayment

|                              | 2022-23        | 2023-2024      | 2024-2025      | 2025-2026     |
|------------------------------|----------------|----------------|----------------|---------------|
| <b>Term Loans from Banks</b> |                |                |                |               |
| <b>Secured</b>               |                |                |                |               |
| Equal Quarterly Installments | 1000.00        | 1000.00        | 750.00         | -             |
| Equal Quarterly Installments | 1497.47        | 1497.47        | 1497.47        | 748.74        |
|                              | <b>2497.47</b> | <b>2497.47</b> | <b>2247.47</b> | <b>748.74</b> |

\* Represents Current Maturities of Long Term Borrowings.

### 15.3 Non Convertible Debentures (Secured)

| ₹ in Lakhs   |  |                |                |
|--|--|----------------|----------------|
| Particulars  | Terms of Repayment                           | 31 March, 2022 | 31 March, 2021 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of Rs 10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 10% Redeemable at par on 28th May, 2024      | 700.00         | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of Rs 10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 10% Redeemable at par on 28th August, 2024   | 700.00         | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of Rs 10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 17% Redeemable at par on 28th November, 2024 | 1190.00        | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of Rs 10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 20% Redeemable at par on 28th February, 2025 | 1400.00        | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of Rs 10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 20% Redeemable at par on 28th May, 2025      | 1400.00        | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of Rs 10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 23% Redeemable at par on 28th August, 2025   | 1610.00        | -              |
| 290 rated, listed, secured, redeemable non convertible debentures of face value of Rs 10 Lakhs each ( Series II). Interest Rate 7.78%. Issued on 28/2/2022 | 100% Redeemable at par on 28th February 2025 | 2900.00        | -              |
| <b>Total</b>   |  | <b>9900.00</b> | <b>-</b>       |

All the NCD's are secured by first pari passu charge on movable fixed assets of the Company, present & future; first pari passu charge on immovable fixed assets of the Company situated at Behror, Rajasthan and Nalagarh, Himachal Pradesh and second pari passu charge on current assets of the Company, present and future.

**15.4** The Company has not defaulted in repayment of loans and interest during the period.

### 16. OTHER FINANCIAL LIABILITIES-(NON CURRENT)

| ₹ in Lakhs                                  |                |                |
|---|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |
| <b>Others</b>                               |                |                |
| <b>16a</b> Security Deposits from Customers | 124.44         | 167.01         |
| <b>16b</b> Lease Liabilities                | 3510.13        | 4169.51        |
|   | <b>3634.57</b> | <b>4336.52</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 17. PROVISIONS - (NON CURRENT)

| ₹ in Lakhs  |                |                |
|---|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |
| <b>Provisions for Employee Benefits</b>                               |                |                |
| Net defined benefit liability- Gratuity ( Refer Note No. 29.1.(iii))* | 297.11         | 342.27         |
| Liability for compensated absences (Refer Note No. 29.1.(iv))         | 569.20         | 623.94         |
| <b>Total</b>  | <b>866.31</b>  | <b>966.21</b>  |

\* includes ₹61.99 Lakhs of one employee whose provision is booked as per agreement. Provision for Gratuity is shown as net of planned assets

### 18. DEFERRED TAX LIABILITIES (NET)

| ₹ in Lakhs                                    |                |                |
|---|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |
| <b>Deferred Tax Liabilities</b>               |                |                |
| Property Plant & Equipment                    | 1688.19        | 1862.33        |
| Others  | -              | 42.26          |
|   | <b>1688.19</b> | <b>1904.59</b> |
| <b>Less : Deferred Tax Assets</b>             |                |                |
| Provisions ( Gratuity, Leave encashment etc.) | 542.41         | 422.09         |
| <b>Total</b>                                  | <b>1145.78</b> | <b>1482.50</b> |

### 19. BORROWINGS ( CURRENT) (refer note 40 for method of Valuation)

| ₹ in Lakhs                      |                 |                 |
|---------------------------------|-----------------|-----------------|
|                                 | 31 March, 2022  | 31 March, 2021  |
| <b>Secured</b>                  |                 |                 |
| Loans Repayable on Demand       |                 |                 |
| Working Capital Loans           |                 |                 |
| From Banks                      |                 |                 |
| Rupee Loans                     | 10200.00        | 11750.00        |
| Current Maturity of Term Loans* |                 |                 |
| <b>Unsecured</b>                | 2497.47         | 2497.47         |
| Other Loans and advances        |                 |                 |
| From Banks                      | 4212.01         | -               |
| <b>Total</b>                    | <b>16909.48</b> | <b>14247.47</b> |

**19.1** Working Capital Loans of ₹10200 Lakhs ( Previous year ₹11750 Lakhs) are secured by first pari-passu charge on all current assets of the company, present and future, second pari-passu charge on all movable fixed assets of the company, present and future and second pari-passu charge on immovable fixed assets of the company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh).

\* Refer note 15.1

**19.2** The Company has not defaulted in repayment of loans and interest during the period.

### 20. TRADE PAYABLES

| ₹ in Lakhs   |                 |                 |
|--|-----------------|-----------------|
|  | 31 March, 2022  | 31 March, 2021  |
| <b>Dues to Micro and Small Enterprises</b>                                     |                 |                 |
| (to the extent identified with the available information) ( Refer Note No. 42) | 1226.96         | 900.03          |
| Dues to Other than Micro and Small Enterprises                                 | 22942.94        | 20583.16        |
| <b>Total</b>   | <b>24169.90</b> | <b>21483.19</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 20. TRADE PAYABLES (Contd.)

| Ageing Schedule                                 | Not Due         | Less than 1 year | 1-2 years    | 2-3 years    | More than 3 years | Total           |
|---|-----------------|------------------|--------------|--------------|-------------------|-----------------|
| <b>31 March,2022</b>                            |                 |                  |              |              |                   |                 |
| Dues to micro and small enterprises             | 1196.70         | 30.26            | -            | -            | -                 | 1226.96         |
| Dues to other than micro and small enterprises  | 17608.45        | 5228.20          | 42.13        | 56.91        | 7.25              | 22942.94        |
| Disputed micro and small enterprises            | -               | -                | -            | -            | -                 | -               |
| Disputed other than micro and small enterprises | -               | -                | -            | -            | -                 | -               |
| <b>Total</b>                                    | <b>18805.15</b> | <b>5258.46</b>   | <b>42.13</b> | <b>56.91</b> | <b>7.25</b>       | <b>24169.90</b> |

| Ageing Schedule                                 | Not Due         | Less than 1 year | 1-2 years | 2-3 years   | More than 3 years | Total           |
|---|-----------------|------------------|-----------|-------------|-------------------|-----------------|
| <b>31 March,2021</b>                            |                 |                  |           |             |                   |                 |
| Dues to micro and small enterprises             | 835.83          | 64.20            | -         | -           | -                 | 900.03          |
| Dues to other than micro and small enterprises  | 16070.95        | 4434.87          | 62.22     | 8.68        | 6.44              | 20583.16        |
| Disputed micro and small enterprises            | -               | -                | -         | -           | -                 | -               |
| Disputed other than micro and small enterprises | -               | -                | -         | -           | -                 | -               |
| <b>Total</b>                                    | <b>16906.78</b> | <b>4499.07</b>   | <b>-</b>  | <b>8.68</b> | <b>6.44</b>       | <b>21483.19</b> |

### 21. OTHER FINANCIAL LIABILITIES- (CURRENT)

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| <b>Lease Liabilities - Current</b>                    |                |                |
| <b>21a</b> Liability for Right to Use                 | 1184.29        | 1078.15        |
|   | <b>1184.29</b> | <b>1078.15</b> |
| <b>21b</b> Interest Accrued but not due on borrowings | 67.99          | 0.63           |
| Unpaid Dividend                                       | 4.19           | 3.33           |
| Employees Payables                                    | 1498.16        | 1434.90        |
| Unspent Corporate Social Responsibility Payable       | -              | 45.76          |
| Others  | 0.03           | 0.04           |
|   | <b>1570.37</b> | <b>1484.66</b> |
| <b>Total</b>  | <b>2754.66</b> | <b>2562.81</b> |

**21.1** Amount due and outstanding to be credited to the Investor Education and Protection Fund ₹ Nil (Previous period ₹ Nil)

### 22. OTHER CURRENT LIABILITIES

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| Advance from Customers                  | 1278.51        | 780.56         |
| Statutory Dues                          | 1019.54        | 1630.03        |
| Provision for Cash Discount             | 61.18          | 73.74          |
| Amount Payable to Capital Goods Vendors | 194.42         | 156.29         |
| <b>Total</b>                            | <b>2553.65</b> | <b>2640.62</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 23. PROVISIONS-(CURRENT)

₹ in Lakhs

|  | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| <b>Provision for employee benefits</b>                               |                |                |
| Net defined benefit liability- Gratuity ( Refer Note No. 29.1.(iii)) | 142.23         | 77.44          |
| Liability for compensated absences (Refer Note No. 29.1.(iv))        | 158.24         | 83.00          |
|  | <b>300.47</b>  | <b>160.44</b>  |

### 24 REVENUE FROM OPERATIONS

₹ in Lakhs

|                                | Year ended 31 March,2022 | Year ended 31 March,2021 |
|--------------------------------|--------------------------|--------------------------|
| Sale of Products               | 151924.11                | 109929.78                |
| <b>Other Operating Revenue</b> |                          |                          |
| Export Incentive Received      | 3749.60                  | 2520.98                  |
| Miscellaneous Income           | 244.84                   | 154.44                   |
|                                | <b>3994.44</b>           | <b>2675.42</b>           |
| <b>Total</b>                   | <b>155918.55</b>         | <b>112605.20</b>         |

#### 24.1 Sales of Products

₹ in Lakhs

|   | Year ended 31 March,2022 | Year ended 31 March,2021 |
|---|--------------------------|--------------------------|
| Decorative Laminates  | 135060.70                | 95172.53                 |
| [including exports ₹64575.95 Lakhs (Previous year ₹49832.17 Lakhs)] |                          |                          |
| Decorative Veneers  | 8320.03                  | 7777.52                  |
| [including exports ₹142.52 Lakhs (Previous year ₹138.94 Lakhs)]     |                          |                          |
| Engineered Wood Flooring  | 3479.73                  | 3002.84                  |
| [including exports ₹625.46 Lakhs (Previous year ₹1224.89 Lakhs)]    |                          |                          |
| Melamine Faced Chipboards   | 1322.79                  | 877.00                   |
| Engineered Door Sets & Door Leaf                                    | 2402.58                  | 2346.54                  |
| [including exports ₹695.05 Lakhs (Previous year ₹902.45 Lakhs)]     |                          |                          |
| Others  | 1338.31                  | 753.35                   |
| [including exports Nil Lakhs (Previous year ₹27.88 Lakhs)]          |                          |                          |
| <b>Total</b>  | <b>151924.11</b>         | <b>109929.78</b>         |

### 25. OTHER INCOME

₹ in Lakhs

|   | Year ended 31 March,2022 | Year ended 31 March,2021 |
|---|--------------------------|--------------------------|
| Interest Income                                     | 186.25                   | 132.93                   |
| Liabilities no longer required written back         | 114.58                   | 84.86                    |
| Corporate Guarantee/SBLC Commission                 | 46.77                    | 55.08                    |
| Other Income  | 144.82                   | 34.05                    |
| Profit on redemption of Current investments (Net)** | 157.53                   | 27.01                    |
| Dividend Received - Mutual Fund                     | -                        | 27.58                    |
| Dividend Received - Others                          | 1096.74                  | -                        |
| <b>Total</b>  | <b>1746.69</b>           | <b>361.51</b>            |

\*\*includes unrealized gain of ₹32.14 Lakhs



## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 26. COST OF MATERIALS CONSUMED

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| Inventory of raw material at the beginning of the year | 18437.59                     | 18321.96                     |
| Add: Purchase  | 100667.55                    | 59093.91                     |
| Less: Inventory of raw material at the end of year     | 27000.87                     | 18437.59                     |
| <b>Total</b>   | <b>92104.27</b>              | <b>58978.28</b>              |

### 27. PURCHASE OF STOCK IN TRADE

₹ in Lakhs

|                          | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--------------------------|------------------------------|------------------------------|
| Purchase of Traded Goods | 414.01                       | 595.00                       |
| <b>Total</b>             | <b>414.01</b>                | <b>595.00</b>                |

### 28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

₹ in Lakhs

|                      | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|----------------------|------------------------------|------------------------------|
| <b>OPENING STOCK</b> |                              |                              |
| Finished Goods       | 7398.70                      | 7133.97                      |
| Stock in Trade       | 108.43                       | 100.27                       |
| Stock-in-Process     | 5507.33                      | 6362.21                      |
|                      | <b>13014.46</b>              | <b>13596.45</b>              |
| <b>CLOSING STOCK</b> |                              |                              |
| Finished Goods       | 10821.58                     | 7398.70                      |
| Stock in Trade       | 96.83                        | 108.43                       |
| Stock-in-Process     | 4422.87                      | 5507.33                      |
|                      | <b>15341.28</b>              | <b>13014.46</b>              |
| <b>Total</b>         | <b>(2326.82)</b>             | <b>581.99</b>                |

### 29. EMPLOYEES BENEFITS EXPENSE

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| Salary, Wages and Bonus                                     | 19574.74                     | 15577.42                     |
| Contribution to Provident Fund & Employee's State Insurance | 871.41                       | 723.29                       |
| Employees' Welfare Expenses                                 | 407.91                       | 351.27                       |
| <b>Total</b>  | <b>20854.06</b>              | <b>16651.98</b>              |

#### 29.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS

- i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity and Leave Encashment are 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. As the Company has funded its liability through Employee Gratuity Trust, it has disclose regarding plan assets and its reconciliation.

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 29. EMPLOYEES BENEFITS EXPENSE (Contd.)

#### iii) Actuarial Valuation of Gratuity Liability

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| <b>a) Defined Benefit Cost</b>                                     |                              |                              |
| Current Service Cost   | 212.42                       | 195.20                       |
| Interest Expense on Defined Benefit Obligation (DBO)               | 119.66                       | 113.50                       |
| Defined Benefit Cost included in Profit and Loss                   | <b>332.08</b>                | <b>308.70</b>                |
| Remeasurements - Due to Financial Assumptions                      | (84.20)                      | 2.03                         |
| Remeasurements - Due to Experience Adjustments                     | 47.36                        | (114.62)                     |
| <b>Defined Benefit Cost included in Other Comprehensive Income</b> | <b>(36.84)</b>               | <b>(112.59)</b>              |
| <b>Total Defined Benefit Cost in Profit and Loss and OCI</b>       | <b>295.24</b>                | <b>196.11</b>                |
| <b>b) Movement in Defined benefit liability:</b>                   |                              |                              |
| Opening Defined Benefit Obligation                                 | 419.70                       | 1669.07                      |
| Interest Expense on Defined Benefit Obligation (DBO) (NET)         | 28.50                        | 113.50                       |
| Current Service Cost   | 212.42                       | 195.20                       |
| Total Remeasurements included in OCI                               | (31.37)                      | (125.21)                     |
| Less: Contribution paid to Gratuity Trusts                         | (250.00)                     | (1330.00)                    |
| Less: Benefits paid  | (1.91)                       | (102.85)                     |
| Closing benefit obligation   | <b>377.34</b>                | <b>419.70</b>                |
| Current Liabilities of Closing benefit obligation                  | 142.23                       | 77.44                        |
| Non-Current Liabilities of Closing benefit obligation              | 235.11                       | 342.26                       |
|  | <b>377.34</b>                | <b>419.70</b>                |
| <b>c) Change in Plan Assets:</b>                                   |                              |                              |
| Fair Value of Plan Assets at the beginning of the period           | 1342.62                      | -                            |
| Actual return on plan assets                                       | 85.70                        | 12.65                        |
| Fund Charges   | (0.03)                       | (0.03)                       |
| Employer contribution  | 250.00                       | 1330.00                      |
| Benefit paid   | (76.65)                      | -                            |
| Fair Value of Plan Assets at the end of the period                 | <b>1601.64</b>               | <b>1342.62</b>               |
| <b>d) Sensitivity Analysis:</b>                                    |                              |                              |
| Under Base Scenario  |                              |                              |
| Salary Escalation - Increase by 0.50%                              | 109.95                       | 107.56                       |
| Salary Escalation - Decrease by 0.50%                              | (105.79)                     | (99.64)                      |
| Discount Rates - Increase by 0.50%                                 | (103.76)                     | (98.04)                      |
| Discount Rates - Decrease by 0.50%                                 | 108.67                       | 106.73                       |
| <b>d) Actuarial assumptions:</b>                                   |                              |                              |
| Mortality Table  | IALM 2012-2014               | IALM 2012-2014               |
| Discount Rate (per annum)  | 7.18%                        | 6.79%                        |
| Expected rate of return on plan assets (per annum)                 | -                            | -                            |
| Rate of escalation in salary (per annum)                           | 5.50%                        | 5.50%                        |
| Withdrawal rates:  |                              |                              |
| Up to 30 Years   | 3.00%                        | 3.00%                        |
| From 31 to 44 years  | 2.00%                        | 2.00%                        |
| Above 44 years   | 1.00%                        | 1.00%                        |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 29.1(iv) DISCLOSURES REGARDING EMPLOYEE BENEFITS

#### Actuarial Valuation of Leave Encashment Liability :

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| <b>Defined Benefit Cost</b>                                 |                              |                              |
| Current Service Cost  | 125.96                       | 111.49                       |
| Interest Expense on Defined Benefit Obligation (DBO)        | 48.00                        | 43.82                        |
| Defined Benefit Cost included in Profit and Loss            | <b>173.96</b>                | <b>155.31</b>                |
| Remeasurements - Due to Financial Assumptions               | (30.61)                      | 0.86                         |
| Remeasurements - Due to Experience Adjustments              | 104.91                       | 95.97                        |
| Defined Benefit Cost included in Other Comprehensive Income | <b>74.30</b>                 | <b>96.83</b>                 |
| Total Defined Benefit Cost in Profit and Loss and OCI       | <b>248.26</b>                | <b>252.14</b>                |
| <b>Movement in Defined benefit liability:</b>               |                              |                              |
| Opening Defined Benefit Obligation                          | 706.94                       | 644.36                       |
| Interest Expense on Defined Benefit Obligation (DBO)        | 48.00                        | 43.82                        |
| Current Service Cost  | 125.96                       | 111.49                       |
| Total Remeasurements included in OCI                        | 74.30                        | 96.82                        |
| Less: Benefits paid   | (227.76)                     | (189.55)                     |
| Closing benefit obligation                                  | <b>727.44</b>                | <b>706.94</b>                |
| Current Liabilities of Closing benefit obligation           | 158.24                       | 83.00                        |
| Non-Current Liabilities of Closing benefit obligation       | 569.20                       | 623.94                       |
|   | <b>727.44</b>                | <b>706.94</b>                |
| Sensitivity Analysis:                                       |                              |                              |
| <b>Under Base Scenario</b>                                  |                              |                              |
| Salary Escalation - Increase by 0.50%                       | 42.86                        | 42.72                        |
| Salary Escalation - Decrease by 0.50%                       | (39.42)                      | (39.29)                      |
| Discount Rates - Increase by 0.50%                          | (38.79)                      | (38.66)                      |
| Discount Rates - Decrease by 0.50%                          | 42.53                        | 42.39                        |
| <b>Actuarial assumptions:</b>                               |                              |                              |
| Mortality Table   | IALM 2012-2014               | IALM 2012-2014               |
| Discount Rate (per annum)                                   | 7.18%                        | 6.79%                        |
| Expected rate of return on plan assets (per annum)          | -                            | -                            |
| <b>a) Rate of escalation in salary (per annum)</b>          | 5.50%                        | 5.50%                        |
| Withdrawal rates:   |                              |                              |
| Up to 30 Years  | 3.00%                        | 3.00%                        |
| From 31 to 44 years   | 2.00%                        | 2.00%                        |
| Above 44 years  | 1.00%                        | 1.00%                        |
| Leave Availment Rate  | 4.00%                        | 4.00%                        |

(v) Amount incurred as expense for defined contribution to Provident Fund is ₹715.91 Lakhs (Previous Year ₹587.62 Lakhs).

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 30. FINANCE COSTS

₹ in Lakhs

|                                 | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---------------------------------|------------------------------|------------------------------|
| Interest Expense                | 946.99                       | 1175.93                      |
| Interest Expense (Right to Use) | 397.17                       | 421.67                       |
| Other Borrowing Cost            | 3.59                         | 5.77                         |
| <b>Total</b>                    | <b>1347.75</b>               | <b>1603.37</b>               |

30.1 Borrowing Cost capitalised during the year ₹ Nil (Previous year ₹ Nil ).

### 31. DEPRECIATION & AMORTISATION EXPENSE

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| Depreciation of Property, Plant & Equipment | 4217.63                      | 3992.57                      |
| Depreciation (Right to Use)                 | 963.56                       | 970.71                       |
| Amortisation of Intangible Assets           | 249.47                       | 215.29                       |
| <b>Total</b>                                | <b>5430.66</b>               | <b>5178.57</b>               |

### 32. OTHER EXPENSES

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| Consumption of stores and spares                         | 1250.45                      | 978.94                       |
| Power & Fuel   | 5392.81                      | 3326.58                      |
| Rent   | 31.38                        | 2.91                         |
| Repairs to buildings                                     | 169.46                       | 85.18                        |
| Repairs to machinery                                     | 769.09                       | 505.94                       |
| Insurance  | 291.97                       | 231.67                       |
| Rates and taxes  | 122.50                       | 35.71                        |
| Travelling expenses                                      | 1391.08                      | 507.69                       |
| Freight & delivery expenses                              | 3224.98                      | 2530.60                      |
| Export Expenses  | 6247.37                      | 4283.06                      |
| Advertisement & Sales promotion                          | 5089.12                      | 3192.45                      |
| Auditors' Remuneration ( Refer note no 32.1)             | 38.09                        | 27.24                        |
| Expenditure on CSR Activities ( Refer note no 32.2)      | 201.02                       | 196.55                       |
| Bad Debts  | 28.13                        | -                            |
| Loss on Sale / Discard of Assets                         | 10.81                        | 35.13                        |
| Directors' Sitting Fees                                  | 38.90                        | 23.20                        |
| Independent Directors' Commission                        | 83.44                        | 72.00                        |
| Loss/(Gain) due to Fluctuation in Foreign Exchange Rates | -                            | 56.23                        |
| Other General Expenses                                   | 4240.24                      | 3335.37                      |
| <b>Total</b>   | <b>28620.85</b>              | <b>19426.45</b>              |

### 32.1 AUDITORS' REMUNERATION

₹ in Lakhs

|                                      | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--------------------------------------|------------------------------|------------------------------|
| As Auditors                          | 31.50                        | 26.00                        |
| For Certification and other services | 6.59                         | 1.24                         |
| <b>Total</b>                         | <b>38.09</b>                 | <b>27.24</b>                 |

Note : Fees are exclusive of Goods & Services Tax

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 32.2 CONTRIBUTION FOR CSR ACTIVITIES

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| (a) Gross Amount required to be spent by the Company during the year | 191.48                       | 196.55                       |
| (b) Amount spent during the year in Cash on :                        |                              |                              |
| (i) Construction/acquisition of any asset                            | -                            | -                            |
| (ii) On purposes other than (i) above                                |                              |                              |
| - Contribution towards Woman and Child Health Care                   | 50.86                        | 53.51                        |
| - Contribution towards Education of Orphan Girl Child                | 22.82                        | 28.50                        |
| - Contribution towards Promotion of Education, Health and Livelihood | 60.44                        | 59.53                        |
| - Others   | 66.90                        | 9.25                         |
| (c) Unspent amount deposited into bank                               | -                            | 45.76                        |
|  | <b>201.02</b>                | <b>196.55</b>                |

### 33. TAXATION

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| <b>Tax Expense recognised in the Statement of Profit and Loss:</b>                   |                              |                              |
| Current Tax Expense  | 2701.02                      | 2539.90                      |
| <b>Income Tax Expense</b>  | <b>2701.02</b>               | <b>2539.90</b>               |
| Earlier Years Tax Expense  | 68.72                        | (308.16)                     |
| <b>Income Tax Expense including Earlier year tax</b>                                 | <b>2769.74</b>               | <b>2231.74</b>               |
| Deferred Tax   | (344.75)                     | (205.71)                     |
| <b>Total Tax Expense in Statement of Profit and Loss</b>                             | <b>2424.99</b>               | <b>2026.03</b>               |
| <b>Reconciliation of Tax Expense recognised in the Statement of Profit and Loss:</b> |                              |                              |
| Profit before Tax as per Statement of Profit and Loss                                | 10961.50                     | 8710.90                      |
| Re-measurement gain/(loss) on defined benefit plans in OCI                           | 31.37                        | 125.21                       |
| <b>Accounting Profit before Tax</b>  | <b>10992.87</b>              | <b>8836.11</b>               |
| Applicable Income Tax rate   | 25.168%                      | 25.168%                      |
| <b>Current Tax Expense</b>   | <b>2766.68</b>               | <b>2223.87</b>               |
| Additional deductions under Chapter VIA  | (276.03)                     | (8.18)                       |
| Charity, Donation and CSR Expenses   | 50.59                        | 49.47                        |
| Property, plant and equipment and intangible assets                                  | 391.91                       | 373.02                       |
| Others   | (420.33)                     | (98.28)                      |
| Earlier Years Tax Expense  | 68.72                        | (308.16)                     |
| Tax on Dividend Paid at Special Rate   | 188.20                       | -                            |
| <b>Reconciliation of Deferred Tax Liability:</b>                                     |                              |                              |
| Temporary difference on account of:  |                              |                              |
| Property, plant and equipment and intangible assets                                  | (216.52)                     | (543.31)                     |
| Other temporary differences  | (120.34)                     | 369.11                       |
| <b>Deferred tax in Statement of Profit and Loss</b>                                  | <b>(336.86)</b>              | <b>(174.20)</b>              |
| Temporary difference of liabilities in other comprehensive income                    | (7.90)                       | (31.51)                      |
| <b>Deferred tax in Total Comprehensive Income</b>                                    | <b>(344.75)</b>              | <b>(205.71)</b>              |
| <b>Income Tax charged to Statement of Profit and Loss (A)</b>                        | <b>2424.99</b>               | <b>2026.03</b>               |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 34. EARNINGS PER SHARE

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| <b>Calculation of weighted average number of equity shares of ₹ 1 each*</b> |                              |                              |
| No of Shares at the beginning of the year                                   | 120681870                    | 120681870                    |
| Total number of equity shares outstanding at the end of the year            | 120681870                    | 120681870                    |
| Weighted average number of equity shares outstanding during the year        | 120681870                    | 120681870                    |
| Net Profit (after tax, available for equity shareholders) ₹ in Lakhs        | 8536.50                      | 6684.87                      |
| <b>BASIC AND DILUTED EARNINGS PER SHARE</b>                                 | <b>7.07</b>                  | <b>5.54</b>                  |

\* refer note 13.3

### 35. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

₹ in Lakhs

|  | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| <b>Contingent liabilities</b>                                  |                |                |
| <b>(a) Claims against the company not acknowledge as debt:</b> |                |                |
| (i) Indirect Tax cases in dispute                              | 199.97         | 37.68          |
| (ii) Direct Tax cases in dispute                               | 1109.50        | 14.13          |
| (iii) Other Cases  | 23.64          | 23.64          |

#### Note:

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.

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| <b>Contingent liabilities</b>   |                |                |
| <b>(b) Others:</b>  |                |                |
| a) Letters of Credit established but Goods not received                   | 3331.89        | 6673.64        |
| b) Corporate Guarantee Given  |                |                |
| Greenlam Asia Pacific Pte Ltd - USD 30 Lakhs (Previous Year USD 50 Lakhs) | 2273.40        | 3655.25        |
| Greenlam Europe (UK) Ltd -GBP 10 Lakhs (Previous Year -GBP 10 Lakhs)      | 995.22         | 1007.24        |
|   | <b>3268.62</b> | <b>4662.49</b> |

#### 35.1 Commitments

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| a. Estimated pending Capital contract ( Net of Advance) | 403.48         | 972.98         |



Notes to Standalone Financial Statement for the year ended 31 March 2022

36. Segment Reporting

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The following table present the revenue, profit, assets and liabilities information relating to the business / geographical segment for the year ended 31st March, 2022.

| Information about Business Segments - Primary <span>₹ in Lakhs</span> |                            |            |                          |            |              |            |            |            |
|---|----------------------------|------------|--------------------------|------------|--------------|------------|------------|------------|
| REPORTABLE SEGMENT  | LAMINATE & ALLIED PRODUCTS |            | VENEER & ALLIED PRODUCTS |            | UN ALLOCATED |            | TOTAL      |            |
|   | YEAR ENDED                 | YEAR ENDED | YEAR ENDED               | YEAR ENDED | YEAR ENDED   | YEAR ENDED | YEAR ENDED | YEAR ENDED |
|   | 31.03.2022                 | 31.03.2021 | 31.3.2022                | 31.03.2021 | 31.3.2022    | 31.03.2021 | 31.3.2022  | 31.03.2021 |
| REVENUE   |                            |            |                          |            |              |            |            |            |
| External Sales  | 137641.14                  | 96710.82   | 14282.97                 | 13218.96   | -            | -          | 151924.11  | 109929.78  |
| Inter-segment Sales   | -                          | -          | -                        | -          | -            | -          | -          | -          |
| Gross Sales   | 137641.14                  | 96710.82   | 14282.97                 | 13218.96   | -            | -          | 151924.11  | 109929.78  |
| Other Operating Income  | 3811.85                    | 2303.08    | 182.59                   | 372.34     | -            | -          | 3994.44    | 2675.42    |
| Revenue from Operation  | 141452.99                  | 99013.90   | 14465.56                 | 13591.30   | -            | -          | 155918.55  | 112605.20  |
| RESULT  |                            |            |                          |            |              |            |            |            |
| Segment Result  | 21226.37                   | 17975.30   | (923.98)                 | (687.04)   | -            | -          | 20302.39   | 17288.26   |
| Unallocated Corporate Expenses  |                            |            |                          |            | 7920.43      | 5866.75    | 7920.43    | 5866.75    |
| Operating Profit  |                            |            |                          |            |              |            | 12381.96   | 11421.51   |
| Less : Interest Expense   |                            |            |                          |            | 1347.75      | 1603.37    | 1347.75    | 1603.37    |
| Add : Interest Income   |                            |            |                          |            | 186.25       | 132.93     | 186.25     | 132.93     |
| Profit before Tax   |                            |            |                          |            |              |            | 11220.46   | 9951.07    |
| Exceptional Item  |                            |            |                          |            |              |            | 258.96     | 1240.17    |
| Current Tax including Earlier Year Tax                                |                            |            |                          |            |              |            | 2769.74    | 2231.74    |
| Deferred Tax  |                            |            |                          |            |              |            | (344.75)   | (205.71)   |
| Profit after Tax  |                            |            |                          |            |              |            | 8536.50    | 6684.87    |
| Other Comprehensive Income  |                            |            |                          |            |              |            | 23.47      | 93.70      |
| Total Comprehensive Income for the year, net of Tax                   |                            |            |                          |            |              |            | 8559.97    | 6778.57    |
| OTHER INFORMATION   |                            |            |                          |            |              |            |            |            |
| Segment Assets  | 71899.61                   | 60646.17   | 21740.55                 | 24431.35   | 37281.62     | 26633.51   | 130921.78  | 111711.03  |
| Segment Liabilities   | 28048.43                   | 24197.35   | 2352.85                  | 2778.34    | 3878.28      | 5174.06    | 34279.56   | 32149.75   |
| Loan Fund   |                            |            |                          |            | 32303.16     | 22238.66   | 32303.16   | 22238.66   |
| Deferred Tax Liabilities (Net)  |                            |            |                          |            | 1145.78      | 1482.50    | 1145.78    | 1482.50    |
| Shareholders' Funds   |                            |            |                          |            | 63193.28     | 55840.12   | 63193.28   | 55840.12   |
| Total Liabilities   |                            |            |                          |            |              |            | 130921.78  | 111711.03  |

| Secondary Segment - Geographical by location of customers <span>₹ in Lakhs</span> |            |            |                                   |            |                           |            |
|---|------------|------------|-----------------------------------|------------|---------------------------|------------|
| REPORTABLE SEGMENT  | Revenue    |            | Carrying Amount of Segment Assets |            | Additions to Fixed Assets |            |
|   | YEAR ENDED | YEAR ENDED | YEAR ENDED                        | YEAR ENDED | YEAR ENDED                | YEAR ENDED |
|   | 31.03.2022 | 31.03.2021 | 31.3.2022                         | 31.03.2021 | 31.3.2022                 | 31.03.2021 |
| Within India  | 85885.13   | 57803.45   | 130921.78                         | 111711.03  | 2655.79                   | 4926.69    |
| Outside India   | 66038.98   | 52126.33   | -                                 | -          | -                         | -          |
|   | 151924.11  | 109929.78  | 130921.78                         | 111711.03  | 2655.79                   | 4926.69    |

Notes to Standalone Financial Statement for the year ended 31 March 2022

36. Segment Reporting (Contd.)

NOTES:

- a) **Business Segments :**  
A description of the types of products and services provided by each reportable segment is as follows:
- Laminate & Allied Products:** The Segment is engaged in the business of manufacturing of Laminates, compact laminates and other allied products through its wholesale and retail network.
- Veneer & Allied Products:** The Segment is engaged in the business of manufacturing of Decorative veneers, Engineered Wood Flooring, Engineered Door Sets & Door Leaf and other allied products through its wholesale and retail network.
- b) **Segment Assets and Liabilities :**  
All Segment Assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, advances and operating cash and bank balances. Segment assets and liabilities do not include share capital, reserves and surplus, borrowings, proposed dividend and income tax (both current and deferred).
- c) **Segment Revenue and Expenses :**  
Segment revenue and expenses are directly attributable to the segment. It does not include dividend income, profit on sale of investments, interest income, interest expense, other expenses which cannot be allocated on a reasonable basis and provision for income tax (both current and deferred).

37. RELATED PARTY DISCLOSURES

37.1 List of related parties and relationship:

- a) **Related parties where control exists**  
Subsidiary Companies
- i) Greenlam Asia Pacific Pte. Ltd.
  - ii) Greenlam South Ltd.
  - iii) Greenlam America, Inc.
  - iv) Greenlam Europe (UK) Ltd.
  - v) Greenlam Decolan SA (acquired on 14th May,2019 by Greenlam Asia Pacific Pte. Ltd)
  - vi) Greenlam Asia Pacific (Thailand) Co. Ltd
  - vii) Greenlam Holding Co. Ltd.
  - viii) Pt. Greenlam Asia Pacific
  - ix) Pt. Greenlam Indo Pacific (incorporated on 05th May,2020)
  - x) Greenlam RUS LLC (incorporated on 02nd Nov,2020)
  - xi) Greenlam Poland SP. z.o.o
  - xii) HG Industries Limited (subsidiary w.e.f 3rd December 2021)
- b) **Related parties with whom transactions have taken place during the year.**  
**Key Managerial Personnel**
- i) Mr. Shiv Prakash Mittal, Non Executive Chairman
  - ii) Mr. Saurabh Mittal, Managing Director & CEO
  - iii) Mrs. Parul Mittal, Whole-Time Director
  - iv) Mr. Vijay Kumar Chopra, Independent Director
  - v) Ms. Matangi Gowrishankar, Independent Director (Appointed on 28th August, 2020)
  - vi) Ms. Sonali Bhagwati Dalal, Independent Director (Cessation 28th August, 2020)
  - vii) Mr. Sandip Das, Independent Director
  - viii) Mr. Yogesh Kapur ( Appointed as Independent Director on 12th August,2021)
  - ix) Mr. Ashok Kumar Sharma, Chief Financial Officer
  - x) Mr. Prakash Kumar Biswal, Company Secretary

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 37. RELATED PARTY DISCLOSURES

#### Enterprises Owned/Influenced by Key Managerial Personnel or their relatives

- i) HG Industries Ltd ( Formerly known as Himalaya Granites Ltd.) ( till 2nd December,2021)
- ii) Greenply Industries Ltd.
- iii) Greenpanel Industries Ltd.
- iv) Seema Realcon Pvt Ltd ( Brother of Mrs Parul Mittal is a Director in Seema RealconPvt Ltd.
- v) Greenlam Employees Gratuity Trust
- vi) SM Safeinvest Private Limited

#### 37.2 TRANSACTIONS DURING THE YEAR:

₹ in Lakhs

| Particulars   | Subsidiaries    |                 | Key Managerial Personnel |          | Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives |                |
|---|-----------------|-----------------|--------------------------|----------|--|----------------|
|   | 2021-22         | 2020-21         | 2021-22                  | 2020-21  | 2021-22  | 2020-21        |
| <b>Sale of Products</b>                                       |                 |                 |                          |          |  |                |
| Greenply Industries Ltd.                                      | -               | -               | -                        | -        | 50.10  | 79.42          |
| Greenpanel Industries Ltd.                                    | -               | -               | -                        | -        | 19.21  | 199.66         |
| Greenlam Asia Pacific Pte. Ltd.                               | 13420.65        | 11157.96        | -                        | -        | -  | -              |
| Greenlam America, Inc.  | 9582.79         | 6430.39         | -                        | -        | -  | -              |
| Greenlam Europe (UK) Ltd.                                     | 6945.75         | 5572.82         | -                        | -        | -  | -              |
| Greenlam Decolan SA   | 9260.28         | 6043.57         | -                        | -        | -  | -              |
| Seema Realcon Pvt Ltd   | -               | -               | -                        | -        | 7907.82  | 5360.90        |
| Greenlam South Ltd  | 0.08            | -               | -                        | -        | -  | -              |
| <b>Total</b>  | <b>39209.55</b> | <b>29204.74</b> | <b>-</b>                 | <b>-</b> | <b>7977.13</b>   | <b>5639.98</b> |
| <b>Purchase of Products</b>                                   |                 |                 |                          |          |  |                |
| Greenpanel Industries Ltd                                     | -               | -               | -                        | -        | 1067.18  | 446.87         |
| Seema Realcon Pvt Ltd   | -               | -               | -                        | -        | 3.17   | 2.59           |
| <b>Total</b>  | <b>-</b>        | <b>-</b>        | <b>-</b>                 | <b>-</b> | <b>1070.35</b>   | <b>449.46</b>  |
| <b>Commission (ORC Charges) and Reimbursement of Expenses</b> |                 |                 |                          |          |  |                |
| Seema Realcon Pvt Ltd   | -               | -               | -                        | -        | 42.26  | 18.85          |
| Greenlam Employee's Gratuity Trust                            | -               | -               | -                        | -        | 0.28   | 0.32           |
| Greenlam RUS LLC  | 175.31          | 62.36           | -                        | -        | -  | -              |
| Greenlam Poland SP ZOO  | 115.71          | -               | -                        | -        | -  | -              |
| <b>Total</b>  | <b>291.02</b>   | <b>62.36</b>    | <b>-</b>                 | <b>-</b> | <b>42.54</b>   | <b>19.17</b>   |
| <b>Dividend Received</b>                                      |                 |                 |                          |          |  |                |
| Greenlam Asia Pacific Pte. Ltd.                               | 315.17          | -               | -                        | -        | -  | -              |
| Greenlam America, Inc.  | 781.57          | -               | -                        | -        | -  | -              |
| <b>Total</b>  | <b>1096.74</b>  | <b>-</b>        | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>Investment (Equity Shares)</b>                             |                 |                 |                          |          |  |                |
| Greenlam South Ltd  | 1069.55         | 4544.79         | -                        | -        | -  | -              |
| Greenlam RUS LLC  | -               | 0.19            | -                        | -        | -  | -              |
| Greenlam Poland SP ZOO  | 0.19            | -               | -                        | -        | -  | -              |
| <b>Total</b>  | <b>1069.74</b>  | <b>4544.98</b>  | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 37.2 TRANSACTIONS DURING THE YEAR: (Contd.)

₹ in Lakhs

| Particulars                          | Subsidiaries   |              | Key Managerial Personnel |          | Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives |                |
|--------------------------------------|----------------|--------------|--------------------------|----------|--|----------------|
|                                      | 2021-22        | 2020-21      | 2021-22                  | 2020-21  | 2021-22  | 2020-21        |
| <b>Acquisition of Shares*</b>        |                |              |                          |          |  |                |
| Mr Saurabh Mittal                    | -              | -            | 1359.22                  | -        | -  | -              |
| Mrs. Parul Mittal                    | -              | -            | 22.54                    | -        | -  | -              |
| Mr Shiv Prakash Mittal               | -              | -            | 10.03                    | -        | -  | -              |
| SM Safeinvestment Private Limited    | -              | -            | -                        | -        | 0.08   | -              |
|                                      | <b>-</b>       | <b>-</b>     | <b>1391.79</b>           | <b>-</b> | <b>0.08</b>  | <b>-</b>       |
| * HG Industries Ltd                  |                |              |                          |          |  |                |
| <b>Recovery of Expenses</b>          |                |              |                          |          |  |                |
| Greenlam South Ltd                   | 1.49           | -            | -                        | -        | -  | -              |
| HG Industries Ltd                    | 0.49           | -            | -                        | -        | -  | -              |
|                                      | <b>1.98</b>    | <b>-</b>     | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>Investment (OCPS)</b>             |                |              |                          |          |  |                |
| Greenlam South Ltd                   | 3529.19        | -            | -                        | -        | -  | -              |
|                                      | <b>3529.19</b> | <b>-</b>     | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>Loan Given</b>                    |                |              |                          |          |  |                |
| Greenlam South Ltd                   | 3376.00        | 65.00        | -                        | -        | -  | -              |
| HG Industries Ltd                    | 35.00          | -            | -                        | -        | -  | -              |
|                                      | <b>3411.00</b> | <b>65.00</b> | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>Interest Received</b>             |                |              |                          |          |  |                |
| Greenlam South Ltd                   | 29.41          | 2.49         | -                        | -        | -  | -              |
| HG Industries Ltd                    | 0.22           | -            | -                        | -        | -  | -              |
|                                      | <b>29.63</b>   | <b>2.49</b>  | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>O/s Loan Square off</b>           |                |              |                          |          |  |                |
| Greenlam South Ltd                   | 3430.69        | 42.21        | -                        | -        | -  | -              |
| HG Industries Ltd                    | 35.22          | -            | -                        | -        | -  | -              |
|                                      | <b>3465.91</b> | <b>42.21</b> | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>Guarantee Commission Received</b> |                |              |                          |          |  |                |
| Greenlam Asia Pacific Pte. Ltd.      | 36.63          | 36.82        | -                        | -        | -  | -              |
| Greenlam Europe (UK) Ltd.            | 10.14          | 9.70         | -                        | -        | -  | -              |
| <b>Total</b>                         | <b>46.77</b>   | <b>46.52</b> | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>SBLC Charges Received</b>         |                |              |                          |          |  |                |
| Greenlam America Inc.                | -              | 8.56         | -                        | -        | -  | -              |
|                                      | <b>-</b>       | <b>8.56</b>  | <b>-</b>                 | <b>-</b> | <b>-</b>   | <b>-</b>       |
| <b>Rent Paid</b>                     |                |              |                          |          |  |                |
| HG Industries Ltd.                   | -              | -            | -                        | -        | 35.70  | 59.16          |
| Greenpanel Industries Ltd.           | -              | -            | -                        | -        | 0.25   | 0.60           |
| <b>Total</b>                         | <b>-</b>       | <b>-</b>     | <b>-</b>                 | <b>-</b> | <b>35.95</b>   | <b>59.76</b>   |
| <b>Contribution to Trust</b>         |                |              |                          |          |  |                |
| Greenlam Employee's Gratuity Trust   | -              | -            | -                        | -        | 250.00   | 1330.00        |
| <b>Total</b>                         | <b>-</b>       | <b>-</b>     | <b>-</b>                 | <b>-</b> | <b>250.00</b>  | <b>1330.00</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 37.2 TRANSACTIONS DURING THE YEAR: ₹ in Lakhs

| Particulars  | Subsidiaries   |                | Key Managerial Personnel |               | Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives |               |
|--|----------------|----------------|--------------------------|---------------|--|---------------|
|  | 2021-22        | 2020-21        | 2021-22                  | 2020-21       | 2021-22  | 2020-21       |
| <b>Remuneration</b>                                |                |                |                          |               |  |               |
| Mr. Saurabh Mittal                                 | -              | -              | 598.48                   | 409.86        | -  | -             |
| Mrs. Parul Mittal                                  | -              | -              | 359.90                   | 280.30        | -  | -             |
| Mr Shiv Prakash Mittal                             | -              | -              | 24.50                    | 22.40         | -  | -             |
| Mr. Vijay Kumar Chopra#                            | -              | -              | 26.20                    | 24.00         | -  | -             |
| Ms. Sonali Bhagwati Dalal#                         | -              | -              | -                        | 10.15         | -  | -             |
| Mr. Sandip Das#                                    | -              | -              | 28.10                    | 24.40         | -  | -             |
| Ms. Matangi Gowrishankar#                          | -              | -              | 27.20                    | 14.25         | -  | -             |
| Mr. Yogesh Kapur#                                  | -              | -              | 16.34                    | -             | -  | -             |
| Mr. Ashok Kumar Sharma                             | -              | -              | 128.64                   | 115.17        | -  | -             |
| Mr. Prakash Kumar Biswal                           | -              | -              | 52.98                    | 45.37         | -  | -             |
| <b>Total</b>                                       | -              | -              | <b>1262.34</b>           | <b>945.90</b> |  |               |
| <b>Amount outstanding as at Balance Sheet date</b> |                |                |                          |               |  |               |
| <b>Trade Receivable</b>                            |                |                |                          |               |  |               |
| Greenlam Asia Pacific Pte. Ltd.                    | 315.07         | 214.26         | -                        | -             | -  | -             |
| Greenlam America, Inc.                             | 652.08         | 416.79         | -                        | -             | -  | -             |
| Greenlam Europe (UK) Ltd.                          | 1086.94        | 1392.85        | -                        | -             | -  | -             |
| Greenlam Decolan SA                                | 3586.76        | 3628.62        | -                        | -             | -  | -             |
| Greenlam South Ltd                                 | -              | -              | -                        | -             | -  | -             |
| Greenply Industries Ltd.                           | -              | -              | -                        | -             | 3.91   | -             |
| Greenpanel Industries Ltd.                         | -              | -              | -                        | -             | 1.29   | 25.45         |
| Seema Realcon Pvt Ltd                              | -              | -              | -                        | -             | 59.79  | -             |
| <b>Total</b>                                       | <b>5640.85</b> | <b>5652.52</b> | -                        | -             | <b>64.99</b>   | <b>25.45</b>  |
| <b>Advance from Customer</b>                       |                |                |                          |               |  |               |
| Seema Realcon Pvt Ltd                              | -              | -              | -                        | -             | -  | 45.51         |
|  | -              | -              | -                        | -             | -  | <b>45.51</b>  |
| <b>Loan Receivable (Including Intt)</b>            |                |                |                          |               |  |               |
| Greenlam South Ltd                                 | -              | 25.28          | -                        | -             | -  | -             |
|  | -              | <b>25.28</b>   | -                        | -             | -  | -             |
| <b>Reimbursement Payable</b>                       |                |                |                          |               |  |               |
| Greenlam Employee's Gratuity Trust                 | -              | -              | -                        | -             | 0.28   | 0.32          |
|  | -              | -              | -                        | -             | <b>0.28</b>  | <b>0.32</b>   |
| <b>Trade Payable</b>                               |                |                |                          |               |  |               |
| Greenply Industries Ltd.                           | -              | -              | -                        | -             | -  | -             |
| Seema Realcon Pvt Ltd                              | -              | -              | -                        | -             | -  | 1.53          |
| Greenpanel Industries Ltd.                         | -              | -              | -                        | -             | 7.46   | 130.55        |
| <b>Total</b>                                       | -              | -              | -                        | -             | <b>7.46</b>  | <b>132.08</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 37.2 TRANSACTIONS DURING THE YEAR: ₹ in Lakhs

| Particulars                 | Subsidiaries |         | Key Managerial Personnel |               | Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives |         |
|-----------------------------|--------------|---------|--------------------------|---------------|--|---------|
|                             | 2021-22      | 2020-21 | 2021-22                  | 2020-21       | 2021-22  | 2020-21 |
| <b>Remuneration Payable</b> |              |         |                          |               |  |         |
| Mr. Saurabh Mittal          | -            | -       | 334.00                   | 242.88        | -  | -       |
| Mrs. Parul Mittal           | -            | -       | 225.50                   | 192.85        | -  | -       |
| Mr Shiv Prakash Mittal      | -            | -       | 18.00                    | 18.00         | -  | -       |
| Mr. Vijay Kumar Chopra#     | -            | -       | 18.00                    | 18.00         | -  | -       |
| Ms. Sonali Bhagwati Dalal#  | -            | -       | -                        | 7.35          | -  | -       |
| Mr. Sandip Das#             | -            | -       | 18.00                    | 18.00         | -  | -       |
| Ms. Matangi Gowrishankar#   | -            | -       | 18.00                    | 10.65         | -  | -       |
| Mr. Yogesh Kapur#           | -            | -       | 11.44                    | -             | -  | -       |
| Mr. Ashok Kumar Sharma      | -            | -       | -                        | 4.92          | -  | -       |
| Mr. Prakash Kumar Biswal    | -            | -       | -                        | 2.07          | -  | -       |
| <b>Total</b>                | -            | -       | <b>642.94</b>            | <b>514.72</b> | -  | -       |

**37.3** Investments by the loanee in the shares of the parent Company and its subsidiary companies, when the Company has made a loan or advance in the nature of loan ₹Nil (Previous year ₹Nil)

# Including sitting fees and commission

#### Terms and conditions of transactions with related parties

Purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates. The guarantees given to related party is made in the ordinary course of business and on terms at arm's length price. The commission on such guarantees have been recovered at arm length price as per safe harbour rules of Income Tax Act.

### 38. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY:

#### (I) DETAILS OF LOANS:

| Sl No. | Date of Loan/ investment | Date of Special Resolution (if any) | Name of Borrower   | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount (₹ in Lakhs) | Rate of interest | Security  | Remarks                            |
|--------|--------------------------|-------------------------------------|--------------------|--|---------------------|------------------|-----------|------------------------------------|
| 1      | 29 April 2021            |                                     | Greenlam South Ltd | Business Purpose   | 2.00                | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 2      | 24 May 2021              |                                     | Greenlam South Ltd | Business Purpose   | 7.00                | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 3      | 02 June 2021             |                                     | Greenlam South Ltd | Business Purpose   | 12.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 4      | 15 June 2021             |                                     | Greenlam South Ltd | Business Purpose   | 180.00              | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 5      | 30 June 2021             |                                     | Greenlam South Ltd | Business Purpose   | 5.00                | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |



## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 38. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY: (Contd.)

| Sl No. | Date of Loan/ investment | Date of Special Resolution (if any) | Name of Borrower   | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount (₹ in Lakhs) | Rate of interest | Security  | Remarks                            |
|--------|--------------------------|-------------------------------------|--------------------|--|---------------------|------------------|-----------|------------------------------------|
| 6      | 13 July 2021             |                                     | Greenlam South Ltd | Business Purpose   | 25.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 7      | 10 August 2021           |                                     | Greenlam South Ltd | Business Purpose   | 50.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 8      | 17 December 2021         |                                     | HG Industries Ltd  | Business Purpose   | 10.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 9      | 31 December 2021         |                                     | HG Industries Ltd  | Business Purpose   | 15.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 10     | 12 January 2022          |                                     | HG Industries Ltd  | Business Purpose   | 10.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 11     | 12 January 2022          |                                     | Greenlam South Ltd | Business Purpose   | 15.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 12     | 28 January 2022          |                                     | Greenlam South Ltd | Business Purpose   | 2900.00             | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 13     | 15 February 2022         |                                     | Greenlam South Ltd | Business Purpose   | 140.00              | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 14     | 28 February 2022         |                                     | Greenlam South Ltd | Business Purpose   | 20.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |
| 15     | 07 March 2022            |                                     | Greenlam South Ltd | Business Purpose   | 20.00               | 7.50%            | Unsecured | Balance O/s as on 31/3/2022 is Nil |

### (II) DETAILS OF INVESTMENTS:

| Sl. No. | Date of investment                  | Date of Special Resolution (if any) | Date of Board Resolution (if any) | Name of investee  | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount (₹ in Lakhs) | Remarks   |
|---------|-------------------------------------|-------------------------------------|-----------------------------------|---|--|---------------------|---|
| 1       | 03 September 2021                   |                                     | 25 September 2020                 | Greenlam Poland SP ZOO                                      | Business Purpose   | 0.19                | 1% equity shares  |
| 2       | 15 September 2021                   |                                     | 29 January 2020                   | Greenlam South Ltd  | Business Purpose   | 1069.55             | 1058958 equity shares issued at Rs 101/-.   |
| 3       | 03 December 2021 & 07 December 2021 |                                     | 28 August 2021                    | HG Industries Ltd (formerly known as Himalaya Granites Ltd) | Business Purpose   | 1394.2              | 3470566 equity shares acquired at Rs 40.10/- per share from open market. And 400 shares @ 40.11 |
| 4       | 14 March 2022                       |                                     | 29 January 2020                   | Greenlam South Ltd  | Business Purpose   | 3529.18             | 1307107 OCPS issued at ₹270/-.  |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 38. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY: (Contd.)

#### (III) DETAILS OF GUARANTEE / SECURITY PROVIDED

| Sl. No. | Date of investment | Date of Board Resolution | Date of Special Resolution (if any) | Name of investee              | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount (Foreign Currency in Lakhs) | Amount (₹ in Lakhs) | Expected rate of return |
|---------|--------------------|--------------------------|-------------------------------------|-------------------------------|--|------------------------------------|---------------------|-------------------------|
| 1       | 03 March 2022      | 08 February 2022         | Not Applicable                      | Greenlam Asia Pacific Pte Ltd | For business requirements.   | USD 30                             | 2273.4              | Not Applicable          |
| 2       | 21 March 2022      | 08 February 2022         | Not Applicable                      | Greenlam Europe UK Ltd        | For business requirements.   | GBP 10                             | 995.2               | Not Applicable          |

### 39 FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of planning and executing its business strategies. The Company's financial risk management policy is planned, approved and reviewed by the Board of Directors. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### 39.1 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a loans and borrowings will fluctuate because of change of market interest rate.

#### Fixed And Variable interest on Borrowings sensitivity analysis

|                             | ₹ in Lakhs     |                |
|-----------------------------|----------------|----------------|
|                             | 31 March, 2022 | 31 March, 2021 |
| Fixed Rate Instrument       |                |                |
| Financial Liability * (NCD) | 67.53          | -              |
| Variable Rate Instrument    |                |                |
| Financial Liability         | 879.46         | 1175.93        |
|                             | <b>946.99</b>  | <b>1175.93</b> |

\* Refer Note 15.3

#### Interest Rate Sensitivity

The Following table demonstrate the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

|  | ₹ in Lakhs                             |  |
|--|--|--|
|  | Impact on profit & Loss 31 March, 2022 | Impact on profit & Loss 31 March, 2021 |
| Interest Rate Increase by 50 basis point | (112.02)                               | (111.19)                               |
| Interest Rate decrease by 50 basis point | 112.02                                 | 111.19                                 |

#### 39.2 MARKET RISK

Market Risk is the risk of loss of future earnings, fair values 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 exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables, and loans and borrowings.

The company manages market risk through the corporate finance department, which evaluates and exercises independent control over the entire process of market risk management. The corporate finance department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign

## Notes to Standalone Financial Statement for the year ended 31 March 2022

currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

### 39.3 FOREIGN CURRENCY RISK

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign currency forward contracts to hedge exposure to foreign currency risk.

#### Hedged Foreign Currency Exposures:

| Particulars                          | Currency | 31 March, 2022   |                | 31 March, 2021   |                |
|--------------------------------------|----------|------------------|----------------|------------------|----------------|
|                                      |          | Foreign Currency | ₹in Lakhs      | Foreign Currency | ₹in Lakhs      |
| Purchase (Hedging of Trade Payables) | EURO     | 909118           | 762.30         | 625428           | 536.32         |
|                                      | USD      | 694059           | 525.96         | 983356           | 718.88         |
|                                      | JPY      | 22022470         | 137.18         | 11020245         | 72.79          |
|                                      |          |                  | <b>1425.44</b> |                  | <b>1327.99</b> |
| Trade Receivables*                   | GBP      | 3090618          | 3075.84        | 2774294          | 2794.38        |
|                                      | EURO     | -                | -              | 1789885          | 1534.87        |
|                                      | USD      | 721103           | 546.45         |                  |                |
|                                      |          |                  | <b>3622.29</b> |                  | <b>4329.25</b> |

\* includes cover on contractual arrangement

#### Unhedged Foreign Currency Exposures:

| Particulars       | Currency | 31 March, 2022   |                | 31 March, 2021   |                |
|-------------------|----------|------------------|----------------|------------------|----------------|
|                   |          | Foreign Currency | ₹in Lakhs      | Foreign Currency | ₹in Lakhs      |
| Trade Payables    | EURO     | 5607435          | 4701.87        | 5259380          | 4510.03        |
|                   | USD      | 3639392          | 2757.93        | 2439016          | 1783.04        |
|                   | GBP      | -                | -              | 10612            | 10.69          |
|                   | AED      | 97805            | 20.18          | 86676            | 17.25          |
|                   | SGD      | 1700             | 0.95           | 1700             | 0.92           |
|                   | JPY      | 3111278          | 19.38          | 4148465          | 27.40          |
|                   | PLN      | 134954           | 24.43          | -                | -              |
|                   | RUB      | 2091590          | 19.95          | -                | -              |
|                   |          |                  | <b>7544.69</b> |                  | <b>6349.33</b> |
| Trade Receivables | EURO     | 5916906          | 4961.36        | 4780274          | 4099.19        |
|                   | USD      | 2716422          | 2058.50        | 2032156          | 1822.22        |
|                   | GBP      | 750668           | 747.08         | 186275           | 187.62         |
|                   |          |                  | <b>7766.94</b> |                  | <b>6109.03</b> |

### 39.4 CREDIT RISK

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Trade Receivables are impaired using the Life time Expected Credit Losses (ECL) Model. The company uses a provision matrix to determine the

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 39.4 CREDIT RISK (Contd.)

impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates.

Financial Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments in normal course of business. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

#### Financial assets where Life time Expected Credit Losses (ECL) is used:

|                             | ₹ in Lakhs      |                 |
|-----------------------------|-----------------|-----------------|
|                             | 31 March, 2022  | 31 March, 2021  |
| Trade Receivables           | 12605.05        | 13882.53        |
| Less : Expected Credit Loss | 85.83           | 96.78           |
| <b>Trade Receivables</b>    | <b>12519.22</b> | <b>13785.75</b> |

### 39.5 LIQUIDITY RISK

Liquidity Risk is the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's corporate finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are reviewed by the Board of Directors. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial Liabilities as reported in the Balance Sheet are segregated into current and non-current. Non-current financial liabilities have a maturity period of more than one year, whereas the current financial liabilities have maturities within one year.

#### 31 March, 2022

|  | ₹ in Lakhs      |                 |                  |                            |                  |                 |
|--|-----------------|-----------------|------------------|----------------------------|------------------|-----------------|
| Particulars                                | On Demand       | Not Due         | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total           |
| <b>Non-derivative</b>                      |                 |                 |                  |                            |                  |                 |
| Trade payables                             | -               | 18805.15        | 5364.75          | -                          | -                | 24169.90        |
| Borrowings                                 | 14412.01        | -               | 2497.47          | 15393.68                   | -                | 32303.16        |
| <b>Other financial liabilities</b>         |                 |                 |                  |                            |                  |                 |
| Interest Accrued but not due on borrowings | -               | 67.99           | -                | -                          | -                | 67.99           |
| Trade Deposits                             | -               | -               | -                | -                          | -                | -               |
| Lease Liability                            | -               | -               | 1184.29          | 3132.71                    | 377.42           | 4694.42         |
| Other Financial Liabilities                | -               | -               | 1502.38          | 124.44                     | -                | 1626.82         |
| <b>Total</b>                               | <b>14412.01</b> | <b>18873.14</b> | <b>10548.89</b>  | <b>18650.83</b>            | <b>377.42</b>    | <b>62862.29</b> |

#### 31 March, 2021

|  | ₹ in Lakhs      |                 |                  |                            |                  |                 |
|--|-----------------|-----------------|------------------|----------------------------|------------------|-----------------|
| Particulars                                      | On Demand       | Not Due         | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total           |
| <b>Non-derivative</b>                            |                 |                 |                  |                            |                  |                 |
| Trade payables                                   | -               | 16906.78        | 4576.41          | -                          | -                | 21483.19        |
| Borrowings                                       | 11750.00        | -               | 2497.47          | 7991.15                    | -                | 22238.62        |
| <b>Other financial liabilities</b>               |                 |                 |                  |                            |                  |                 |
| Interest Accrued but not due on borrowings (NCD) | -               | 0.63            | -                | -                          | -                | 0.63            |
| Trade Deposits                                   | -               | -               | -                | -                          | -                | -               |
| Lease Liability                                  | -               | -               | 1078.15          | 4117.47                    | 52.04            | 5247.66         |
| Other Financial Liabilities                      | -               | -               | 1484.03          | 167.01                     | -                | 1651.04         |
| <b>Total</b>                                     | <b>11750.00</b> | <b>16907.41</b> | <b>9636.06</b>   | <b>12275.63</b>            | <b>52.04</b>     | <b>50621.14</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 39.6 CAPITAL MANAGEMENT

For the purposes of Company's Capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The company monitors capital using net debt/equity ratio, which is net debt divided by total equity.

|   | ₹ in Lakhs     |                |
|---|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |
| Net Debt (Total Debt- Cash and Cash Equivalents - Current Investment) | 15793.09       | 10519.10       |
| Total Equity  | 63193.28       | 55840.12       |
| Gearing Ratio   | 24.99%         | 18.84%         |

### 40 Accounting classifications and fair values.

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 a forced or liquidated sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loans from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1** : Quoted prices in active markets for identical assets or liabilities

**Level 2** : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable.

**Level 3** : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

|   | ₹ in Lakhs      |                 |
|---|-----------------|-----------------|
|   | 31 March, 2022  | 31 March, 2021  |
| <b>Financial assets at amortised cost:</b>                          |                 |                 |
| Investments   | 13050.48        | 7057.00         |
| Loans - Non-current   | -               | -               |
| Trade Receivables (Non-Current)                                     | 108.53          | 78.21           |
| Trade Receivables   | 12410.69        | 13707.54        |
| Cash and Cash Equivalents   | 846.85          | 1079.80         |
| Bank Balances other than above                                      | 7.56            | 9.06            |
| Loans - Current   | 49.69           | 53.34           |
| <b>Total</b>  | <b>26473.80</b> | <b>21984.95</b> |
| <b>Financial assets at fair value through profit and loss:</b>      |                 |                 |
| Derivative - current - Level 2                                      | 73.21           | 14.49           |
| <b>Total Financial Assets</b>                                       | <b>26547.01</b> | <b>21999.44</b> |
| <b>Financial liabilities at amortised cost:</b>                     |                 |                 |
| Borrowings - Non-current  | 15393.68        | 7991.15         |
| Other Financial Liabilities - Non-current                           | 124.44          | 167.01          |
| Borrowings - Current  | 16909.48        | 14247.47        |
| Lease Liabilities - Non Current                                     | 3510.13         | 4169.51         |
| Lease Liabilities - Current   | 1184.29         | 1078.15         |
| Trade Payables  | 24169.90        | 21483.19        |
| Other Financial Liabilities - Current                               | 1570.37         | 1484.66         |
| <b>Total</b>  | <b>62862.29</b> | <b>50621.15</b> |
| <b>Financial Liabilities at fair value through profit and loss:</b> |                 |                 |
| Derivative - current - Level 2                                      | -               | -               |
| <b>Total Financial Liabilities</b>                                  | <b>62862.29</b> | <b>50621.15</b> |

## Notes to Standalone Financial Statement for the year ended 31 March 2022

### 41. TAXATION

The firm of Independent Accountants have certified that the Company's International and specified domestic transactions covered by transfer pricing regulations during the financial year ended 31st March, 2021 were at arm's length. The Management believes that during the current financial year, similar transactions would have no impact on these financial statements and particularly the amount of tax expense and the provision for taxation.

### 42. INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information /documents available with the Company, information as per the requirements of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

|  | ₹ in Lakhs     |                |
|--|----------------|----------------|
|  | 31 March, 2022 | 31 March, 2021 |
| i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).  | 1226.96        | 900.03         |
| ii) Interest due on above  | -              | -              |
| <b>Total of (i) &amp; (ii)</b>   | <b>1226.96</b> | <b>900.03</b>  |
| iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.  | -              | 0.46           |
| iv) Amount paid to the suppliers beyond due date during the year   | -              | 111.17         |
| v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.  | -              | -              |
| vi) Amount of interest accrued and remaining unpaid at the end of accounting year  | -              | -              |
| vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | -              | -              |
| viii) 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;     | -              | -              |

### 43 Right to Use Assets/Lease Liability

#### a. Right of Use

The Company has created following Right of Use Assets as under as per Para C8 (b) (i) of Ind AS-116 by applying Modified Retrospective Method as prescribed in Para C5 of the standard;

|                                      | ₹ in Lakhs     |                |
|--------------------------------------|----------------|----------------|
| Particulars                          | 31 March, 2022 | 31 March, 2021 |
| Opening Balance                      | 8156.40        | 7968.02        |
| Addition during the FY 2021-22       | 595.65         | 352.25         |
| Termination during the FY 2021-22    | 662.69         | 163.86         |
| Depreciation Charged                 | 963.56         | 970.71         |
| Carrying amount as at March 31, 2022 | 5644.70        | 6367.19        |
| Cash Flow for leases                 | 724.06         | 628.42         |
| Lease Liabilities                    | 4694.42        | 5247.66        |



Notes to Standalone Financial Statement for the year ended 31 March 2022

43 Right to Use Assets/Lease Liability (Contd.)

- b. Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:  
₹ in Lakhs
- | Period           | 31 March, 2022 | 31 March, 2021 |
|------------------|----------------|----------------|
| 0-1 year         | 1184.29        | 1078.15        |
| 1-5 year         | 3132.71        | 4117.47        |
| More than 5 year | 377.42         | 52.04          |
- c. The Company has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹31.38 Lakhs (Previous Year ₹2.91 Lakhs) associated with these lease.
- d. The Company has recognised Interest expenses of Rs 397.16 Lakhs (Previous Year ₹421.67 Lakhs) on Lease Liabilities during the year.
- e. Lease contracts entered by the Company majorly pertain for Land and office Building taken on lease to conduct its business in the ordinary course of business.
- f. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.
- g. The weighted average incremental borrowing rate of 8% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- h. The Company has elected not to apply the requirements in Para C8 to leases for which the lease term ends within 12 months of the date of initial application as per practical expedient available under Para C10 of this standard.

44. Distribution made and proposed dividend

| ₹ in Lakhs  |                |                |
|---|----------------|----------------|
| Particulars   | 31 March, 2022 | 31 March, 2021 |
| <b>Cash dividend on equity shares declared and paid</b>                         |                |                |
| Final dividend for the year ended on 31 March 2021                              |                |                |
| ₹5 per share (on face value of ₹5 each) (31 March 2020: ₹Nil)                   | 1206.82        | -              |
| <b>Total dividend paid</b>  | <b>1206.82</b> | <b>-</b>       |
| <b>Proposed dividend on Equity shares</b>                                       |                |                |
| Final dividend for the year ended on 31 March 2022                              |                |                |
| ₹1.20 (on face value of ₹1 each*) (31 March 2021: ₹5 ,on face value of ₹5 each) | 1448.18        | 1206.82        |
| <b>Total dividend proposed</b>  | <b>1448.18</b> | <b>1206.82</b> |

\* Refer Note No 13.3

45 Financial Ratios

| Ratios                      | Numerator  | Denominator   | 31 March, 2022 | 31 March, 2021 | % change | Remarks                 |
|-----------------------------|--|---|----------------|----------------|----------|-------------------------|
| Current ratio               | Current Assets   | Current Liabilities   | 1.66           | 1.50           | 10.32%   |                         |
| Net Debt- Equity Ratio      | Net Debt   | Shareholder's Equity  | 24.99%         | 18.84%         | 32.67%   | Higher debt in FY 21-22 |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 4.40           | 3.88           | 13.36%   |                         |
| Return on Equity ratio      | Net Profits after taxes – Preference Dividend                                    | Average Shareholder's Equity- OCI- Capital Reserve              | 19.24%         | 17.89%         | 7.53%    |                         |

Notes to Standalone Financial Statement for the year ended 31 March 2022

45 Financial Ratios (Contd.)

| Ratios                                    | Numerator                              | Denominator  | 31 March, 2022 | 31 March, 2021 | % change | Remarks                                    |
|---|--|--|----------------|----------------|----------|--|
| Inventory Turnover ratio (in days)        | Closing Inventory                      | Revenue from Operations                                | 104            | 107            | -2.80%   |  |
| Trade Receivable Turnover Ratio (in days) | Closing Current Debtors                | Revenue from Operations                                | 29             | 44             | -34.61%  | Higher Revenues and lower trade receivable |
| Trade Payable Turnover Ratio (in days)    | Closing Trade Payables                 | Revenue from Operations                                | 57             | 70             | -18.75%  |  |
| Net Capital Turnover Ratio                | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 4.96           | 5.34           | -7.09%   |  |
| Net Profit ratio                          | Net Profit                             | Revenue from Operations                                | 5.47%          | 5.94%          | -7.78%   |  |
| Return on Capital Employed                | Earnings before interest and taxes     | Capital Employed = Tangible Net Worth + Total Debt     | 15.72%         | 17.02%         | -7.68%   |  |
| Return on Current Investment*             | Interest (Finance Income)              | Current Investment                                     | 1.20%          | 0.51%          | 133.47%  | Higher Investment in FY 2021-22            |

\* During the year company has received the dividend from its subsidiaries of Rs 1096.74, which is not considered while computing the Return on Investment.

46. Exceptional Items of ₹258.96 Lakhs is towards the settlement of entry tax demand received from Rajasthan Commercial Tax Department, as per specific details given below :

The Company received Tax assessment order from Rajasthan Commercial Tax Department towards demand of Entry tax including interest thereon for the Period from April, 2016 to June, 2017 of ₹738.74 Lakhs Since the option for settlement in AMENSTY SCHEME-2021 towards rebate of tax and settlement of outstanding demands and disputes was open, the Company opted for said scheme and settled the said demand by payment of ₹258.96 Lakhs.

47. Other Statutory Information

- All the borrowings of the company are used for the specific purpose for which it was taken.
- Quarterly returns or statements of Current assets filed by the company with banks/financial institution are in agreement with books of accounts
- The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.
- The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

Notes to Standalone Financial Statement for the year ended 31 March 2022

**48.** The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and does not anticipate any impairment to its financial and non-financial assets . Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions.

**49.** The figures for the previous period are re-classified/ re-arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current period's classification/disclosure.

|  |   |  |   |  |   |
|--|---|--|---|--|---|
| AS PER OUR ANNEXED REPORT OF EVEN DATE.<br><b>For S S Kothari Mehta &amp; Company</b><br>Chartered Accountants<br>ICAI Firm Reg. No. 000756N | For and on behalf of Board of Directors of<br><b>Greenlam Industries Limited</b><br>CIN: L21016DL2013PLC386045  |  |   |  |   |
| <b>(Naveen Aggarwal)</b><br>Membership No. 094380<br>Partner<br>Place of Signature : New Delhi<br>Dated : 30th May 2022                      | <table><tr><td><b>Saurabh Mittal</b><br/>Managing Director and CEO<br/>(DIN : 00273917)</td><td><b>Parul Mittal</b><br/>Wholetime Director<br/>(DIN : 00348783)</td></tr><tr><td><b>Ashok Kumar Sharma</b><br/>Chief Financial Officer</td><td><b>Prakash Kumar Biswal</b><br/>Company Secretary &amp; VP - Legal</td></tr></table> | <b>Saurabh Mittal</b><br>Managing Director and CEO<br>(DIN : 00273917) | <b>Parul Mittal</b><br>Wholetime Director<br>(DIN : 00348783) | <b>Ashok Kumar Sharma</b><br>Chief Financial Officer | <b>Prakash Kumar Biswal</b><br>Company Secretary & VP - Legal |
| <b>Saurabh Mittal</b><br>Managing Director and CEO<br>(DIN : 00273917)   | <b>Parul Mittal</b><br>Wholetime Director<br>(DIN : 00348783)   |  |   |  |   |
| <b>Ashok Kumar Sharma</b><br>Chief Financial Officer   | <b>Prakash Kumar Biswal</b><br>Company Secretary & VP - Legal   |  |   |  |   |

Independent Auditors’ Report

To  
the Members of  
**Greenlam Industries Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Greenlam Industries Limited** ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprising the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit & total comprehensive income, consolidated changes in

equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us & other auditors in terms of their reports and information provided for management certified financial statements for four subsidiary as referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note No. 45 of the consolidated financial statement which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management.

Our opinion is not modified in respect of above matter.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter   | Auditor's Response   |
|---------|--|--|
| 1.      | <p><b>Recognition of Revenue</b><br/>(In respect of Holding Company)</p> <p>The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.</p> <p>For the year ended March 31, 2022, the Company's Statement of Profit &amp; Loss included Sales of ₹151924.11 Lacs. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control.</p> <p>The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.</p> <p>Refer to accounting policies Note 1.09 and Note No. 25 of the Consolidated Financial Statements.</p> | <p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"><li>▪ We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.</li><li>▪ Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li><li>▪ We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.</li><li>▪ We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements.</li><li>▪ In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.</li><li>▪ We validated the appropriateness and completeness of the related disclosures in Note No. 25 of the Consolidated financial statements.</li></ul> |

| Sr. No. | Key Audit Matter   | Auditor's Response   |
|---------|--|--|
|         | <p><b>For -HG INDUSTRIES LIMITED</b><br/>(Formerly Himalaya Granites Limited)</p> <p>Deferred Tax Liabilities (Note no 18)</p> <p>The Company has recognized deferred tax liabilities (net) of INR 1.33 lakhs on the provision for gratuity &amp; leave and netting of deferred tax liability on difference in Written down value of fixed assets as per the Companies Act, 2013 and the Income Tax Act, 1961.</p> <p>The deferred tax asset is recognised as it is considered to be recoverable based on the Company's projected taxable profits in the forthcoming years considering the stability and improvements in the business conditions and current and likely future state of the industry. Under Indian Accounting Standard 12 Income Taxes the carrying amount of a deferred tax asset is required to be reviewed at the end of each reporting period. The future taxable profit projections involve several key assumptions including past trends, expected demand and stability and improvement in the business conditions and current and likely future state of the industry. We considered this a key audit matter as the amount of deferred tax assets is material to the financial statements and significant management judgement is required in assessing its recoverability based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's future business plan.</p> | <p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"><li>▪ Evaluated and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax assets on Business loss and unabsorbed depreciation.</li><li>▪ Reviewed the Company's accounting policy in respect of recognizing deferred tax assets on Business loss and unabsorbed depreciation.</li><li>▪ Evaluated whether the business loss and unabsorbed depreciation is legally available to the Company for the period, considering the provisions of Income-tax Act 1961.</li><li>▪ Reviewed the setoff of carry forward Business loss and unabsorbed depreciation in the past.</li><li>▪ Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends and relevant economic and industry indicators.</li><li>▪ Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes.</li></ul> <p>Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets is reasonable.</p> |

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Holding's annual report particularly with report to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report

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 during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies Included in the Group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 are responsible for overseeing the financial reporting process of their respective Company included in the Group.

### Auditor's 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 financial controls 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 Holding Company & two subsidiary company incorporated in India has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statement. 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 statement, 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company 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 Matters

We did not audit the financial statements of eight subsidiaries/step down subsidiaries, whose financial statements reflect total assets of ₹16269.90 lakhs as at March 31, 2022, total revenues of ₹55,258.57 Lakhs and cash outflow (net) amounting to ₹152.08 lakhs, Profit

after Tax of ₹1838.02 lakhs and total Comprehensive Income of ₹1777.46 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company 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/step down subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

We did not audit the financial information of three step down subsidiaries whose financial statements reflect total assets of ₹306.20 lakhs as at March 31, 2022, total revenues of ₹408.15 lakhs and net cash inflow flow (net) of ₹38.78 lakhs, Profit after Tax of ₹29.73 lakhs and total Comprehensive Income of ₹29.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. This unaudited financial information has been furnished to us by the Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary based solely on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Further, all subsidiaries/ step down subsidiaries which are located outside India, whose annual financial statements 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 accounting principles applicable in their respective countries, the Holding Company's management has converted the financial statements of such subsidiaries 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 amounts and disclosures included in respect of these subsidiaries, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements certified by the Board of Directors.

## Report on Other Legal and Regulatory Requirements

1. 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 purpose 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 change in equity and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its two subsidiary companies incorporated in India none of the directors is disqualified as on March 31, 2022 from being appointed as a director of that company in terms of sub-section 2 of Section 164 of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note no. 38 to the consolidated financial statements.
- ii. The Group has made adequate provision, as required under the law or accounting standards for material foreseeable losses, if any on long term contracts including derivative contracts.
- iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company. Further there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India.
- iv.(a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("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 by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities

- identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v)(a) The final dividend proposed by the Holding Company in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. (Refer Note 43 to the consolidated financial statements).
- (b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. (Refer Note 43 to the consolidated financial statements)

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

### For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm Registration Number: 000756N

### NAVEEN AGGARWAL

Partner

Membership Number: 094380

UDIN: 22094380ALJUY5994

Place: New Delhi

Date: May 30, 2022

**“Annexure A”** to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Greenlam Industries Limited.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statement reporting of Greenlam Industries Limited (‘the Holding Company’) and its two subsidiaries, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement criteria established by the Holding 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 (ICAI). 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statement based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was 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 system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 auditor’s judgement, including the assessment of the risks of material misstatement of the 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 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 Company’s internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statement**

A Company’s internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to consolidated financial statement 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statement**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statement, 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 statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its two Subsidiaries incorporated in India have maintained, in all material respects, an adequate internal financial controls system with reference to financial statement

and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2022, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statement issued by the Institute of Chartered Accountants of India.

**For S S KOTHARI MEHTA & COMPANY**

Chartered Accountants  
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**

Partner  
Membership Number: 094380  
UDIN: 22094380ALJUJY5994

Place: New Delhi  
Date: May 30, 2022



Consolidated Balance Sheet as at 31 March, 2022

|   | NOTE    | 31st March, 2022 | 31st March, 2021 |
|---|---------|------------------|------------------|
| ₹ in Lakhs  |         |                  |                  |
| <b>ASSETS :</b>   |         |                  |                  |
| <b>Non-current Assets</b>                                 |         |                  |                  |
| Property, Plant and Equipment                             | 1       | 45718.95         | 40207.03         |
| Capital Work-in-Progress                                  | 2       | 754.22           | 1746.17          |
| Goodwill  | 3       | 321.81           | 311.03           |
| Other Intangible Assets                                   | 3       | 710.00           | 791.88           |
| Intangible Assets under Development                       |         | 151.42           | 71.54            |
| Financial Assets  |         |                  |                  |
| Investments   | 4       | 1.25             | 1.25             |
| Trade Receivables   | 8       | 108.53           | 78.21            |
| Deferred Tax Assets                                       | 18b     | 810.97           | 641.13           |
| Other Non-current Assets                                  | 5       | 4228.16          | 5784.64          |
| <b>Total Non-current assets</b>                           |         | <b>52805.31</b>  | <b>49632.88</b>  |
| <b>Current Assets</b>                                     |         |                  |                  |
| Inventories   | 6       | 50343.09         | 37811.38         |
| <b>Financial Assets</b>                                   |         |                  |                  |
| Investments   | 4a      | 16069.60         | 10639.72         |
| Trade Receivables   | 7       | 12902.36         | 13511.09         |
| Cash and Cash Equivalents                                 | 9a      | 1570.84          | 1863.49          |
| Bank Balances other than above                            | 9b      | 7.56             | 9.06             |
| Loans   | 10      | 50.14            | 57.50            |
| Other Financial Assets                                    | 10a     | 73.21            | 14.49            |
| Current Tax Assets (Net)                                  | 11      | 500.94           | 206.06           |
| Other Current Assets                                      | 12      | 4099.01          | 4059.08          |
| <b>Total Current assets</b>                               |         | <b>85616.75</b>  | <b>68171.87</b>  |
| <b>Total Assets</b>                                       |         | <b>138422.06</b> | <b>117804.75</b> |
| <b>EQUITY AND LIABILITIES:</b>                            |         |                  |                  |
| <b>Equity:</b>  |         |                  |                  |
| Equity Share Capital                                      | 13      | 1206.82          | 1206.82          |
| Other Equity  | 14      | 64228.51         | 56140.61         |
| Non Controlling Interest                                  |         | 69.92            | 46.44            |
| <b>Total Equity</b>                                       |         | <b>65505.25</b>  | <b>57393.87</b>  |
| <b>Liabilities:</b>                                       |         |                  |                  |
| <b>Non-current Liabilities :</b>                          |         |                  |                  |
| <b>Financial Liabilities</b>                              |         |                  |                  |
| Borrowings  | 15      | 15794.29         | 8378.60          |
| Lease Liabilities   | 16a     | 3845.85          | 4595.37          |
| Other Financial Liabilities                               | 16b     | 124.44           | 167.01           |
| Provisions  | 17      | 910.22           | 966.21           |
| Deferred Tax Liabilities (Net)                            | 18a     | 1689.53          | 1906.40          |
| <b>Total Non-current liabilities</b>                      |         | <b>22364.33</b>  | <b>16013.59</b>  |
| <b>Current Liabilities</b>                                |         |                  |                  |
| <b>Financial Liabilities</b>                              |         |                  |                  |
| Borrowings  | 19      | 18732.09         | 16462.31         |
| Lease Liabilities   | 21a     | 1412.17          | 1277.47          |
| Trade Payables  | 20      |                  |                  |
| - Total O/s Dues of Micro and Small Enterprises           |         | 1231.32          | 900.03           |
| - Dues O/s Dues of Other than Micro and Small Enterprises |         | 24349.51         | 21376.00         |
| Other Financial Liabilities                               | 21b     | 1772.42          | 1558.47          |
| Other Current Liabilities                                 | 22      | 2553.65          | 2640.62          |
| Provisions  | 23      | 300.47           | 160.44           |
| Current Tax Liabilities (Net)                             | 24      | 200.86           | 21.95            |
| <b>Total Current liabilities</b>                          |         | <b>50552.48</b>  | <b>44397.29</b>  |
| <b>TOTAL :</b>  |         | <b>138422.06</b> | <b>117804.75</b> |
| Significant Accounting Policies                           | I       |                  |                  |
| See Accompanying Notes to the Financial Statements        | 1 to 49 |                  |                  |

As per our report of even date attached  
**For S S Kothari Mehta & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of  
**Greenlam Industries Limited**  
CIN: L21016DL2013PLC386045

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

**(Naveen Aggarwal)**  
Membership No. 094380  
Partner  
Place of Signature : New Delhi  
Dated : 30th May 2022

Consolidated Statement of Profit and Loss for the year ended 31 March, 2022

|  | NOTE    | Year Ended<br>31st March, 2022 | Year Ended<br>31st March, 2021 |
|--|---------|--------------------------------|--------------------------------|
| ₹ in Lakhs   |         |                                |                                |
| <b>INCOME:</b>   |         |                                |                                |
| Sale of Products   |         | 164816.60                      | 116917.76                      |
| Other Operating Revenue  |         | 5523.81                        | 3041.30                        |
| Revenue from Operations  | 25      | 170340.41                      | 119959.05                      |
| Other Income   | 26      | 729.46                         | 755.92                         |
| <b>Total Income</b>  |         | <b>171069.87</b>               | <b>120714.98</b>               |
| <b>EXPENSES:</b>   |         |                                |                                |
| Cost of Materials Consumed   | 27      | 92104.27                       | 58978.28                       |
| Purchase of stock in trade   | 28      | 5541.27                        | 1668.88                        |
| Changes in Inventories of Finished Goods,<br>Stock in Process and Stock in Trade | 29      | (3215.61)                      | (487.43)                       |
| Employees Benefits Expense   | 30      | 25943.24                       | 20785.08                       |
| Finance Costs  | 31      | 1408.00                        | 1692.36                        |
| Depreciation and Amortization Expense  | 32      | 5849.57                        | 5556.26                        |
| Other Expenses   | 33      | 31266.47                       | 21685.04                       |
| <b>Total Expenses</b>  |         | <b>158897.21</b>               | <b>109878.47</b>               |
| <b>Profit before Exceptional Item and Tax</b>                                    |         | <b>12172.66</b>                | <b>10836.51</b>                |
| Exceptional Item (gain)/Loss   |         | 258.96                         | 1240.17                        |
| <b>Profit before Tax</b>   |         | <b>11913.70</b>                | <b>9596.34</b>                 |
| <b>Tax Expense</b>   |         |                                |                                |
| Current Tax  |         | 3183.30                        | 2698.65                        |
| Income Tax for Earlier years   |         | 68.72                          | (308.16)                       |
| Deferred Tax   |         | (396.55)                       | (162.60)                       |
|  |         | 2855.47                        | 2227.89                        |
| <b>Profit for the Year</b>   |         | <b>9058.23</b>                 | <b>7368.45</b>                 |
| Profit or loss, attributable to Non Controlling Interests                        |         | (15.04)                        | (7.51)                         |
| Profit or loss, attributable to Owners   |         | <b>9073.27</b>                 | <b>7375.96</b>                 |
| <b>Other Comprehensive Income</b>  |         |                                |                                |
| Items that will be reclassified to profit or loss:                               |         |                                |                                |
| Exchange rate difference on Consolidation  |         | 197.98                         | (189.41)                       |
| Items that will not be reclassified to profit or loss:                           |         |                                |                                |
| Remeasurement gain/(loss) on defined benefit plans                               |         | 31.37                          | 125.21                         |
| Income tax relating to items that will not be reclassified<br>to profit or loss  |         | (7.90)                         | (31.51)                        |
| Other Comprehensive Income, net of tax   |         | <b>221.45</b>                  | <b>(95.71)</b>                 |
| Total Comprehensive Income for the year, net of Tax                              |         | <b>9279.68</b>                 | <b>7272.74</b>                 |
| Comprehensive Income, attributable to Non<br>Controlling Interest                |         | (15.04)                        | (7.51)                         |
| Comprehensive Income, attributable to Owners                                     |         | <b>9294.72</b>                 | <b>7280.25</b>                 |
| Earnings per Equity Share Face Value ₹1 Each ( Refer<br>note 13.3)               |         |                                |                                |
| Basic and Diluted  | 35      | <b>7.52</b>                    | <b>6.11</b>                    |
| Significant Accounting Policies  |         |                                |                                |
| See Accompanying Notes on Financial Statements                                   | 1 to 49 |                                |                                |

As per our report of even date attached  
**For S S Kothari Mehta & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of  
**Greenlam Industries Limited**  
CIN: L21016DL2013PLC386045

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**(Naveen Aggarwal)**  
Membership No. 094380  
Partner  
Place of Signature : New Delhi  
Dated : 30th May 2022

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

## Consolidated Cash Flow Statement for the year ended 31 March 2022

₹ in Lakhs

|   | Year Ended 31st<br>March, 2022 | Year Ended 31st<br>March, 2021 |
|---|--------------------------------|--------------------------------|
| <b>A. Cash flows from operating activities</b>                |                                |                                |
| <b>Profit before Exceptional Item and Tax</b>                 | 12172.66                       | 10836.51                       |
| Adjustments for:  |                                |                                |
| Exceptional Item ( Refer note 48)                             | (258.96)                       | (1240.17)                      |
| Depreciation and Amortisation Expense                         | 5849.57                        | 5556.26                        |
| Finance Costs   | 1408.00                        | 1692.37                        |
| Liabilities no longer required written back                   | (114.58)                       | (84.86)                        |
| Loss on Sale / Discard of Fixed Assets                        | 86.56                          | 35.13                          |
| Effect of Exchange Rate Changes                               | 211.53                         | (189.41)                       |
| Unrealised Foreign Exchange Fluctuations                      | (52.36)                        | 14.58                          |
| Provision against Current Assets                              | 23.13                          | 17.86                          |
| Dividend Received   | -                              | (27.58)                        |
| Profit on redemption of Current investments (Net)             | (157.53)                       | (27.01)                        |
| Provision for Doubtful Debts                                  | 11.32                          | 1.32                           |
| Interest Income   | (186.25)                       | (132.93)                       |
| Re-measurement gain/(loss) on defined benefit plans           | 31.37                          | 125.21                         |
|   | <b>6851.79</b>                 | <b>5740.76</b>                 |
| <b>Operating cash flows before working capital changes</b>    | <b>19024.45</b>                | <b>16577.27</b>                |
| Working capital adjustments:                                  |                                |                                |
| (Increase) / Decrease in Trade and Other Receivables          | 357.06                         | 2913.96                        |
| (Increase) / Decrease in Inventories                          | (12531.71)                     | (708.19)                       |
| (Decrease) / Increase in Trade Payables                       | 3595.58                        | 5139.11                        |
|   | <b>(8579.07)</b>               | <b>7344.89</b>                 |
| Cash Generated from Operations                                | 10445.38                       | 23922.15                       |
| Income Tax Paid   | (3329.68)                      | (2618.48)                      |
| <b>Net cash from operating activities</b>                     | <b>7115.70</b>                 | <b>21303.67</b>                |
| <b>B. Cash flows from investing activities</b>                |                                |                                |
| Acquisition of Fixed Assets                                   | (8711.45)                      | (4991.38)                      |
| Dividend Received   | -                              | 27.58                          |
| Profit on redemption of Current investments (Net)             | 157.53                         | 27.01                          |
| Sale of Fixed Assets  | 166.88                         | 26.60                          |
| Investment  | (5429.88)                      | (10639.72)                     |
| Interest Received   | 186.25                         | 132.93                         |
| <b>Net Cash used in Investing Activities</b>                  | <b>(13630.67)</b>              | <b>(15416.98)</b>              |
| <b>C. Cash flows from financing activities</b>                |                                |                                |
| Proceeds from Long Term Borrowings                            | 9900.00                        | 3732.74                        |
| Short Term Borrowings (Net)                                   | 2269.78                        | (3308.15)                      |
| Deferred Payment Liabilities (Net)                            | -                              | -                              |
| Lease Liability (Net)   | (914.06)                       | (817.57)                       |
| Repayment of Long Term Borrowings                             | (2484.31)                      | (5000.00)                      |
| Interest Paid   | (1342.27)                      | (1693.99)                      |
| Dividend Paid   | (1206.82)                      | -                              |
| <b>Net Cash used in Financing Activities</b>                  | <b>6222.31</b>                 | <b>(7086.97)</b>               |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>(292.65)</b>                | <b>(1200.28)</b>               |
| Add : Balance at the beginning of the year                    | 1863.49                        | 3063.77                        |
| <b>Cash / Cash Equivalents at the close of the Year</b>       | <b>1570.84</b>                 | <b>1863.49</b>                 |

## Consolidated Cash Flow Statement for the year ended 31 March 2022

### Non Cash Changes in Liabilities arising from financing activities

₹ in Lakhs

| Particulars           | As at<br>1 April, 2020 | Cash Flows | Non Cash<br>Change | As at<br>31 March, 2021 |
|-----------------------|------------------------|------------|--------------------|-------------------------|
| Long Term Borrowings  | 11750.00               | (1261.38)  | -                  | 10488.62                |
| Short Term Borrowings | 17272.39               | (3307.55)  | -                  | 13964.84                |

₹ in Lakhs

| Particulars           | As at<br>1 April, 2021 | Cash Flows | Non Cash<br>Change | As at<br>31 March, 2022 |
|-----------------------|------------------------|------------|--------------------|-------------------------|
| Long Term Borrowings  | 10488.62               | 7402.53    | -                  | 17891.15                |
| Short Term Borrowings | 13964.84               | 2269.78    | -                  | 16234.62                |

### Notes:

- Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
- Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.
- Figures in brackets indicate cash outflows.

As per our report of even date attached

**For S S Kothari Mehta & Company**

Chartered Accountants

ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of

**Greenlam Industries Limited**

CIN: L21016DL2013PLC386045

**Saurabh Mittal**Managing Director and CEO  
(DIN : 00273917)**Parul Mittal**Wholetime Director  
(DIN : 00348783)**(Naveen Aggarwal)**

Membership No. 094380

Partner

Place of Signature : New Delhi

Dated : 30th May 2022

**Ashok Kumar Sharma**

Chief Financial Officer

**Prakash Kumar Biswal**

Company Secretary &amp; VP - Legal

Consolidated Statement of changes in equity for the year ended 31 March 2022

| a) Equity share capital ₹ in Lakhs            |      |         |
|---|------|---------|
| Particulars                                   | Note | Amount  |
| Balance as at 1 April 2020                    | 13   | 1206.82 |
| Issue of equity share capital during the year |      | -       |
| Balance as at 31 March 2021                   |      | 1206.82 |
| Issue of equity share capital during the year |      | -       |
| Balance as at 31 March 2022*                  |      | 1206.82 |

\* The Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹120681870/- consist of 120681870 equity shares of ₹1/- each.

| b) Other equity ₹ in Lakhs                                  |      |                      |                 |                   |   |           |
|---|------|----------------------|-----------------|-------------------|---|-----------|
| Particulars   | Note | Reserves and surplus |                 |                   | Items of OCI                                | Total     |
|   |      | Capital reserve      | General reserve | Retained earnings | Remeasurements of defined benefit liability |           |
| Balance as at 1 April 2020                                  | 14   | 15020.44             | 2500.00         | 31013.47          | 326.45                                      | 48860.36  |
| Total comprehensive income for the year ended 31 March 2021 |      |                      |                 |                   |   |           |
| Profit or loss  |      | -                    | -               | 7375.96           | -   | 7375.96   |
| Net Profit for Current Year Attributable to NCI             |      | -                    | -               | -                 | -   | 0.00      |
| Transfer to Reserve   |      |                      | 500.00          | (500.00)          |   | -         |
| Other comprehensive income (net of tax)                     |      | -                    |                 | -                 | (95.71)                                     | (95.71)   |
| Total comprehensive income                                  |      | -                    | 500.00          | 6875.96           | (95.71)                                     | 7280.25   |
| Balance as at 31 March 2021                                 |      | 15020.44             | 3000.00         | 37889.43          | 230.74                                      | 56140.61  |
| Balance as at 1 April 2021                                  |      | 15020.44             | 3000.00         | 37889.43          | 230.74                                      | 56140.61  |
| Total comprehensive income for the year ended 31 March 2022 |      |                      |                 |                   |   |           |
| Profit or loss  |      | -                    |                 | 9073.27           | -   | 9073.27   |
| Transfer to Reserve   |      |                      | 500.00          | (500.00)          |   | -         |
| Dividend on Equity Shares                                   |      |                      |                 | (1206.82)         |   | (1206.82) |
| Other comprehensive income (net of tax)                     |      | -                    |                 | -                 | 221.45                                      | 221.45    |
| Total comprehensive income                                  |      | -                    | 500.00          | 7366.45           | 221.45                                      | 8087.90   |
| Balance as at 31 March 2022                                 |      | 15020.44             | 3500.00         | 45255.88          | 452.19                                      | 64228.51  |

Significant accounting policies

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

As per our report of even date attached  
**For S S Kothari Mehta & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of  
**Greenlam Industries Limited**  
CIN: L21016DL2013PLC386045

**(Naveen Aggarwal)**  
Membership No. 094380  
Partner  
Place of Signature : New Delhi  
Dated : 30th May 2022

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Ashok Kumar Sharma**  
Chief Financial Officer

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March 2022

NOTE 1: COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1 CORPORATE INFORMATION:

Greenlam Industries Limited (The ‘Holding Company’) is a public limited company domiciled in India incorporated under the provisions of the Companies Act. Its shares are listed on two recognised stock exchanges in India i.e. NSE and BSE. The registered office of the company is located at at 2nd Floor, West Wing, World Mark1, Aerocity, IGI Airport Hospitality District, New Delhi - 110 037, India.

Holding company is engaged in the business of manufacturing laminates, decorative veneers and allied products through its factories at Behror and Nalagarh and branches and dealers’ network spread all over the country. It has two overseas wholly owned subsidiary companies i.e. ,Greenlam Asia Pacific Pte Ltd and Greenlam America Inc. And Two domestic subsidiary , Greenlam South Ltd (wholly owned) and HG Industries Limited ( holding 74.91% shares). It imports raw materials for manufacturing. Manufactured goods are sold both in domestic and overseas markets. The overseas subsidiaries of the company are mainly engaged in marketing and distribution of company’s product.

II BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS:

a. Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016.

These Consolidated financial statements for the year ended 31st March, 2022 are authorized for issue in accordance with a resolution of the Directors on 30th May ,2022

COMPANIES INCLUDED IN CONSOLIDATION :

Greenlam Asia Pacific Pte Ltd, Singapore and its Eight step down subsidiaries viz. Greenlam Asia Pacific (Thailand) Co. Ltd., Thailand, Greenlam Holding Co. Ltd., Thailand, PT. Greenlam Asia Pacific, Indonesia , Greenlam Europe (UK) Ltd, United Kingdom and Greenlam Decolan SA, Chiasso, Switzerland, PT Greenlam Indo Pacific, Indonesia, Greenlam RUS LLC, Russia , Greenlam Polland LLC, Polland and Greenlam America Inc., Florida (U.S.A), Greenlam South Ltd continued to be the wholly-owned subsidiaries of the Holding Company and HG Industries Ltd (Holding Company own 74.91% shares), Greenlam Decolan SA and Greenlam Europe(UK) Ltd is an wholly owned subsidiary of Greenlam Asia Pacific Pte Ltd and minority interest in the step-down subsidiaries viz. Greenlam Asia Pacific (Thailand) Co. Ltd., Greenlam Holding Co. Ltd, Greenlam RUS LLC, Greenlam Polland LLC, PT. Greenlam Asia Pacific., PT Greenlam Indo Pacific and HG Industries Ltd. is 2.5%, 1% , 1% ,1%,1% , 33% and 25.09% respectively. The Holding Company and its subsidiaries are together herein referred as “the Group

b. BASIS OF CONSOLIDATION:

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. The consolidated financial statements of the parent and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intragroup balances and intragroup transactions and resulting unrealized profits (losses) are eliminated in full. Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances. Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent’s shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to the non-controlling interest. Impact of any insignificant and immaterial Non-Controlling Interest is not considered. The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be. In the Group’s financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Income and



## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

expenses have been translated into Indian Rupee at the average rate over the reporting period. The resulting exchange difference arising on translations are recognised in OCI and accumulated in other Equity, except to the extent that they are allocated to Non Controlling Interest.

### BASIS OF MEASUREMENT

The Consolidated financial statements have been prepared under the historical cost basis, except for following assets and liabilities which have been measured at fair value.

- a. Derivative Financial Instruments – Fair Value
- b. Net Defined Benefits (Assets)/ Liability- Present value of Defined benefit obligations via actuarial valuation.

Accounting policies have been consistently applied except where a newly issued Indian accounting standard is initially adopted or a revision to an existing Indian accounting standard requires a change in the accounting policy hitherto in use. The Holding Company's management evaluate all recently issued all revised Indian accounting standards on an on-going basis.

### c. FUNCTIONAL AND PRESENTATION CURRENCY

The Group's financial statements are presented in Indian Rupees ('INR') which is also the Holding Company's functional currency Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

### d. ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements

### e. CURRENT OR NON CURRENT CLASSIFICATION

All Assets and Liabilities have been classified as current or non-current as per the Holding Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the business of the Holding Company and its business time cycle from inception of an order and its completion on realization in cash and cash equivalents, the Holding Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## III SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in the Consolidated Financial Statements.

### 1.01 PROPERTY, PLANT AND EQUIPMENT:

1.01.01 Freehold Land is carried at cost and all other Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment acquired after the transition date are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, including import duties and non-refundable taxes, after deducting trade discounts, rebates, borrowing costs any other expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling removing the item and restoring the site on which it was located under an obligation.

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date attributable to bringing the item to working conditions for its intended use and estimated costs of dismantling the item and restoring the site on which it is located.. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

1.01.02 Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

1.01.03 Depreciation commences when assets are available for there intended use. Property, Plant and Equipments including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013 except in case of assets costing less than ₹5000 which are depreciated over their useful life as assessed by the management. Assets are depreciated on Straight Line basis over there useful Life from the date they are available for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. Where the historical cost of a depreciable asset undergoes a change due to increase or decrease in long term liability on account of exchange fluctuations, the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/Loss on Sale and Discard of Fixed Assets.

1.01.04 Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

Buildings - 30 to 60 years

Plant and Equipments -5-15 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 3-10 years

### Relating to Greenlam Asia Pacific Pte. Ltd.

Depreciation on fixed assets is calculated to write off the cost of the assets on a straight-line method over its estimated period of use.

Buildings - 15 years

Plant and Equipments - 3 to 15 years

Furniture and Fixtures - 3 to 15 years

Vehicles - 3 to 6 years

Office Equipments - 3 to 8 years

### Relating to Greenlam America Inc.

Depreciation on fixed assets is provided for on Straight Line Method .

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

### PT. Greenlam Asia Pacific/ PT. Greenlam Indo Pacific

Depreciation is provided to write off the cost or valuation, less estimated residual value, of tangible assets over their expected useful economic lives, as follows:

Plant and Equipments - 3 to 8 years

Furniture and Fixtures - 3 years

Vehicles - 8 years

Office Equipments - 3 years

### Relating to Greenlam Decolan SA

Depreciation of plant & equipment are calculated using the straight line method to allocate there depreciable amounts over the estimated useful life as follows:-

Motor Vehicle - 2.5 years

Computers - 2.5 years

Furniture and Fittings 4 years

Office Equipments - 3.33 years

1.01.05 Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. Buildings constructed on Right-of-use assets are depreciated based on the useful life prescribed in the Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

### 1.02 INTANGIBLE ASSETS:

1.02.01 Internally generated intangible asset under development stage is recognized when it is demonstrated that it is technically feasible to use the same and the cost incurred for developing the same is ascertained. Technical Know-how so developed internally is amortised on a straight- line basis over its estimated useful life.

Intangible assets acquired by payment e.g., Goodwill, Trademarks, Computer Software and Technical Know-how are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

1.02.02 Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised on straight-line method as follows :

Trademarks – 5-10 years

Computer Software - 5 years

Technical Know-how - 3 years

1.02.03 An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss when the asset is derecognized

Intangible Assets under Development which are not ready for their intended use are shown Separately as part of Capital Work in Progress.

### 1.03 Impairment

#### 1.03.01 (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. 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

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

An impairment loss in respect of other 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.

At each balance sheet date, the Group reviews the carrying amount of Property, Plant and Equipments & Intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### 1.03.02 (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.

An impairment loss in respect of other 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.

### Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Holding Company’s other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Consolidated Statement of profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

### 1.04 INVENTORIES:

1.04.01 The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

Stock of Raw Materials, Stores and spare parts are valued at lower of cost or net realisable value; and of those in transit and at port related to these items are valued at lower of cost to date or net realisable value. Obsolete, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Stock-in-process is valued at lower of cost or net realisable value.

Stock of Finished goods is valued at lower of cost or net realisable value.

Stock-in-trade is valued at lower of cost or net realisable value.

Waste and scraps are accounted at estimated realisable value.

Cost of inventories is ascertained on the 'weighted average' basis. Goods-in-process and finished goods are valued on absorption cost basis.

### 1.05 CASH FLOW STATEMENT:

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, financing and investing activities of the Group is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

### 1.06 MEASUREMENT OF FAIR VALUE

1.06.01 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 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 Holding Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset

or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the 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.

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

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

### 1.07 FINANCIAL ASSETS:

1.07.01 The Group classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost using effective interest rate method

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.

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.

The Company measures all equity instruments in subsidiaries at cost initially and also on subsequent recognition. Investment in preference shares of the subsidiary company are recognised at Fair Value through P&L Account at reporting date.

Trade receivables represent receivables for goods sold by the Group upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date. They are recognised initially and subsequently measured at amortised cost.

The Group assesses the expected credit losses associated with its assets carried at amortised cost. Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Group uses a provision matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the provision for such impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

### 1.07.02 FINANCIAL LIABILITIES:

Financial liabilities are classified as measured at amortised cost or FVTPL.

Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related Plant, Property and Equipment and subsequently under finance costs in profit and loss account.

Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade Payables represent liabilities for goods and services provided to the Group upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortised cost.

Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments are in the nature of Forward contracts and Interest rate swaps. Forward contracts are executed to hedge the foreign exchange rate with respect to liabilities for goods and services in foreign currencies. Interest rate swaps are executed to hedge the interest rate with respect to borrowings in foreign currencies.



## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation obtained from banking partners. Gain or loss arising from the changes in fair value of derivatives are debited to the foreign exchange fluctuations in the statement of profit and loss.

### 1.08 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 Holding Company.

### 1.09 REVENUE RECOGNITION:

1.09.01 Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Group which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Ind AS 115 “Revenue from Contracts with Customers” provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Sale of Goods: Revenue from sales of goods is recognised on transfer of control of products to the customers. Revenue does not include GST, inter-transfers, returns, trade discounts, cash discounts, other benefits passed to customers in kind.

The timing of transfers of controls varies depending on the individual terms of sale.

Arrangements with customers for selling of goods are all fixed price contracts. Revenue from Services are recognized as and when the services are rendered.

### 1.09.02 Other Revenue Streams

**Interest:** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Dividends:** Dividend from investment is recognized when the Group in which they are held declares the dividend and when the right to receive the same is established.

**Insurance Claims:** Insurance Claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on grounds of prudence.

**Export Incentives:** Benefit on account of entitlement to import goods free of duty under the Advance Authorisation Scheme is accounted for on accrual basis at estimated realisable value, as and when exports are made i.e., in the year of export. Profit or loss arising on utilisation of the same or sale thereof is accounted for in the year in which either the imports are made against the said Advance License or the same is sold. Incentives on exports are recognised in books after due consideration of certainty of utilization/receipt of such incentives,

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 Income”.

Government grants relating to property, plant and equipment are treated as deferred income and are credited to the statement of profit and loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within “Other Income”.

Sums receivable under the Central Government’s “Scheme of budgetary support under Goods and Service Tax Regime” to compensate the loss on account of denial of exemption from payment of Goods and Services Tax is recognised in the profit or loss of the period in which it becomes receivable, if there is no unfulfilled condition and other contingencies attaching thereto.

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

### 1.10 FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Holding Company’s monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

### 1.11 EMPLOYEE BENEFITS:

1.11.01 Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

1.11.02 Post Employment and Retirement benefits in the form of Gratuity and Leave Encashment are 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 present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurements of Defined benefit Liability, which comprises actuarial gains and losses, the return on plan assets (Excluding Interests) and the effect of assets 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 contribution and benefit payment. Net interest Expense and other expenses related to defined benefit plans are recognized in Standalone statement of Profit & Loss.

Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees’ Provident Fund Organisation established under The Employees’ Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Holding Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Holding Company has no further payment obligations once the contributions have been paid.

### 1.12 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. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of borrowings.

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

### 1.13 SEGMENT REPORTING:

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the Group, and makes strategic decisions. The CODM consists of Managing Director & CEO and Chief Financial Officer.

The Group's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing and Sale of (a) Laminate and Allied products; and (b) Veneer and Allied products.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are (a) Sales within India include sales to customers located within India; (b) Sales outside India include sales to customers located outside India.

Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

### 1.14 LEASES:

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. 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: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

1.14.01 At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

1.14.02 The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 1.15 EARNINGS PER SHARE:

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.16 ACCOUNTING FOR TAXES ON INCOME:

Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

1.16.01 Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March 2022

1.16.02 Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

The Holding Company has applied the amendments prescribed under IND AS 12 from 1st April, 2019 and there was no impact of these amendments on the financial statements of the Holding Company.

### 1.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

1.17.01 Provisions are made when (a) the Group has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of 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.

1.17.02 Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

Notes to the Consolidated Financial Statement for the year ended 31 March 2022

| PROPERTY, PLANT AND EQUIPMENTS                                   |             |                 |                        |           |            |                 |                        |                          |                |                  |          |                        |                |                  |
|--|-------------|-----------------|------------------------|-----------|------------|-----------------|------------------------|--------------------------|----------------|------------------|----------|------------------------|----------------|------------------|
| Particulars  | GROSS BLOCK |                 |                        |           |            |                 |                        | ACCUMULATED DEPRECIATION |                |                  |          |                        |                |                  |
|  | Total       | Addition        | Currency               | Deduction | Total      | Addition        | Currency               | Total                    | Adjustment     | Total            | For      | Currency               | Adjustment     | Total            |
|  | 01/04/2020  | During The Year | Translation Adjustment | The Year  | 31/03/2021 | During The Year | Translation Adjustment | As At 01/04/2021         | For Deductions | As At 31/03/2021 | The Year | Translation Adjustment | For Deductions | As At 31/03/2022 |
| Property, Plant and Equipment                                    |             |                 |                        |           |            |                 |                        |                          |                |                  |          |                        |                |                  |
| Freehold Land  | 1094.20     | -               | -                      | -         | 1094.20    | 5855.69         | -                      | -                        | -              | -                | -        | -                      | -              | 6949.89          |
| Land Development   | 603.11      | -               | -                      | -         | 603.11     | 603.11          | -                      | 32.62                    | -              | 32.62            | 4.11     | -                      | -              | 566.37           |
| Right to use Factory Land  | 1575.72     | -               | -                      | -         | 1575.72    | -               | -                      | 43.56                    | -              | 43.56            | 21.97    | -                      | -              | 1510.19          |
| Right to use (Other than Land)                                   | 7375.77     | 397.01          | (32.93)                | 16386     | 7575.99    | 747.92          | 38.70                  | 2128.28                  | 159.17         | 2128.28          | 1179.77  | 25.28                  | 308.11         | 5447.70          |
| Buildings  | 1521801     | 381.61          | (50.90)                | -         | 1554872    | 2480.49         | 54.80                  | 5021.90                  | -              | 5021.90          | 552.06   | 66.37                  | -              | 11932.17         |
| Plant and Equipment  | 40837.53    | 2715.85         | (0.95)                 | 479.48    | 43072.95   | 2269.90         | 3.25                   | 25584.15                 | 451.84         | 25584.15         | 3144.01  | 3.20                   | 50.48          | 16598.45         |
| Furniture and fixtures   | 3890.20     | 70.01           | (24.49)                | 20.25     | 3915.47    | 238.13          | 18.03                  | 1435.78                  | 8.13           | 1435.78          | 343.86   | 15.11                  | 19.57          | 2367.04          |
| Vehicles   | 1187.32     | 0.80            | (4.33)                 | 24.25     | 1159.54    | 86.48           | 4.99                   | 719.67                   | 14.07          | 719.67           | 95.61    | 4.41                   | 12.41          | 430.34           |
| Heavy Vehicles   | 14.31       | 11.52           | -                      | 3.06      | 22.77      | 18.60           | -                      | 10.43                    | 2.90           | 10.43            | 3.22     | -                      | -              | 27.72            |
| Office Equipments  | 2114.70     | 203.96          | (7.74)                 | 132.96    | 2177.96    | 303.23          | 17.70                  | 1563.01                  | 126.01         | 1563.01          | 255.49   | 16.71                  | 16.80          | 662.09           |
| Total  | 73910.87    | 3780.76         | (121.34)               | 823.86    | 76746.43   | 12000.43        | 137.47                 | 36539.42                 | 762.13         | 36539.42         | 5600.10  | 131.08                 | 407.37         | 45718.95         |
| * Includes Assets of HG industries Ltd acquired during the year. |             |                 |                        |           |            |                 |                        |                          |                |                  |          |                        |                |                  |

| NOTE '2':- CAPITAL WORK IN PROGRESS |                  |                 |                        |           |           |                 |                        |                          |                |                  |          |                        |                |                  |
|-------------------------------------|------------------|-----------------|------------------------|-----------|-----------|-----------------|------------------------|--------------------------|----------------|------------------|----------|------------------------|----------------|------------------|
| Particulars                         | GROSS BLOCK      |                 |                        |           |           |                 |                        | ACCUMULATED DEPRECIATION |                |                  |          |                        |                |                  |
|                                     | Total            | Addition        | Currency               | Deduction | Total     | Addition        | Currency               | Total                    | Adjustment     | Total            | For      | Currency               | Adjustment     | Total            |
|                                     | As At 01/04/2020 | During The Year | Translation Adjustment | The Year  | 31/3/2022 | During The Year | Translation Adjustment | As At 01/04/2021         | For Deductions | As At 31/03/2021 | The Year | Translation Adjustment | For Deductions | As At 31/03/2022 |
| Capital Work in Progress            | 1493.40          | 1580.78         | -                      | 1328.01   | 1746.17   | 745.04          | 0.00                   | -                        | -              | -                | -        | -                      | -              | 754.22           |
|                                     |                  |                 |                        |           |           |                 |                        |                          |                |                  |          |                        |                | 1746.17          |

Notes to the Consolidated Financial Statement for the year ended 31 March 2022

| NOTE '2a':- INTANGIBLE ASSETS UNDER DEVELOPMENT |             |                 |                        |           |            |                 |                        |                          |                |                  |          |                        |                |                  |
|---|-------------|-----------------|------------------------|-----------|------------|-----------------|------------------------|--------------------------|----------------|------------------|----------|------------------------|----------------|------------------|
| Particulars                                     | GROSS BLOCK |                 |                        |           |            |                 |                        | ACCUMULATED DEPRECIATION |                |                  |          |                        |                |                  |
|   | Total       | Addition        | Currency               | Deduction | Total      | Addition        | Currency               | Total                    | Adjustment     | Total            | For      | Currency               | Adjustment     | Total            |
|   | 01/04/2020  | During The Year | Translation Adjustment | The Year  | 31/03/2021 | During The Year | Translation Adjustment | As At 01/04/2021         | For Deductions | As At 31/03/2021 | The Year | Translation Adjustment | For Deductions | As At 31/03/2022 |
| Intangible Assets Under Development             | 176.72      | 61.04           | -                      | 166.22    | 71.54      | 151.42          | -                      | -                        | -              | -                | -        | -                      | -              | 151.42           |
|   |             |                 |                        |           |            |                 |                        |                          |                |                  |          |                        |                | 71.54            |

Capital Work in Progress Ageing

| Particulars                   | outstanding for following periods from due date/transaction date |           |           |                  |        |
|-------------------------------|--|-----------|-----------|------------------|--------|
|                               | Less than 1 year   | 1-2 years | 2-3 years | More than 3 year | Total  |
|                               | 74055  | 13.66     | -         | -                | 754.22 |
| Project in Progress           |  |           |           |                  |        |
| Project temporarily suspended |  |           |           |                  |        |

| 31.03.2021                    | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | Total   |
|-------------------------------|------------------|-----------|-----------|------------------|---------|
| Project in Progress           | 1694.54          | 51.62     | -         | -                | 1746.17 |
| Project temporarily suspended | -                | -         | -         | -                | -       |

Intangible Assets under development Ageing

| Particulars | To be completed in |           |                  |
|-------------|--------------------|-----------|------------------|
|             | Less than 1 year   | 1-2 years | More than 3 year |
|             | 151.42             | -         | 151.42           |
| Project     |                    |           |                  |

| 31.03.2021 | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | Total |
|------------|------------------|-----------|-----------|------------------|-------|
| Project    | 58.04            | 13.50     | -         | -                | 71.54 |



Notes to the Consolidated Financial Statement for the year ended 31 March 2022

NOTE 3:-OTHER INTANGIBLE ASSETS

| Particulars       | GROSS BLOCK |                 |                 |                 |                 |                 |            |            |            |            | ACCUMULATED DEPRECIATION |            |            |            | NET BLOCK  |            |            |            |
|-------------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|------------|------------|------------|--------------------------|------------|------------|------------|------------|------------|------------|------------|
|                   | Total       |                 | Addition        |                 | Deduction       |                 | Total      |            | Total      |            | Total                    |            | Total      |            | Total      |            | Total      |            |
|                   | 01/04/2020  | During The Year | During The Year | During The Year | During The Year | During The Year | 01/04/2021 | 31/03/2021 | 01/04/2021 | 31/03/2021 | 01/04/2021               | 31/03/2021 | 01/04/2021 | 31/03/2021 | 01/04/2021 | 31/03/2021 | 01/04/2021 | 31/03/2021 |
| Intangible Assets |             |                 |                 |                 |                 |                 |            |            |            |            |                          |            |            |            |            |            |            |            |
| Goodwill          | 1001.27     | -               | -               | -               | -               | -               | 968.97     | 968.97     | -          | -          | -                        | -          | 657.94     | 657.94     | -          | -          | 682.59     | 321.81     |
| Trademarks        | 68.58       | -               | -               | -               | -               | -               | 68.58      | 68.58      | -          | -          | -                        | -          | 68.58      | 68.58      | -          | -          | 68.58      | -          |
| Computer Software | 1353.63     | 301.29          | -               | -               | -               | -               | 1654.92    | 1654.92    | 167.59     | 167.59     | -                        | -          | 863.04     | 863.04     | -          | -          | 1,112.51   | 710.00     |
| Technical Knowhow | 334.91      | -               | -               | -               | -               | -               | 334.91     | 334.91     | -          | -          | -                        | -          | 334.91     | 334.91     | -          | -          | 334.91     | 791.88     |
| Total             | 2758.40     | 301.29          | (32.30)         | -               | -               | -               | 3027.38    | 3027.38    | 167.59     | 167.59     | -                        | -          | 1924.47    | 1924.47    | -          | -          | 2198.59    | 1102.91    |

1.1 During the FY 2021-22, no revaluation of Fixed Assets is done by the company.  
1.2 There are no Capital Work in progress. Intangible assets under development where completion is over due against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March 22 and 31st March 2021  
1.3 Title deed of One Office Premises is yet to be transferred in the name of the company, details of which is given below.

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value (₹ in Lakhs) | Title deeds held in the name of   | Whether title deed holder is a promoter, director or relative of promoter* / director or employee of promoter / director | Property held since which date   | Reason for not being held in the name of the company  |
|---|---------------------------------|-----------------------------------|---|--|--|---|
| Property Plant & Equipment              | Office Building                 | 286.98                            | SDB Infrastructure Private Limited*<br>*An "Agreement to Sell" executed on 16.03.2005 by and between Som Dutt Builders Private Limited (presently SDB Infrastructure Private Limited) and Greenply Industries Limited (predecessor in interest) for sale of the subject property to the former and the said agreement was registered on 16.03.2005. | N/A  | April 01, 2013#<br># Being the Appointed Date of the composite Scheme of Arrangement under Sections 100 to 104 and 391 to 394 of the Companies Act, 1956 between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors approved by the Hon'ble Gauhati High Court on October 31, 2014. | The Company has obtained peaceful possession over the said property pursuant to the above referred scheme and taking necessary steps including discussion with seller to transfer the title to the Company. |

Notes to the Consolidated Financial Statement for the year ended 31 March 2022

4. NON-CURRENT INVESTMENTS

₹ in Lakhs

|  | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| Investments in Equity Instruments (at Cost)                        |                |                |
| Non-Trade  |                |                |
| Unquoted , Fully Paid up   |                |                |
| Other than Subsidiary  |                |                |
| Indian Laminate Association Trust- 125 equity shares of ₹1000 each | 1.25           | 1.25           |
| Total  | 1.25           | 1.25           |
| Aggregate Book Value of Unquoted Investments                       | 1.25           | 1.25           |
| Aggregate Market Value of Quoted Investments                       | -              | -              |

4.1 Name of the Entities included in Consolidation

₹ in Lakhs

|  | Net Assets i.e. 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 |
| Parent - Greenlam Industries Limited             | 96.57  | 63193.28  | 94.08                               | 8536.50   |
| Subsidiary (Foreign)                             |  |           |                                     |           |
| Greenlam Asia Pacific, Singapore                 | 1.04   | 682.24    | 6.30                                | 571.64    |
| Greenlam America Inc., USA                       | 2.77   | 1814.87   | 1.15                                | 104.72    |
| Subsidiary (Domestic)                            |  |           |                                     |           |
| Greenlam South Ltd                               | (0.16)   | (107.23)  | 0                                   | 0.38      |
| HG Industries Ltd                                | (0.23)   | (147.84)  | (1.54)                              | (139.96)  |
| Total  | 100.00   | 65435.33  | 100.00                              | 9073.27   |
| Non Controlling Interest in Subsidiaries Company | 0.11%  | 69.92     | -0.17%                              | (15.04)   |

4a. CURRENT INVESTMENTS

₹ in Lakhs

| Investment in Quoted Mutual Funds measured at FVTPL      | Unit    | 31 March, 2022 | Unit     | 31 March, 2021 |
|--|---------|----------------|----------|----------------|
| ICICI Prudential Overnight Fund- Direct Growth Plan      | -       | -              | 140210   | 155.61         |
| ICICI Prudential Liquid Fund- Direct Growth Plan         | -       | -              | 461202   | 1405.45        |
| Aditya Birla Sun Life Savings Fund - Regular Growth Plan | 716490  | 2458.46        | 37124    | 156.93         |
| HDFC Ultra Short Term Fund - Regular Growth Plan         | -       | -              | 10554676 | 1250.33        |
| Axis Overnight Fund - Direct Growth Plan                 | 209423  | 2353.58        | 6569     | 150.08         |
| Axis Liquid Fund - Direct Growth Plan                    | 108111  | 2151.56        | 156443   | 2502.45        |
| Aditya Birla Sunlife Liquid Fund- Direct Growth          | 223201  | 370.95         | -        | -              |
| HDFC Liquid Fund- Direct Growth                          | 1122    | 35.42          | -        | -              |
| Nippon India Overnight Fund - Direct Growth Plan         | 2920638 | 3333.01        | -        | -              |
| Nippon India Liquid Fund - Direct Growth Plan            | 57755   | 3007.92        | -        | -              |
| Aditya Birla Sun Life Overnight Fund - Growth            | 205161  | 2358.70        |          |                |
| Unquoted Investments                                     |         |                |          |                |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 4a. CURRENT INVESTMENTS (Contd.)

| ₹ in Lakhs  |      |                 |      |                 |
|---|------|-----------------|------|-----------------|
| Investment in Quoted Mutual Funds measured at FVTPL | Unit | 31 March, 2022  | Unit | 31 March, 2021  |
| Deposit with NBFC - HDFC Ltd                        |      | -               |      | 5018.87         |
|   |      | <b>16069.60</b> |      | <b>10639.72</b> |
| Aggregate Book Value of Unquoted Investments        |      | -               |      | 5018.87         |
| Aggregate Market Value of Quoted Investments        |      | 16069.60        |      | 5620.85         |
| Investment In India                                 |      | 16069.60        |      | 10639.72        |
| Investment Outside India                            |      | -               |      | -               |

### 5. OTHER NON-CURRENT ASSETS

| ₹ in Lakhs                            |                |                |
|---------------------------------------|----------------|----------------|
|                                       | 31 March, 2022 | 31 March, 2021 |
| Capital Advances                      | 3662.33        | 860.84         |
| Security Deposits- Lease              | 337.04         | 293.23         |
| Prepaid Interest on Security Deposits | 35.35          | 23.37          |
| Advance for Land                      | 42.82          | 4506.05        |
| Other Security Deposit                | 150.62         | 101.15         |
| <b>Total</b>                          | <b>4228.16</b> | <b>5784.64</b> |

### 6. INVENTORIES (at lower of cost or net realisable value)

| ₹ in Lakhs  |                 |                 |
|---|-----------------|-----------------|
|   | 31 March, 2022  | 31 March, 2021  |
| Raw Materials   | 27000.87        | 18437.59        |
| [including in transit and at Customs Warehouse ₹4677.75 Lakhs (Previous year ₹3212.14 Lakhs)] |                 |                 |
| Stock in Process  | 4422.87         | 5507.33         |
| Finished Goods  | 16625.61        | 12116.23        |
| [including in Transit ₹4307.02 Lakhs (Previous year ₹3284.02 Lakhs)]                          |                 |                 |
| Stock In Trade  | 96.83           | 108.43          |
| Stores & Spares   | 2196.91         | 1641.80         |
| <b>Total</b>  | <b>50343.09</b> | <b>37811.38</b> |

### 7. TRADE RECEIVABLES

| ₹ in Lakhs  |                 |                 |
|---|-----------------|-----------------|
|   | 31 March, 2022  | 31 March, 2021  |
| Secured, considered good  | 327.23          | 130.31          |
| Unsecured, considered good  | 12575.13        | 13380.78        |
| Credit Impaired   | 86.33           | 103.64          |
|   | <b>12988.69</b> | <b>13614.73</b> |
| Less : Loss for Allowances  |                 |                 |
| Credit Impaired   | 86.33           | 103.64          |
|   | <b>12902.36</b> | <b>13511.09</b> |
| <b>Net Trade Receivables</b>  | <b>12902.36</b> | <b>13511.09</b> |
| <b>Of the above, Trade Receivable from Related parties</b>  |                 |                 |
| Trade Receivable from related parties   | 64.99           | 25.45           |
| Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a member | -               | -               |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 8. TRADE RECEIVABLES (Non - Current)

| ₹ in Lakhs                 |                |                |
|----------------------------|----------------|----------------|
|                            | 31 March, 2022 | 31 March, 2021 |
| Unsecured, considered good | 108.53         | 78.21          |
|                            | <b>108.53</b>  | <b>78.21</b>   |

| Ageing Schedule   | Not Due         | Less than 6 months | 6-12 months  | More than 1 year | Total           |
|---|-----------------|--------------------|--------------|------------------|-----------------|
| <b>31 March, 2022</b>   |                 |                    |              |                  |                 |
| Undisputed Trade receivables (considered good)                              | 10380.80        | 2423.64            | 55.83        | 236.45           | 13096.72        |
| Undisputed Trade receivables which have significant increase in Credit risk | -               | -                  | -            | -                | -               |
| Expected credit loss (Provision for doubtful debts)                         | 0.64            | 0.74               | 0.77         | 83.68            | 85.83           |
| <b>Carrying amount (net of impairment)</b>                                  | <b>10380.16</b> | <b>2422.90</b>     | <b>55.06</b> | <b>152.77</b>    | <b>13010.89</b> |

| Ageing Schedule   | Not Due         | Less than 6 months | 6-12 months   | More than 1 year | Total           |
|---|-----------------|--------------------|---------------|------------------|-----------------|
| <b>31 March, 2021</b>   |                 |                    |               |                  |                 |
| Undisputed Trade receivables (considered good)                              | 13070.24        | 87.75              | 204.78        | 323.29           | 13686.06        |
| Undisputed Trade receivables which have significant increase in Credit risk | -               | -                  | -             | -                | -               |
| Expected credit loss (Provision for doubtful debts)                         | 5.73            | 4.54               | 6.05          | 80.44            | 96.76           |
| <b>Carrying amount (net of impairment)</b>                                  | <b>13064.51</b> | <b>83.21</b>       | <b>198.73</b> | <b>242.85</b>    | <b>13589.30</b> |

#### 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. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

| ₹ in Lakhs  |                |                |                |
|---|----------------|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |                |
| <b>9a Cash &amp; Cash Equivalents</b>                               |                |                |                |
| Balances with Banks - on Current Accounts                           | 1099.89        | 1093.58        |                |
| Bank Deposits Due to Mature within 12 months but more than 6 months | -              | 500.03         |                |
| Cash on Hand  | 28.39          | 23.13          |                |
| Remittance in Transit   | 442.56         | 246.75         |                |
| (A)   | 1570.84        | 1863.49        |                |
| <b>9b Other Bank Balances</b>                                       |                |                |                |
| Earmarked balance with Banks for Unpaid Dividend Accounts           | 4.19           | 3.33           |                |
| Margin Money  | 3.37           | 5.73           |                |
| (B)   | 7.56           | 9.06           |                |
| <b>Total</b>  | <b>(A+B)</b>   | <b>1578.40</b> | <b>1872.55</b> |

### 10. LOANS - CURRENT FINANCIAL ASSETS (Unsecured, considered good)

| ₹ in Lakhs                 |                |                |
|----------------------------|----------------|----------------|
|                            | 31 March, 2022 | 31 March, 2021 |
| Advance to Employees       |                |                |
| Unsecured, considered good | 50.14          | 57.50          |
| <b>Total</b>               | <b>50.14</b>   | <b>57.50</b>   |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 10a. OTHER FINANCIAL ASSETS (CURRENT)

₹ in Lakhs

|                                    | 31 March, 2022 | 31 March, 2021 |
|------------------------------------|----------------|----------------|
| Foreign exchange forward contracts | 73.21          | 14.49          |
|                                    | <b>73.21</b>   | <b>14.49</b>   |

Information about the Company's exposure to currency risks related to derivatives is disclosed in note 39.3

### 11. CURRENT TAX ASSETS ( Net)

₹ in Lakhs

|  | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| Advance Payment of Income Tax (Net of Provision) | 500.94         | 206.06         |
| <b>Total</b>                                     | <b>500.94</b>  | <b>206.06</b>  |

### 12. OTHER CURRENT ASSETS (Unsecured, considered good)

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| Advance against Purchases                 | 747.74         | 1045.53        |
| Balance with Government Authorities       | 439.22         | 889.74         |
| Insurance Claim Receivable*               | 86.27          | 85.68          |
| Goods and Service Tax Refund Receivable** | 452.33         | 124.28         |
| Advance Payment of Sales Tax/GST          | 29.41          | 34.21          |
| Export Incentive Receivable               | 1491.58        | 1187.89        |
| Prepaid Expenses                          | 852.46         | 691.75         |
| <b>Total</b>                              | <b>4099.01</b> | <b>4059.08</b> |

\*Amount Netted of Provision of ₹40.99 Lakhs ( Previous year ₹17.86 Lakhs)

\*\* includes interest paid on IGST of ₹109.80 Lakhs on imports made under advance authorization scheme after intimation by Department. Later on Hon'ble Gujrat High court has set aside the order in similar matter of other company. Considering this case, company requested concerned govt authorities for refund of interest so paid. The department has communicated that the matter is pending with Hon'ble Supreme Court and accordingly this amount has been kept as receivable.

### 13. SHARE CAPITAL

₹ in Lakhs

|  | Number           | 31 March, 2022 | Number          | 31 March, 2021 |
|--|------------------|----------------|-----------------|----------------|
| <b>13.1 Authorised</b>   |                  |                |                 |                |
| Equity Shares of ₹5 each   | -                | -              | 30000000        | 1500.00        |
| Equity Shares of ₹1 each   | 150000000        | 1500.00        | -               | -              |
| <b>13.2 Issued, Subscribed and Fully Paid up</b>                   |                  |                |                 |                |
| Equity Shares of ₹5 each   | -                | -              | 24136374        | 1206.82        |
| Equity Shares of ₹1 each   | 120681870        | 1206.82        | -               | -              |
| <b>13.3 The reconciliation of the number of shares outstanding</b> |                  |                |                 |                |
| Equity Shares at the beginning of the year ( Face Value ₹5)        | 24136374         | 1206.82        | 24136374        | 1206.82        |
| Less: Equity Shares Cease to Exist *                               | (2416374)        | (1206.82)      | -               | -              |
| Add : Shares Split during the year (Face Value ₹1)*                | 120681870        | 1206.82        | -               | -              |
| <b>Total</b>   | <b>120681870</b> | <b>1206.82</b> | <b>24136374</b> | <b>1206.82</b> |

\* The Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹120681870/- consist of 120681870 equity shares of ₹1/- each.

### 13.4 Terms/Rights attached to the Equity Shares

The Company has a single class of Equity Shares having a par value of ₹1 per share (Previous Year ₹5 each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 13.4 Terms/Rights attached to the Equity Shares (Contd.)

During the year, the amount of per share dividend recognized as distribution to equity shareholders was ₹5 (face Value ₹5 each) (Previous year ₹Nil). And this year interim dividend distributed ₹Nil per share (Previous year ₹Nil)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

The company has neither issued bonus shares nor has bought back any shares during last 5 years

No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date

No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

No calls are unpaid by any Director or Officer of the Company during the year

### 13.5 Name of the Shareholders holding more than 5% Shares

|  | 31 March, 2022 |        | 31 March, 2021 |        |
|--|----------------|--------|----------------|--------|
|  | Number         | %      | Number         | %      |
| <b>EQUITY SHARES</b>   |                |        |                |        |
| SM Greenlam Investments Private Limited (formerly known as Greenply Leasing & Finance Pvt Ltd) | 48197555       | 39.94% | 9063511        | 37.55% |
| Saurabh Mittal   | 11645855       | 9.65%  | 3146534        | 13.04% |
| HDFC Trustee Company Ltd   | 10835880       | 8.98%  | 2174376        | 9.01%  |
| Ashish Dhawan  | 6814210        | 5.65%  | 1362842        | 5.65%  |
| Blue Diamond Properties Private Limited  | 8729850        | 7.23%  | 1745970        | 7.23%  |

### 13.6 Details of shares held by promoters

| As at 31 March 2022        | Promoter Name      | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|----------------------------|--------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Equity shares of ₹ 1 each* | Mr. Saurabh Mittal | 15732670                                   | (4086815)              | 11645855                             | 9.65%             | (3.39%)                  |

| As at 31 March 2021       | Promoter Name      | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---------------------------|--------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Equity shares of ₹ 5 each | Mr. Saurabh Mittal | 3206534                                    | (60000)                | 3146534                              | 13.04%            | (0.25%)                  |

\* Refer note 13.3

**13.7** The Company has not reserved any shares for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

### 14. OTHER EQUITY

₹ in Lakhs

|  | 31 March, 2022  | 31 March, 2021  |
|--|-----------------|-----------------|
| <b>Capital Reserve</b>                             |                 |                 |
| At the commencement of the year                    | 15020.44        | 15020.44        |
|  | <b>15020.44</b> | <b>15020.44</b> |
| <b>General Reserve</b>                             |                 |                 |
| Balance as per last Financial Statements           | 3000.00         | 2500.00         |
| Add: Transferred from Statement of Profit and Loss | 500.00          | 500.00          |
|  | <b>3500.00</b>  | <b>3000.00</b>  |



## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 14. OTHER EQUITY (Contd.)

|  | ₹ in Lakhs      |                 |
|--|-----------------|-----------------|
|  | 31 March, 2022  | 31 March, 2021  |
| <b>Retained Earnings</b>   |                 |                 |
| <b>Retained Earnings other than OCI</b>  |                 |                 |
| At the commencement of the year  | 37889.43        | 31013.47        |
| Add : Net profit for the current year  | 9073.27         | 7375.96         |
| Less : Transferred to General Reserve  | 500.00          | 500.00          |
| Less : Dividend on Equity Shares   | 1206.82         | -               |
| <b>Total</b>   | <b>45255.88</b> | <b>37889.43</b> |
| <b>Other Comprehensive Income (OCI)</b>  |                 |                 |
| At the commencement of the year  | 230.74          | 326.45          |
| Exchange Differences in translating financial statements of foreign operations | 197.98          | (189.41)        |
| Remeasurements of the net defined benefit plans                                | 23.47           | 93.70           |
| OCI Attributable to Minority   | -               | -               |
|  | <b>452.19</b>   | <b>230.74</b>   |
|  | <b>64228.51</b> | <b>56140.61</b> |

### 15. BORROWINGS ( NON CURRENT) (Refer note 40 for method of Valuation)

|  | ₹ in Lakhs      |                 |
|--|-----------------|-----------------|
|  | 31 March, 2022  | 31 March, 2021  |
| <b>Secured</b>                                     |                 |                 |
| Term Loans   |                 |                 |
| From Banks   |                 |                 |
| Foreign Currency Loans**                           | 400.61          | 387.45          |
| Rupee Loans  | 7991.15         | 10488.62        |
|  | <b>8391.76</b>  | <b>10876.07</b> |
| Less : Current maturities of Long Term Borrowings* | 2497.47         | 2497.47         |
|  | <b>5894.29</b>  | <b>8378.60</b>  |
| <b>Secured</b>                                     |                 |                 |
| Non Convertible Debentures (Refer note 15.3)       | 9900.00         | -               |
|  | <b>9900.00</b>  | <b>-</b>        |
|  | <b>15794.29</b> | <b>8378.60</b>  |

**15.1** Term Loans of ₹7991.15 Lakhs availed by the Holding Company . Term Loans of ₹7991.15 Lakhs (Previous year ₹10488.62 Lakhs) are secured by first pari-passu charge on all movable fixed assets of the Holding Company, present and future, first pari-passu charge on immovable fixed assets of the Holding Company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh), and second pari-passu charge on all current assets of the Holding Company, present and future.

\*\*The term loan represents financial assistance provided by Switzerland Government to all the business entities operating in Switzerland due to Covid 19 outbreak. The loan is fully secured by government guarantee, zero interest rate and payable until the end of 5 years from the date of loan received.

### 15.2 Terms of Repayment and Rate of Interest of Term Loans

|                              | ₹ in Lakhs     |                |                |               |
|------------------------------|----------------|----------------|----------------|---------------|
|                              | 2022-23        | 2023-2024      | 2024-2025      | 2025-2026     |
| <b>Term Loans from Banks</b> |                |                |                |               |
| <b>Secured</b>               |                |                |                |               |
| Equal Quarterly Installments | 1000.00        | 1000.00        | 750.00         | -             |
| Equal Quarterly Installments | 1497.47        | 1497.47        | 1497.47        | 748.74        |
|                              | <b>2497.47</b> | <b>2497.47</b> | <b>2247.47</b> | <b>748.74</b> |

\*Represent Current Maturities of long term borrowings

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 15.3 Non Convertible Debentures (Secured)

|  | ₹ in Lakhs     |                |
|--|----------------|----------------|
| Particulars  | 31 March, 2022 | 31 March, 2021 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 700.00         | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 700.00         | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 1190.00        | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 1400.00        | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 1400.00        | -              |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each ( Series I). Interest Rate 7.78%. Issued on 28/2/2022  | 1610.00        | -              |
| 290 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each ( Series II). Interest Rate 7.78%. Issued on 28/2/2022 | 2900.00        | -              |
| <b>Total</b>   | <b>9900.00</b> | <b>-</b>       |

All the NCD's are secured by first pari passu charge on movable fixed assets of the Company, present & future; first pari passu charge on immovable fixed assets of the Company situated at Behror, Rajasthan and Nalagarh, Himachal Pradesh and second pari passu charge on current assets of the Company, present and future.

**15.4** The Company has not defaulted in repayment of loans and interest during the period.

### 16. OTHER FINANCIAL LIABILITIES-(NON CURRENT)

|   | ₹ in Lakhs     |                |
|---|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |
| <b>Others</b>                               |                |                |
| <b>16a</b> Lease Liabilities                | 3845.85        | 4595.37        |
| <b>16b</b> Security Deposits from Customers | 124.44         | 167.01         |
| <b>Total</b>                                | <b>3970.29</b> | <b>4595.37</b> |

### 17. PROVISIONS - (NON CURRENT)

|   | ₹ in Lakhs     |                |
|---|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |
| Provisions for Employee Benefits                                    |                |                |
| Net defined benefit liability- Gratuity (Refer Note No 30.1.(iii))* | 333.90         | 342.27         |
| Liability for compensated absences (Refer Note No. 30.1.(iv))       | 576.32         | 623.94         |
| <b>Total</b>  | <b>910.22</b>  | <b>966.21</b>  |

\* includes ₹61.99 Lakhs of one employee whose provision is booked as per agreement. Provision for Gratuity is shown as net of planned assets

### 18. DEFERRED TAX LIABILITIES

|   | ₹ in Lakhs     |                |
|---|----------------|----------------|
|   | 31 March, 2022 | 31 March, 2021 |
| <b>18a Deferred Tax Liabilities</b>           |                |                |
| Property, Plant and Equipments                | 1689.53        | 1864.14        |
| Others  | -              | 42.26          |
|   | <b>1689.53</b> | <b>1906.40</b> |
| <b>18b Deferred Tax Assets</b>                |                |                |
| Provisions ( Gratuity, Leave encashment etc.) | 810.97         | 641.13         |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 19. CURRENT FINANCIAL LIABILITIES (refer note 40 for method of Valuation) ₹ in Lakhs

|                                  | 31 March, 2022  | 31 March, 2021  |
|----------------------------------|-----------------|-----------------|
| <b>Secured</b>                   |                 |                 |
| Loans Repayable on Demand        |                 |                 |
| Working Capital Loans            |                 |                 |
| From Banks                       |                 |                 |
| Foreign Currency Loans           | 1822.61         | 2214.84         |
| Rupee Loans                      | 10200.00        | 11750.00        |
| Current Maturity of Term Loans * | 2497.47         | 2497.47         |
|                                  | <b>14520.08</b> | <b>16462.31</b> |
| <b>Unsecured</b>                 |                 |                 |
| Other Loans and advances         |                 |                 |
| From Banks                       | 4212.01         | -               |
| <b>Total</b>                     | <b>18732.09</b> | <b>16462.31</b> |

**19.1** Working Capital Rupee Loans of ₹10200 Lakhs (Previous Year ₹11750 Lakhs) are secured by first pari-passu charge on all current assets of the Holding Company, present and future, second pari-passu charge on all movable fixed assets of the Holding Company, present and future and second pari-passu charge on immovable fixed assets of the Holding Company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh).

Working Capital Foreign Currency Loans of ₹1822.61 Lakhs availed by Subsidiaries companies, Out of which ₹827.39 Lakhs availed by Greenlam Asia Pacific Pte Ltd, ₹995.22 Lakhs availed by Greenlam Europe UK Ltd.

Working Capital Loans of ₹827.39 Lakhs of Greenlam Asia Pacific Pte Ltd., are secured against first exclusive charge on all assets and accounts of the company excluding the property at 11, Sungei Kadut Crescent and Corporate Guarantee of the Holding Company ( USD 30 Lakhs).

Working Capital Loans of ₹995.22 Lakhs of Greenlam Europe UK Ltd., are secured against Corporate Guarantee given by Holding Company ( GBP 10 Lakhs).

\*refer note 15.1

**19.2** The Group has not defaulted in repayment of loans and interest during the period.

### 20. TRADE PAYABLES ₹ in Lakhs

|   | 31 March, 2022  | 31 March, 2021  |
|---|-----------------|-----------------|
| Dues to Micro and Small Enterprises                       |                 |                 |
| (to the extent identified with the available information) | 1231.32         | 900.03          |
| Dues to Other than Micro and Small Enterprises            | 24349.51        | 21376.00        |
| <b>Total</b>  | <b>25580.83</b> | <b>22276.03</b> |

| Ageing Schedule                                 | Not Due         | Less than 1 year | 1-2 years    | 2-3 years    | More than 3 years | Total           |
|---|-----------------|------------------|--------------|--------------|-------------------|-----------------|
| <b>31 March,2022</b>                            |                 |                  |              |              |                   |                 |
| Dues to micro and small enterprises             | 1201.06         | 30.26            | -            | -            | -                 | 1231.32         |
| Dues to other than micro and small enterprises  | 17608.64        | 6634.58          | 42.13        | 56.91        | 7.25              | 24349.51        |
| Disputed micro and small enterprises            | -               | -                | -            | -            | -                 | -               |
| Disputed other than micro and small enterprises | -               | -                | -            | -            | -                 | -               |
| <b>Total</b>                                    | <b>18809.70</b> | <b>6664.84</b>   | <b>42.13</b> | <b>56.91</b> | <b>7.25</b>       | <b>25580.83</b> |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 20. TRADE PAYABLES (Contd.)

| Ageing Schedule                                 | Not Due         | Less than 1 year | 1-2 years    | 2-3 years   | More than 3 years | Total           |
|---|-----------------|------------------|--------------|-------------|-------------------|-----------------|
| <b>31 March,2021</b>                            |                 |                  |              |             |                   |                 |
| Dues to micro and small enterprises             | 835.83          | 64.20            | -            | -           | -                 | 900.03          |
| Dues to other than micro and small enterprises  | 16070.95        | 5227.71          | 62.22        | 8.68        | 6.44              | 21376.00        |
| Disputed micro and small enterprises            | -               | -                | -            | -           | -                 | -               |
| Disputed other than micro and small enterprises | -               | -                | -            | -           | -                 | -               |
| <b>Total</b>                                    | <b>16906.78</b> | <b>5291.91</b>   | <b>62.22</b> | <b>8.68</b> | <b>6.44</b>       | <b>22276.03</b> |

### 21. OTHER FINANCIAL LIABILITIES- (CURRENT) ₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| <b>21a Lease Liabilities</b>                    | 1412.17        | 1277.47        |
|   | <b>1412.17</b> | <b>1277.47</b> |
| <b>21b Unpaid Dividend</b>                      | 4.19           | 3.33           |
| Interest Accrued but not due on borrowings      | 67.99          | 0.63           |
| GST Payable                                     | 202.08         | 73.81          |
| Others  | -              | 0.04           |
| Unspent Corporate Social Responsibility Payable | -              | 45.76          |
| Employee Payable                                | 1498.16        | 1434.90        |
|   | <b>1772.42</b> | <b>1558.47</b> |
| <b>Total</b>                                    | <b>3184.58</b> | <b>2835.94</b> |

**21.1** Amount due and outstanding to be credited to the Investor Education and Protection Fund ₹ Nil (Previous period ₹ Nil)

### 22. OTHER CURRENT LIABILITIES ₹ in Lakhs

|                                     | 31 March, 2022 | 31 March, 2021 |
|-------------------------------------|----------------|----------------|
| Advance from Customers              | 1278.51        | 780.56         |
| Statutory Dues                      | 1019.54        | 1630.03        |
| Provision for Cash Discount         | 61.18          | 73.74          |
| Amount due to Capital Goods Vendors | 194.42         | 156.29         |
| <b>Total</b>                        | <b>2553.65</b> | <b>2640.62</b> |

### 23. PROVISIONS-(CURRENT) ₹ in Lakhs

|  | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| Provisions for Employee Benefits                                   |                |                |
| Net defined benefit liability- Gratuity (Refer Note No 30.1.(iii)) | 142.23         | 77.44          |
| Liability for compensated absences (Refer Note No. 30.1.(iv))      | 158.24         | 83.00          |
| <b>Total</b>   | <b>300.47</b>  | <b>160.44</b>  |

### 24. CURRENT TAX LIABILITIES (NET) ₹ in Lakhs

|                        | 31 March, 2022 | 31 March, 2021 |
|------------------------|----------------|----------------|
| Provision for Taxation | 200.86         | 21.95          |
| <b>Total</b>           | <b>200.86</b>  | <b>21.95</b>   |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 25. REVENUE FROM OPERATIONS

₹ in Lakhs

|                                | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--------------------------------|------------------------------|------------------------------|
| Sale of Products               | 164816.60                    | 116917.76                    |
| <b>Other Operating Revenue</b> |                              |                              |
| Export Incentive               | 3749.60                      | 2520.98                      |
| Miscellaneous Income           | 1774.21                      | 520.32                       |
| <b>Total</b>                   | <b>5523.81</b>               | <b>3041.30</b>               |
|                                | <b>170340.41</b>             | <b>119959.05</b>             |

### 25.1 PARTICULARS OF SALE OF PRODUCTS

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| Decorative Laminates<br>[including exports ₹77220.61 Lakhs (Previous year ₹57715.28 Lakhs)]         | 147953.18                    | 102160.50                    |
| Decorative Veneers<br>[including exports ₹142.52 Lakhs (Previous year ₹138.94 Lakhs)]               | 8320.03                      | 7777.52                      |
| Engineered Wood Flooring<br>[including exports ₹746.04 Lakhs (Previous year ₹1138.26 Lakhs)]        | 3479.73                      | 3002.84                      |
| Melamine Faced Chipboards   | 1322.79                      | 877.00                       |
| Engineered Door Sets & Door Leaf<br>[including exports ₹822.30 Lakhs (Previous year ₹828.70 Lakhs)] | 2402.58                      | 2346.54                      |
| Others<br>[including exports Nil (Previous year ₹27.88 Lakhs)]                                      | 1338.30                      | 753.35                       |
| <b>Total</b>  | <b>164816.60</b>             | <b>116917.76</b>             |

### 26. OTHER INCOME

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| Interest Income                                     | 186.25                       | 132.93                       |
| Liabilities no longer required written back         | 114.58                       | 84.86                        |
| Other Income  | 271.10                       | 483.54                       |
| Profit on redemption of Current investments (Net)** | 157.53                       | 27.01                        |
| Dividend Received - Mutual Fund                     | -                            | 27.58                        |
| <b>Total</b>  | <b>729.46</b>                | <b>755.92</b>                |

\*\*includes unrealized gain of ₹32.14 Lakhs

### 27. COST OF MATERIALS CONSUMED

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| Inventory of raw material at the beginning of the year | 18437.59                     | 18321.96                     |
| Add: Purchase  | 100667.55                    | 59093.91                     |
| Less: Inventory of raw material at the end of year     | 27000.87                     | 18437.59                     |
| <b>Total</b>   | <b>92104.27</b>              | <b>58978.28</b>              |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 28. PURCHASE OF STOCK IN TRADE

₹ in Lakhs

|                          | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--------------------------|------------------------------|------------------------------|
| Purchase of Traded Goods | 5541.27                      | 1668.88                      |

### 29. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| <b>OPENING STOCK</b>                    |                              |                              |
| Finished Goods                          | 12116.23                     | 10926.00                     |
| Stock in Trade                          | 108.43                       | 100.27                       |
| Stock-in-Process                        | 5507.33                      | 6362.21                      |
|   | <b>17731.99</b>              | <b>17388.48</b>              |
| <b>CLOSING STOCK</b>                    |                              |                              |
| Finished Goods                          | 16625.61                     | 12116.23                     |
| Stock in Trade                          | 96.83                        | 108.43                       |
| Stock-in-Process                        | 4422.87                      | 5507.33                      |
|   | <b>21145.31</b>              | <b>17731.99</b>              |
| Effect of foreign exchange fluctuations | (197.71)                     | 143.92                       |
| <b>Total</b>                            | <b>(3215.61)</b>             | <b>(487.43)</b>              |

### 30. EMPLOYEES BENEFITS EXPENSE

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| Salary, Wages and Bonus                                     | 24134.73                     | 19479.75                     |
| Contribution to Provident Fund & Employee's State Insurance | 1249.62                      | 871.67                       |
| Employees' Welfare Expenses                                 | 558.89                       | 433.66                       |
| <b>Total</b>  | <b>25943.24</b>              | <b>20785.08</b>              |

### 30.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS

- Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- Defined Benefit Plan:** Retirement benefits in the form of Gratuity and Leave Encashment are 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. As the Company has funded its liability through Employee Gratuity Trust, it has disclose regarding plan assets and its reconciliation.



## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 30. EMPLOYEES BENEFITS EXPENSE (Contd.)

#### iii) Actuarial Valuation of Gratuity Liability

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| <b>a) Defined Benefit Cost</b>                                     |                              |                              |
| Current Service Cost   | 212.42                       | 195.20                       |
| Interest Expense on Defined Benefit Obligation (DBO)               | 119.66                       | 113.50                       |
| Defined Benefit Cost included in Profit and Loss                   | <b>332.08</b>                | <b>308.70</b>                |
| Remeasurements - Due to Financial Assumptions                      | (84.20)                      | 2.03                         |
| Remeasurements - Due to Experience Adjustments                     | 47.36                        | (114.62)                     |
| <b>Defined Benefit Cost included in Other Comprehensive Income</b> | <b>(36.84)</b>               | <b>(112.59)</b>              |
| <b>Total Defined Benefit Cost in Profit and Loss and OCI</b>       | <b>295.24</b>                | <b>196.11</b>                |
| <b>b) Movement in Defined benefit liability:</b>                   |                              |                              |
| Opening Defined Benefit Obligation                                 | 419.70                       | 1669.07                      |
| Interest Expense on Defined Benefit Obligation (DBO)               | 28.50                        | 113.50                       |
| <b>Current Service Cost</b>  | <b>212.42</b>                | <b>195.20</b>                |
| Total Remeasurements included in OCI                               | (31.37)                      | (125.21)                     |
| Less: Contribution paid to Gratuity Fund                           | (250.00)                     | (1330.00)                    |
| <b>Less: Benefits paid</b>   | <b>(1.91)</b>                | <b>(102.85)</b>              |
| Closing benefit obligation   | <b>377.34</b>                | <b>419.70</b>                |
| Current Liabilities of Closing benefit obligation                  | 142.23                       | 77.44                        |
| Non-Current Liabilities of Closing benefit obligation              | 235.11                       | 342.26                       |
|  | <b>377.34</b>                | <b>419.70</b>                |
| <b>c) Change in Plan Assets:</b>                                   |                              |                              |
| Fair Value of Plan Assets at the beginning of the period           | 1342.62                      | -                            |
| Actual return on plan assets                                       | 85.70                        | 12.65                        |
| Fund Charges   | (0.03)                       | (0.03)                       |
| Employer contribution  | 250.00                       | 1330.00                      |
| Benefit paid   | (76.65)                      | -                            |
| Fair Value of Plan Assets at the end of the period                 | <b>1601.64</b>               | <b>1342.62</b>               |
| <b>d) Sensitivity Analysis:</b>                                    |                              |                              |
| <b>Under Base Scenario</b>   |                              |                              |
| Salary Escalation - Increase by 0.50%                              | 109.95                       | 107.56                       |
| Salary Escalation - Decrease by 0.50%                              | (105.79)                     | (99.64)                      |
| Discount Rates - Increase by 0.50%                                 | (103.76)                     | (98.04)                      |
| Discount Rates - Decrease by 0.50%                                 | 108.67                       | 106.73                       |
| <b>e) Actuarial assumptions:</b>                                   |                              |                              |
| Mortality Table  | IALM 2012-2014               | IALM 2012-2014               |
| Discount Rate (per annum)  | 7.18%                        | 6.79%                        |
| Expected rate of return on plan assets (per annum)                 | 0.00%                        | -                            |
| Rate of escalation in salary (per annum)                           | 5.50%                        | 5.50%                        |
| Withdrawal rates:  |                              |                              |
| Up to 30 Years   | 3.00%                        | 3.00%                        |
| From 31 to 44 years  | 2.00%                        | 2.00%                        |
| Above 44 years   | 1.00%                        | 1.00%                        |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 30.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS

#### iv) Actuarial Valuation of Leave Encashment Liability :

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| <b>Defined Benefit Cost</b>  |                              |                              |
| Current Service Cost   | 125.96                       | 111.49                       |
| Interest Expense on Defined Benefit Obligation (DBO)               | 48.00                        | 43.82                        |
| Defined Benefit Cost included in Profit and Loss                   | <b>173.96</b>                | <b>155.31</b>                |
| Remeasurements - Due to Financial Assumptions                      | (30.61)                      | 0.86                         |
| Remeasurements - Due to Experience Adjustments                     | 104.91                       | 95.97                        |
| <b>Defined Benefit Cost included in Other Comprehensive Income</b> | <b>74.30</b>                 | <b>96.83</b>                 |
| <b>Total Defined Benefit Cost in Profit and Loss and OCI</b>       | <b>248.26</b>                | <b>252.14</b>                |
| <b>Movement in Defined benefit liability:</b>                      |                              |                              |
| Opening Defined Benefit Obligation                                 | 706.94                       | 644.36                       |
| Interest Expense on Defined Benefit Obligation (DBO)               | 48.00                        | 43.82                        |
| <b>Current Service Cost</b>  | <b>125.96</b>                | <b>111.49</b>                |
| Total Remeasurements included in OCI                               | 74.30                        | 96.82                        |
| <b>Less: Benefits paid</b>   | <b>(227.76)</b>              | <b>(189.55)</b>              |
| Closing benefit obligation   | <b>727.44</b>                | <b>706.94</b>                |
| Current Liabilities of Closing benefit obligation                  | 158.24                       | 83.00                        |
| Non-Current Liabilities of Closing benefit obligation              | 569.20                       | 623.94                       |
|  | <b>727.44</b>                | <b>706.94</b>                |
| Sensitivity Analysis:  |                              |                              |
| <b>Under Base Scenario</b>   |                              |                              |
| Salary Escalation - Increase by 0.50%                              | 42.86                        | 42.72                        |
| Salary Escalation - Decrease by 0.50%                              | (39.42)                      | (39.29)                      |
| Discount Rates - Increase by 0.50%                                 | (38.79)                      | (38.66)                      |
| Discount Rates - Decrease by 0.50%                                 | 42.53                        | 42.39                        |
| <b>Actuarial assumptions:</b>                                      |                              |                              |
| Mortality Table  | IALM 2012-2014               | IALM 2012-2014               |
| Discount Rate (per annum)  | 7.18%                        | 6.79%                        |
| Expected rate of return on plan assets (per annum)                 | -                            | -                            |
| a) Rate of escalation in salary (per annum)                        | 5.50%                        | 5.50%                        |
| Withdrawal rates:  |                              |                              |
| Up to 30 Years   | 3.00%                        | 3.00%                        |
| From 31 to 44 years  | 2.00%                        | 2.00%                        |
| Above 44 years   | 1.00%                        | 1.00%                        |
| Leave Availment Rate   | 4.00%                        | 4.00%                        |

**30.1.** Amount incurred as expense for defined contribution to Provident Fund is ₹715.91 Lakhs (Previous Year ₹587.62 Lakhs). The foregoing information related to Parent Company.

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 31. FINANCE COSTS

₹ in Lakhs

|                                 | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---------------------------------|------------------------------|------------------------------|
| Interest Expense                | 1007.24                      | 1237.16                      |
| Interest Expense (Right to Use) | 397.17                       | 449.43                       |
| Other Borrowing Cost            | 3.59                         | 5.77                         |
| <b>Total</b>                    | <b>1408.00</b>               | <b>1692.36</b>               |

### 32. DEPRECIATION & AMORTISATION EXPENSE

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| Depreciation of Property, Plant & Equipment | 4398.36                      | 4161.65                      |
| Depreciation (Right to Use)                 | 1201.75                      | 1179.32                      |
| Amortisation of Intangible Assets           | 249.47                       | 215.29                       |
| <b>Total</b>                                | <b>5849.57</b>               | <b>5556.26</b>               |

### 33. OTHER EXPENSES

₹ in Lakhs

|   | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|---|------------------------------|------------------------------|
| Consumption of stores and spares                  | 1250.45                      | 978.94                       |
| Power & Fuel                                      | 5392.81                      | 3326.58                      |
| Rent  | 154.26                       | 144.70                       |
| Repairs to buildings                              | 169.46                       | 85.18                        |
| Repairs to machinery                              | 769.09                       | 505.94                       |
| Insurance   | 369.79                       | 307.27                       |
| Rates and taxes                                   | 406.31                       | 80.85                        |
| Travelling expenses                               | 1644.44                      | 618.98                       |
| Freight & delivery expenses                       | 3224.98                      | 2530.60                      |
| Export Expenses                                   | 5991.53                      | 4283.06                      |
| Advertisement & Sales promotion                   | 5625.38                      | 3811.63                      |
| Auditors' Remuneration (Refer note 33.1)          | 98.45                        | 83.46                        |
| Expenditure on CSR Activities ( Refer note 33.2)  | 201.02                       | 196.55                       |
| Bad Debts   | 28.63                        | 6.86                         |
| Loss on Sale / Discard of Assets                  | 86.56                        | 35.13                        |
| Directors' Sitting Fees                           | 38.90                        | 23.20                        |
| Independent Directors' Commission                 | 83.44                        | 72.00                        |
| Loss due to Fluctuation in Foreign Exchange Rates | -                            | 145.66                       |
| Other General Expenses                            | 5730.98                      | 4448.45                      |
| <b>Total</b>                                      | <b>31266.47</b>              | <b>21685.04</b>              |

### 33.1 AUDITORS' REMUNERATION

₹ in Lakhs

|                                      | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--------------------------------------|------------------------------|------------------------------|
| As Auditors                          | 91.86                        | 82.22                        |
| For Certification and other services | 6.59                         | 1.24                         |
| <b>Total</b>                         | <b>98.45</b>                 | <b>83.46</b>                 |

Note : Fees are exclusive of Goods &amp; Services Tax

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 33.2 CONTRIBUTION FOR CSR ACTIVITIES

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| (a) Gross Amount required to be spent by the Company during the year | 191.48                       | 196.55                       |
| (b) Amount spent during the year in Cash on :                        |                              |                              |
| (i) Construction/acquisition of any asset                            | -                            | -                            |
| (ii) On purposes other than (i) above                                |                              |                              |
| - Contribution towards Woman and Child Health Care                   | 50.86                        | 53.51                        |
| - Contribution towards Education of Orphan Girl Child                | 22.82                        | 28.50                        |
| - Contribution towards Promotion of Education, Health and Livelihood | 60.44                        | 59.53                        |
| - Others   | 66.90                        | 9.25                         |
| (c) Unspent amount deposited into bank                               | -                            | 45.76                        |
|  | <b>201.02</b>                | <b>196.55</b>                |

### 34. TAXATION

₹ in Lakhs

|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
|--|------------------------------|------------------------------|
| <b>Tax Expense recognised in the Statement of Profit and Loss:</b>                   |                              |                              |
| Current Tax Expense  | 3183.30                      | 2698.65                      |
| Mat Credit Entitlement   | -                            | -                            |
| <b>Income Tax Expense</b>  | <b>3183.30</b>               | <b>2698.65</b>               |
| Earlier Years Tax Expense  | 68.72                        | (308.16)                     |
| <b>Income Tax Expense including Earlier year tax</b>                                 | <b>3252.02</b>               | <b>2390.49</b>               |
| Release of Deferred Tax  | (396.55)                     | (162.60)                     |
| <b>Total Tax Expense in Statement of Profit and Loss</b>                             | <b>2855.47</b>               | <b>2227.89</b>               |
| <b>Reconciliation of Tax Expense recognised in the Statement of Profit and Loss:</b> |                              |                              |
| Profit before Tax as per Statement of Profit and Loss                                | 11913.70                     | 9596.34                      |
| Re-measurement gain/(loss) on defined benefit plans in OCI                           | 31.37                        | 125.21                       |
| Changes in Profit before tax due to Ind AS Transition                                | -                            | -                            |
| <b>Accounting Profit before Tax</b>  | <b>11945.07</b>              | <b>9721.55</b>               |
| Applicable Income Tax rate   | 25.168%                      | 25.168%                      |
| <b>Current Tax Expense</b>   | <b>3006.33</b>               | <b>2446.72</b>               |
| Additional deductions under chapter VIA  | (276.03)                     | (8.18)                       |
| Charity, Donation and CSR Expenses   | 50.59                        | 49.47                        |
| Property, plant and equipment and intangible assets                                  | 391.91                       | 373.02                       |
| Others   | (420.33)                     | (98.28)                      |
| Effect of Differential Tax rate under various jurisdiction                           | 242.63                       | (64.10)                      |
| Earlier Years Tax Expense  | 68.72                        | (308.16)                     |
| Tax on Dividend Paid at Special Rate   | 188.20                       | -                            |
| <b>Reconciliation of Deferred Tax Liability:</b>                                     |                              |                              |
| Temporary difference on account of:  |                              |                              |
| Property, plant and equipment and intangible assets                                  | (216.52)                     | (543.31)                     |
| Other temporary differences  | (172.14)                     | 412.22                       |
| <b>Deferred tax in Statement of Profit and Loss</b>                                  | <b>(388.66)</b>              | <b>(131.09)</b>              |
| Temporary difference of liabilities in other comprehensive income                    | (7.90)                       | (31.51)                      |
| <b>Deferred tax in Total Comprehensive Income</b>                                    | <b>(396.55)</b>              | <b>(162.60)</b>              |
| <b>Income Tax charged to Statement of Profit and Loss</b>                            | <b>2855.47</b>               | <b>2227.89</b>               |

Notes to the Consolidated Financial Statement for the year ended 31 March 2022

| 35. EARNINGS PER SHARE <span>₹ in Lakhs</span>                       |                              |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>31 March, 2022 | Year ended<br>31 March, 2021 |
| Calculation of weighted average number of equity shares of ₹1 each*  |                              |                              |
| No of Shares at the beginning of the year                            | 120681870                    | 120681870                    |
| Total number of equity shares outstanding at the end of the year     | 120681870                    | 120681870                    |
| Weighted average number of equity shares outstanding during the year | 120681870                    | 120681870                    |
| Net Profit (after tax, available for equity shareholders) ₹ in Lakhs | 9073.27                      | 7375.96                      |
| <b>BASIC EARNINGS PER SHARE (₹)</b>                                  | <b>7.52</b>                  | <b>6.11</b>                  |

\* refer note 13.3

36. Segment Reporting

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The following table present the revenue, profit, assets and liabilities information relating to the business / geographical segment for the year ended 31 March, 2022

| Information about Business Segments - Primary <span>₹ in Lakhs</span> |                            |                  |                          |                 |              |            |                  |                  |
|---|----------------------------|------------------|--------------------------|-----------------|--------------|------------|------------------|------------------|
| REPORTABLE SEGMENT  | LAMINATE & ALLIED PRODUCTS |                  | VENEER & ALLIED PRODUCTS |                 | UN ALLOCATED |            | TOTAL            |                  |
|   | YEAR ENDED                 | YEAR ENDED       | YEAR ENDED               | YEAR ENDED      | YEAR ENDED   | YEAR ENDED | YEAR ENDED       | YEAR ENDED       |
|   | 31.03.2022                 | 31.03.2021       | 31.3.2022                | 31.03.2021      | 31.3.2022    | 31.03.2021 | 31.3.2022        | 31.03.2021       |
| <b>REVENUE</b>  |                            |                  |                          |                 |              |            |                  |                  |
| External Sales  | 150285.81                  | 103859.19        | 14530.79                 | 13058.57        | -            | -          | 164816.60        | 116917.76        |
| Inter-segment Sales   | -                          | -                | -                        | -               | -            | -          | -                | -                |
| <b>Gross Sales</b>  | <b>150285.80</b>           | <b>103859.19</b> | <b>14530.79</b>          | <b>13058.57</b> | -            | -          | <b>164816.60</b> | <b>116917.76</b> |
| Other Operating Income  | 5341.21                    | 2668.95          | 182.60                   | 372.34          | -            | -          | 5523.81          | 3041.29          |
| <b>Revenue from Operation</b>   | <b>155627.00</b>           | <b>106528.14</b> | <b>14713.39</b>          | <b>13430.91</b> | -            | -          | <b>170340.41</b> | <b>119959.05</b> |
| <b>RESULT</b>   |                            |                  |                          |                 |              |            |                  |                  |
| Segment Result  | 23771.86                   | 19457.17         | (1112.49)                | (784.63)        | -            | -          | 22659.37         | 18672.54         |
| Unallocated Corporate Expenses  |                            |                  |                          |                 | 9264.96      | 6276.60    | 9264.96          | 6276.60          |
| <b>Operating Profit</b>   |                            |                  |                          |                 |              |            | <b>13394.41</b>  | <b>12395.94</b>  |
| Less : Interest Expense   |                            |                  |                          |                 | 1408.00      | 1692.36    | 1408.00          | 1692.36          |
| Add : Interest Income   |                            |                  |                          |                 | 186.25       | 132.93     | 186.25           | 132.93           |
| <b>Profit before Exceptional Item and Tax</b>                         |                            |                  |                          |                 |              |            | <b>12172.66</b>  | <b>10836.51</b>  |
| <b>Exceptional Item</b>   |                            |                  |                          |                 |              |            | <b>258.96</b>    | <b>1240.17</b>   |
| Current Tax   |                            |                  |                          |                 |              |            | 3252.02          | 2390.49          |
| Deferred Tax  |                            |                  |                          |                 |              |            | (396.55)         | (162.60)         |
| <b>Profit after Tax</b>   |                            |                  |                          |                 |              |            | <b>9058.23</b>   | <b>7368.45</b>   |
| Other Comprehensive Income  |                            |                  |                          |                 |              |            | 221.45           | (95.71)          |
| <b>Total Comprehensive Income for the year, net of Tax</b>            |                            |                  |                          |                 |              |            | <b>9279.68</b>   | <b>7272.74</b>   |
| <b>OTHER INFORMATION</b>  |                            |                  |                          |                 |              |            |                  |                  |
| Segment Assets  | 81046.34                   | 74576.77         | 21779.05                 | 24000.50        | 35596.67     | 19227.49   | 138422.06        | 117804.75        |
| Segment Liability   | 30391.82                   | 25711.17         | 2352.85                  | 2803.34         | 3956.23      | 5149.06    | 36700.90         | 33663.56         |
| Loan Fund   |                            |                  |                          |                 | 34526.38     | 24840.91   | 34526.38         | 24840.91         |
| Deferred Tax Liabilities (Net)  |                            |                  |                          |                 | 1689.53      | 1906.40    | 1689.53          | 1906.40          |
| Minority Interest   |                            |                  |                          |                 | 69.92        | 46.44      | 69.92            | 46.44            |
| Shareholders' Funds   |                            |                  |                          |                 | 65435.33     | 57347.43   | 65435.33         | 57347.43         |
| <b>Total Liabilities</b>  |                            |                  |                          |                 |              |            | <b>138422.06</b> | <b>117804.75</b> |

Notes to the Consolidated Financial Statement for the year ended 31 March 2022

| 36. Segment Reporting (Contd.) <span>₹ in Lakhs</span>    |                  |                  |                                   |                  |                           |                |
|---|------------------|------------------|-----------------------------------|------------------|---------------------------|----------------|
| Secondary Segment - Geographical by location of customers |                  |                  |                                   |                  |                           |                |
| REPORTABLE SEGMENT  | Revenue          |                  | Carrying Amount of Segment Assets |                  | Additions to Fixed Assets |                |
|   | YEAR ENDED       | YEAR ENDED       | YEAR ENDED                        | YEAR ENDED       | YEAR ENDED                | YEAR ENDED     |
|   | 31.03.2022       | 31.03.2021       | 31.3.2022                         | 31.03.2021       | 31.3.2022                 | 31.03.2021     |
| Within India  | 85885.13         | 57803.45         | 130921.78                         | 111711.03        | 7639.64                   | 4926.69        |
| Outside India   | 78931.47         | 59114.31         | 7500.29                           | 6093.72          | 1071.80                   | 64.69          |
|   | <b>164816.60</b> | <b>116917.76</b> | <b>138422.06</b>                  | <b>117804.75</b> | <b>8711.45</b>            | <b>4991.38</b> |

NOTES:

a) Business Segments :

A description of the types of products and services provided by each reportable segment is as follows:

**Laminate & Allied Products:** The Segment is engaged in the business of manufacturing of Laminates, compact laminates and other allied products through its wholesale and retail network.

**Veneer & Allied Products:** The Segment is engaged in the business of manufacturing of Decorative veneers, Engineered Wood Flooring, Engineered Door Sets & Door Leaf and other allied products through its wholesale and retail network.

b) Segment Assets and Liabilities :

All Segment Assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, advances and operating cash and bank balances. Segment assets and liabilities do not include share capital, reserves and surplus, borrowings, proposed dividend and income tax (both current and deferred).

c) Segment Revenue and Expenses :

Segment revenue and expenses are directly attributable to the segment. It does not include dividend income, profit on sale of investments, interest income, interest expense, other expenses which cannot be allocated on a reasonable basis and provision for income tax (both current and deferred).

37. RELATED PARTY DISCLOSURES

37.1 List of related parties and relationship:

a) Related parties with whom transactions have taken place during the year.-

Key Managerial Personnel

- i) Mr. Shiv Prakash Mittal, Non Executive Chairman
- ii) Mr. Saurabh Mittal, Managing Director & CEO
- iii) Mrs. Parul Mittal, Whole-Time Director
- iv) Mr. Vijay Kumar Chopra, Independent Director
- v) Ms. Matangi Gowrishankar, Independent Director (Appointed on 28th August, 2020)
- vi) Ms. Sonali Bhagwati Dalal, Independent Director (Cessation 28th August, 2020)
- vii) Mr. Sandip Das, Independent Director
- viii) Mr. Yogesh Kapur ( Appointed as Independent Director on 12th August,2021)
- ix) Mr. Ashok Kumar Sharma, Chief Financial Officer
- x) Mr. Prakash Kumar Biswal, Company Secretary

Enterprises Owned/Influenced by Key Managerial Personnel or their relatives

- i) HG Industries Ltd ( Formerly known as Himalaya Granites Ltd.) ( till 2nd December,2021)
- ii) Greenply Industries Ltd.
- iii) Greenpanel Industries Ltd.
- iv) Seema Realcon Pvt Ltd ( Brother of Mrs Parul Mittal is a Director in Seema Realcon Pvt Ltd.
- v) Greenlam Employees Gratuity Trust
- vi) SM Safeinvest Private Limited



## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 37.2 TRANSACTIONS DURING THE YEAR: ₹ in Lakhs

| Particulars   | Key Managerial Personnel |               | Enterprises Owned/<br>Influenced by Key<br>Managerial Personnel or<br>their relatives |                |
|---|--------------------------|---------------|---|----------------|
|   | 2021-22                  | 2020-21       | 2021-22   | 2020-21        |
| <b>Sale of Products</b>   |                          |               |   |                |
| Greenply Industries Ltd.  | -                        | -             | 50.10   | 79.42          |
| Greenpanel Industries Ltd   | -                        | -             | 19.21   | 199.66         |
| Seema Realcon Pvt Ltd   | -                        | -             | 7907.82   | 5360.90        |
| <b>Total</b>  | -                        | -             | <b>7977.13</b>  | <b>5639.98</b> |
| <b>Purchase of Products</b>                                       |                          |               |   |                |
| Greenpanel Industries Ltd   | -                        | -             | 1067.18   | 446.87         |
| Seema Realcon Pvt Ltd   | -                        | -             | 3.17  | 2.59           |
| <b>Total</b>  | -                        | -             | <b>1,070.35</b>   | <b>449.46</b>  |
| <b>Commission (ORC Charges) and<br/>Reimbursement of Expenses</b> |                          |               |   |                |
| Seema Realcon Pvt Ltd   | -                        | -             | 42.26   | 18.85          |
| Greenlam Employee's Gratuity Trust                                |                          |               | 0.28  | 0.32           |
|   | -                        | -             | <b>42.54</b>  | <b>19.17</b>   |
| <b>Contribution to Trust</b>                                      |                          |               |   |                |
| Greenlam Employee's Gratuity Trust                                | -                        | -             | 250.00  | 1330.00        |
|   | -                        | -             | <b>250.00</b>   | <b>1330.00</b> |
| <b>Rent Paid</b>  |                          |               |   |                |
| HG Industries Ltd. (till 2 Dec,2021)                              | -                        | -             | 35.70   | 59.16          |
| Greenpanel Industries Ltd   | -                        | -             | 0.25  | 0.60           |
| <b>Total</b>  | -                        | -             | <b>35.95</b>  | <b>59.76</b>   |
| <b>Acquisition of Shares*</b>                                     |                          |               |   |                |
| Mr Saurabh Mittal   | 1359.22                  | -             | -   | -              |
| Mrs. Parul Mittal   | 22.54                    | -             | -   | -              |
| Mr Shiv Prakash Mittal  | 10.03                    | -             | -   | -              |
| SM Safeinvestment Private Limited                                 | -                        | -             | -   | 0.08           |
|   | <b>1391.79</b>           | -             | -   | <b>0.08</b>    |
| * HG Industries Ltd   |                          |               |   |                |
| <b>Remuneration Paid/Payable</b>                                  |                          |               |   |                |
| Mr. Saurabh Mittal  | 598.48                   | 409.86        | -   | -              |
| Mrs. Parul Mittal   | 359.90                   | 280.30        | -   | -              |
| Mr Shiv Prakash Mittal  | 24.50                    | 22.40         | -   | -              |
| Mr. Vijay Kumar Chopra#   | 26.20                    | 24.00         | -   | -              |
| Ms. Sonali Bhagwati Dalal#  | -                        | 10.15         | -   | -              |
| Mr. Sandip Das#   | 28.10                    | 24.40         | -   | -              |
| Ms. Matangi Gowrishankar#   | 27.20                    | 14.25         | -   | -              |
| Mr. Yogesh Kapur#   | 16.34                    | -             | -   | -              |
| Mr. Ashok Kumar Sharma  | 128.64                   | 115.17        | -   | -              |
| Mr. Prakash Kumar Biswal  | 52.98                    | 45.37         | -   | -              |
|   | <b>1262.34</b>           | <b>945.90</b> | -   | -              |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 37.2 TRANSACTIONS DURING THE YEAR: ₹ in Lakhs

| Particulars  | Key Managerial Personnel |               | Enterprises Owned/<br>Influenced by Key<br>Managerial Personnel or<br>their relatives |               |
|--|--------------------------|---------------|---|---------------|
|  | 2021-22                  | 2020-21       | 2021-22   | 2020-21       |
| <b>Amount outstanding as at Balance Sheet date</b> |                          |               |   |               |
| <b>Trade Receivable</b>                            |                          |               |   |               |
| Greenply Industries Ltd.                           | -                        | -             | 3.91  | -             |
| Greenpanel Industries Ltd                          | -                        | -             | 1.29  | 25.45         |
| Seema Realcon Pvt Ltd                              | -                        | -             | 59.79   | -             |
| <b>Total</b>                                       | -                        | -             | <b>64.99</b>  | <b>25.45</b>  |
| <b>Trade Payable</b>                               |                          |               |   |               |
| Seema Realcon Pvt Ltd                              | -                        | -             | -   | 1.53          |
| Greenpanel Industries Ltd                          | -                        | -             | 7.46  | 130.55        |
| <b>Total</b>                                       | -                        | -             | <b>7.46</b>   | <b>132.08</b> |
| <b>Advance from Customers</b>                      |                          |               |   |               |
| Seema Realcon Pvt Ltd                              | -                        | -             | -   | 45.51         |
|  | -                        | -             | -   | <b>45.51</b>  |
| <b>Reimbursement Payable</b>                       |                          |               |   |               |
| Greenlam Employee's Gratuity Trust                 | -                        | -             | 0.28  | 0.32          |
|  | -                        | -             | <b>0.28</b>   | <b>0.32</b>   |
| <b>Remuneration Payable</b>                        |                          |               |   |               |
| Mr. Saurabh Mittal                                 | 334.00                   | 242.88        | -   | -             |
| Mrs. Parul Mittal                                  | 225.50                   | 192.85        | -   | -             |
| Mr Shiv Prakash Mittal                             | 18.00                    | 18.00         | -   | -             |
| Mr. Vijay Kumar Chopra#                            | 18.00                    | 18.00         | -   | -             |
| Ms. Sonali Bhagwati Dalal#                         | -                        | 7.35          | -   | -             |
| Mr. Sandip Das#                                    | 18.00                    | 18.00         | -   | -             |
| Ms. Matangi Gowrishankar#                          | 18.00                    | 10.65         | -   | -             |
| Mr. Yogesh Kapur#                                  | 11.44                    | -             | -   | -             |
| Mr. Ashok Kumar Sharma                             | -                        | 4.92          | -   | -             |
| Mr. Prakash Kumar Biswal                           | -                        | 2.07          | -   | -             |
| <b>Total</b>                                       | <b>642.94</b>            | <b>514.72</b> |   | -             |

# Including sitting fees and commission

#### Terms and conditions of transactions with related parties

Purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

The guarantees given to related party is made in the ordinary course of business and on terms at arm's length price. The commission on such guarantees have been recovered at arm length price as per safe harbour rules of Income Tax Act.

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 38. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

₹ in Lakhs

|  | 31 March, 2022 | 31 March, 2021 |
|--|----------------|----------------|
| <b>Contingent liabilities</b>                                  |                |                |
| <b>(a) Claims against the company not acknowledge as debt:</b> |                |                |
| (i) Indirect Tax cases in dispute                              | 199.97         | 37.68          |
| (ii) Direct Tax cases in dispute                               | 1109.50        | 14.13          |
| (iii) Other Cases  | 23.64          | 23.64          |

#### Note:

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.

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| <b>Contingent liabilities</b>                           |                |                |
| <b>(b) Others:</b>                                      |                |                |
| a) Letters of Credit established but Goods not received | 3446.91        | 6726.27        |

#### Commitments

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| a. Estimated pending Capital contract ( Net of Advance) | 25330.24       | 989.54         |

### 39 FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of planning and executing its business strategies. The Company's financial risk management policy is planned, approved and reviewed by the Board of Directors. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### 39.1 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change of market interest rate.

#### Fixed And Variable interest on Borrowings sensitivity analysis

₹ in Lakhs

|                             | 31 March, 2022 | 31 March, 2021 |
|-----------------------------|----------------|----------------|
| Fixed Rate Instrument       |                |                |
| Financial Liability * (NCD) | 67.53          | -              |
| Variable Rate Instrument    |                |                |
| Financial Liability         | 939.71         | 1237.16        |
|                             | <b>1007.24</b> | <b>1237.16</b> |

\* Refer Note 15.3

#### Interest Rate Sensitivity

The Following table demonstrate the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

|  | Impact on profit & Loss<br>31 March, 2022 | Impact on profit & Loss<br>31 March, 2021 |
|--|---|---|
| Interest Rate Increase by 50 basis point | (123.13)                                  | (124.20)                                  |
| Interest Rate decrease by 50 basis point | 123.13                                    | 124.20                                    |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 39.2 MARKET RISK

Market Risk is the risk of loss of future earnings, fair values 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 exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables, and loans and borrowings.

The company manages market risk through the corporate finance department, which evaluates and exercises independent control over the entire process of market risk management. The corporate finance department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

### 39.3 FOREIGN CURRENCY RISK

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign currency forward contracts to hedge exposure to foreign currency risk.

#### Hedged Foreign Currency Exposures:

| Particulars                          | 31 March, 2022 | 31 March, 2021 |
|--------------------------------------|----------------|----------------|
| Purchase (Hedging of Trade Payables) | 1425.44        | 1327.99        |

#### Unhedged Foreign Currency Exposures:

| Particulars       | 31 March, 2022 | 31 March, 2021 |
|-------------------|----------------|----------------|
| Trade Payables    | 8999.98        | 7164.59        |
| Trade Receivables | 8258.61        | 5912.58        |

### 39.4 CREDIT RISK

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Trade Receivables are impaired using the Life time Expected Credit Losses (ECL) Model. The company uses a provision matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates.

Financial Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments in normal course of business. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

#### Financial assets where Life time Expected Credit Losses (ECL) is used:

₹ in Lakhs

|                             | 31 March, 2022  | 31 March, 2021  |
|-----------------------------|-----------------|-----------------|
| Trade Receivables           | 13097.22        | 13692.94        |
| Less : Expected Credit Loss | 86.33           | 103.64          |
| <b>Trade Receivables</b>    | <b>13010.89</b> | <b>13589.30</b> |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 39.5 LIQUIDITY RISK

Liquidity Risk is the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's corporate finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are reviewed by the Board of Directors. Management monitors the Company's net 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.

31 March, 2022

₹ in Lakhs

| Particulars                                      | On Demand       | Not Due         | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total           |
|--|-----------------|-----------------|------------------|----------------------------|------------------|-----------------|
| <b>Non-derivative</b>                            |                 |                 |                  |                            |                  |                 |
| Trade payables                                   | -               | 18809.70        | 6771.13          | -                          | -                | 25580.83        |
| Borrowings                                       | 16234.62        | -               | 2497.47          | 15794.29                   | -                | 34526.38        |
| <b>Other financial liabilities</b>               |                 |                 |                  |                            |                  |                 |
| Interest Accrued but not due on borrowings (NCD) | -               | 67.99           | -                | -                          | -                | 67.99           |
| Trade Deposits                                   | -               | -               | -                | -                          | -                | -               |
| Lease Liability                                  | -               | -               | 1412.17          | 3468.43                    | 377.42           | 5258.02         |
| Other Financial Liabilities                      | -               | -               | 1704.43          | 124.44                     | -                | 1828.87         |
| <b>Total</b>                                     | <b>16234.62</b> | <b>18877.69</b> | <b>12385.20</b>  | <b>19387.16</b>            | <b>377.42</b>    | <b>67262.09</b> |

31 March, 2021

₹ in Lakhs

| Particulars                                      | On Demand       | Not Due         | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total           |
|--|-----------------|-----------------|------------------|----------------------------|------------------|-----------------|
| <b>Non-derivative</b>                            |                 |                 |                  |                            |                  |                 |
| Trade payables                                   | -               | 16906.78        | 5369.25          | -                          | -                | 22276.03        |
| Borrowings                                       | 13964.84        | -               | 2497.47          | 8378.60                    | -                | 24840.91        |
| <b>Other financial liabilities</b>               |                 |                 |                  |                            |                  |                 |
| Interest Accrued but not due on borrowings (NCD) | -               | 0.63            | -                | -                          | -                | 0.63            |
| Trade Deposits                                   | -               | -               | -                | -                          | -                | -               |
| Lease Liability                                  | -               | -               | 1277.47          | 4543.33                    | 52.04            | 5872.84         |
| Other Financial Liabilities                      | -               | -               | 1557.84          | 167.01                     | -                | 1724.85         |
| <b>Total</b>                                     | <b>13964.84</b> | <b>16907.41</b> | <b>10702.03</b>  | <b>13088.94</b>            | <b>52.04</b>     | <b>54715.26</b> |

### 39.6 CAPITAL MANAGEMENT

For the purposes of The Group's Capital management, capital includes issued capital and all other equity reserves. The primary objective of The Group's Capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using Net debt/equity ratio, which is Net debt divided by total equity.

₹ in Lakhs

|   | 31 March, 2022 | 31 March, 2021 |
|---|----------------|----------------|
| Net Debt (Total Debt- Cash and Cash Equivalents - Current Investment) | 16885.94       | 12337.70       |
| Total Equity  | 65505.25       | 57393.87       |
| Debt/Equity Ratio   | <b>25.78%</b>  | <b>21.50%</b>  |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 40 Accounting classifications and fair values.

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 a forced or liquidated sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loans from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable.

Level 3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

|   | 31 March, 2022  | 31 March, 2021  |
|---|-----------------|-----------------|
| <b>Financial assets at amortised cost:</b>                          |                 |                 |
| Investments   | 1.25            | 1.25            |
| Loans - Non-current   | -               | -               |
| Trade Receivables (Non Current)                                     | 108.53          | 78.21           |
| Trade Receivables   | 12902.36        | 13511.09        |
| Cash and Cash Equivalents   | 1570.84         | 1863.49         |
| Bank Balances other than above                                      | 7.56            | 9.06            |
| Loans - Current   | 50.14           | 57.50           |
| <b>Total</b>  | <b>14639.43</b> | <b>15519.35</b> |
| <b>Financial assets at fair value through profit and loss:</b>      |                 |                 |
| Derivative - current - Level 2                                      | 73.21           | 14.49           |
| <b>Total Financial Assets</b>                                       | <b>14712.64</b> | <b>15533.84</b> |
| <b>Financial liabilities at amortised cost:</b>                     |                 |                 |
| Borrowings - Non-current  | 15794.29        | 8378.60         |
| Other Financial Liabilities - Non-current                           | 124.44          | 167.01          |
| Lease Liabilities - Non Current                                     | 3845.85         | 4595.37         |
| Lease Liabilities - Current   | 1412.17         | 1277.47         |
| Borrowings - Current  | 18732.09        | 16462.31        |
| Trade Payables  | 25580.83        | 22276.03        |
| Other Financial Liabilities - Current                               | 1772.42         | 1558.47         |
| <b>Total</b>  | <b>67262.08</b> | <b>54715.26</b> |
| <b>Financial Liabilities at fair value through profit and loss:</b> |                 |                 |
| Derivative - current - Level 2                                      | -               | -               |
| <b>Total Financial Liabilities</b>                                  | <b>67262.08</b> | <b>54715.26</b> |



## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 41. INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information /documents available with the Company, information as per the requirements of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

| ₹ in Lakhs   |                |                |
|--|----------------|----------------|
|  | 31 March, 2022 | 31 March, 2021 |
| i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).  | 1226.96        | 900.03         |
| ii) Interest due on above  | -              | -              |
| <b>Total of (i) &amp; (ii)</b>   | <b>1226.96</b> | <b>900.03</b>  |
| iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.  | -              | 0.46           |
| iv) Amount paid to the suppliers beyond due date during the year   | -              | 111.17         |
| v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.  | -              | -              |
| vi) Amount of interest accrued and remaining unpaid at the end of accounting year  | -              | -              |
| vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | -              | -              |
| viii) 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;     | -              | -              |

### 42. Right to Use Assets/Lease Liability

#### a. Right of Use

The Group has created following Right of Use Assets as under as per Para C8 (b) (i) of Ind AS-116 by applying Modified Retrospective Method as prescribed in Para C5 of the standard;

| ₹ in Lakhs                           |                |                |
|--------------------------------------|----------------|----------------|
| Particulars                          | 31 March, 2022 | 31 March, 2021 |
| Opening Balance                      | 9151.71        | 8951.49        |
| Addition during the FY 2021-22       | 747.92         | 397.01         |
| Termination during the FY 2021-22    | 662.69         | 163.86         |
| Depreciation Charged                 | 1201.75        | 1063.66        |
| Carrying amount as at March 31, 2022 | 6184.88        | 7080.23        |
| Cash Flow for leases                 | 914.06         | 817.57         |
| Lease Liabilities                    | 5258.02        | 5872.84        |

#### b. Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

| ₹ in Lakhs       |                |                |
|------------------|----------------|----------------|
| Period           | 31 March, 2022 | 31 March, 2021 |
| 0-1 year         | 1412.17        | 1277.47        |
| 1-5 year         | 3468.43        | 4543.33        |
| More than 5 year | 377.42         | 52.04          |

## Notes to the Consolidated Financial Statement for the year ended 31 March 2022

### 42. Right to Use Assets/Lease Liability (Contd.)

- The Group has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹244.89 Lakhs (Previous Year ₹144.70 Lakhs) associated with these lease.
- The Group has recognised Interest expenses of ₹421.69 on Lease Liabilities during the year.(Previous Year ₹483.39 Lakhs)
- Lease contracts entered by the Group majorly pertain for Land and office Building taken on lease to conduct its business in the ordinary course of business.
- The Group does not have any lease restrictions and commitment towards variable rent as per the contract.
- The weighted average incremental borrowing rate of 8% for Holding Company and 4% for foreign Subsidiary Companies has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- The Group has elected not to apply the requirements in Para C8 to leases for which the lease term ends within 12 months of the date of initial application as per practical expedient available under Para C10 of this standard.

### 43. Distribution made and proposed dividend

| ₹ in Lakhs  |                |                |
|---|----------------|----------------|
| Particulars   | 31 March, 2022 | 31 March, 2021 |
| <b>Cash dividend on equity shares declared and paid</b>                         |                |                |
| Final dividend for the year ended on 31 March 2021:                             |                |                |
| ₹5 per share (on face value of ₹5 each) (31 March 2020: ₹ Nil)                  | 1206.82        | -              |
| <b>Total dividend paid</b>  | <b>1206.82</b> | <b>-</b>       |
| <b>Proposed dividend on Equity shares</b>                                       |                |                |
| Final dividend for the year ended on 31 March 2022                              |                |                |
| ₹1.20 (on face value of ₹1 each*) (31 March 2021: ₹5 ,on face value of ₹5 each) | 1448.18        | 1206.82        |
| <b>Total dividend proposed</b>  | <b>1448.18</b> | <b>1206.82</b> |

\* Refer Note No 13.3

### 44. Financial Ratios

| Ratios                                    | Numerator  | Denominator   | 31 March, 2022 | 31 March, 2021 | % change | Remarks                                    |
|---|--|---|----------------|----------------|----------|--|
| Current ratio                             | Current Assets   | Current Liabilities   | 1.69           | 1.54           | 10.30%   |  |
| Net Debt- Equity Ratio                    | Net Debt   | Shareholder's Equity  | 25.78%         | 21.50%         | 19.92%   |  |
| Debt Service Coverage ratio               | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 4.61           | 4.12           | 11.94%   |  |
| Return on Equity ratio                    | Net Profits after taxes – Preference Dividend                                    | Average Shareholder's Equity- OCI- Capital Reserve              | 19.68%         | 19.18%         | 2.58%    |  |
| Inventory Turnover ratio (in days)        | Closing Inventory  | Revenue from Operations   | 108            | 115            | -6.24%   |  |
| Trade Receivable Turnover Ratio (in days) | Closing Current Debtors  | Revenue from Operations   | 28             | 41             | -32.75%  | Higher Revenues and lower trade receivable |

Notes to the Consolidated Financial Statement for the year ended 31 March 2022

44. Financial Ratios (Contd.)

| Ratios                       | Numerator                              | Denominator  | 31 March, 2022 | 31 March, 2021 | % change | Remarks                         |
|------------------------------|--|--|----------------|----------------|----------|---------------------------------|
| Trade Payable Turnover Ratio | Closing Trade Payables                 | Revenue from Operations                                | 55             | 68             | -19.13%  |                                 |
| Net Capital Turnover Ratio   | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 4.70           | 4.92           | -4.42%   |                                 |
| Net Profit ratio             | Net Profit                             | Net sales = Total sales - sales return                 | 5.32%          | 6.14%          | -13.43%  |                                 |
| Return on Capital Employed   | Earnings before interest and taxes     | Capital Employed = Tangible Net Worth + Total Debt     | 16.15%         | 17.49%         | -7.67%   |                                 |
| Return on Current Investment | Interest (Finance Income)              | Current Investment                                     | 1.18%          | 0.51%          | 129.92%  | Higher Investment in FY 2021-22 |

45. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and does not anticipate any impairment to its financial and non-financial assets . Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions

46. During the year, the Company has acquired 74.91% shares of HG Industries Ltd on 03rd December 2021. Accordingly, the HG Industries Limited has become subsidiary co. The transaction has been accounted as an asset acquisition.

Accordingly, the Holding Company has allocated the consideration paid to the individual assets and liabilities on the basis of their relative fair values at December 3, 2021 in conformity the principles / guidance enumerated in INDAS 103.

47. Other Statutory Information

- 1 All the borrowings of the Holding company are used for the specific purpose for which it was taken.
- 2 Quarterly returns or statements of Current assets filed by the Holding company with banks/financial institution are in agreement with books of accounts
- 3 The Group is not a wilful defaulter as declared by any bank or financial Institution or any other lender.
- 4 The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- 5 There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- 6 The Holding company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 7 There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 8 The Group has not traded or invested in Crypto currency or Virtual Currency during the year.

Notes to the Consolidated Financial Statement for the year ended 31 March 2022

48. Exceptional Items of ₹258.96 Lakhs is towards the settlement of entry tax demand received from Rajasthan Commercial Tax Department, as per specific details given below :

The Company received Tax assessment order from Rajasthan Commercial Tax Department towards demand of Entry tax including interest thereon for the Period from April, 2016 to June, 2017 of ₹738.74 Lakhs Since the option for settlement in AMENSTY SCHEME-2021 towards rebate of tax and settlement of outstanding demands and disputes was open, the Company opted for said scheme and settled the said demand by payment of ₹258.96 Lakhs.

49. The figures for the previous period are re-classified/ re-arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current period's classification/disclosure.

As per our report of even date attached  
**For S S Kothari Mehta & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 000756N

For and on behalf of Board of Directors of  
**Greenlam Industries Limited**  
CIN: L21016DL2013PLC386045

**(Naveen Aggarwal)**  
Membership No. 094380  
Partner  
Place of Signature : New Delhi  
Dated : 30th May 2022

|  |   |
|--|---|
| <b>Saurabh Mittal</b><br>Managing Director and CEO<br>(DIN : 00273917) | <b>Parul Mittal</b><br>Wholetime Director<br>(DIN : 00348783) |
| <b>Ashok Kumar Sharma</b><br>Chief Financial Officer                   | <b>Prakash Kumar Biswal</b><br>Company Secretary & VP - Legal |

## Notes

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## Notes

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